

**New York State Legislative Joint Budget Hearing: Economic Development
Testimony of the New York Association of Training and Employment Professionals**

February 16, 2022

This is unlike any time in modern history, however as we shared publicly back in March 2020– New York was already facing serious structural issues within our labor market that raised early red flags and threatened to significantly disrupt the economy. The New York Association of Training and Employment Professionals (NYATEP) has reported in the last three annual State of the Workforce Reports, that the top 10 fastest growing occupations, which makes up nearly 2 million jobs, are historically dominated by low wage work, with little benefits. Of the occupations represented, 9 out of 10 pay less than \$32,000, and the vast majority are in sectors directly impacted by COVID 19. They include retail salespersons, food prep workers, waiters and waitresses, cashiers, and office administrative roles. [In our most recent report, released in December](#), we found the 10 largest occupations, which account for 6.5M jobs, only Home Health and Personal Care Aides require a high school diploma or less, and five out of ten pay poverty-level wages.

10 LARGEST OCCUPATIONS STATEWIDE¹²

	# of Jobs	Entry Pay	Median Pay	Experienced Pay
Office and Administrative Support Occupations	1.2M	\$32K	\$45K	\$59K
Sales and Related Occupations	769K	\$28K	\$39K	\$83K
Education, Training, and Library Occupations	736K	\$34K	\$67K	\$100K
Business and Financial Operations Occupations	607K	\$54K	\$85K	\$123K
Healthcare Support Occupations	600K	\$29K	\$33K	\$39K
Healthcare Practitioners and Technical Occupations	529K	\$49K	\$84K	\$122K
Transportation and Material Moving Occupations	529K	\$28K	\$38K	\$55K
Nursing, Psychiatric, and Home Health Aides *	525K	N/A	N/A	N/A
Management Occupations	524K	\$80K	\$147K	\$207K
Home Health & Personal Care Aides**	430K	\$28K	\$32K	\$36K

*Wage estimates that do not meet publication standards are labeled n/a.

**requires a high school diploma or less

2021-2022 Federal Income Guidelines identify New York's poverty level for a family of four at \$49,025¹³

Due to the State’s dependence on low wage work, and lack of childcare too many New Yorkers struggled to make ends meet when the economy was good. The United Way of New York estimates that 45% of New Yorkers are “working poor” -- meaning they are [asset limited, income constrained, and employed](#) – however, unable to cover basic monthly costs of food, childcare, transportation, housing, etc. However, COVID-19 has laid bare what has been true all along – the labor market, as it has been designed, does not benefit all people equally. While many New Yorkers have lost their

jobs, the glaring disproportionate negative impacts for people of color, those with a high school diploma or less, and individuals working in low wage jobs, is unambiguous.

To combat these negative impacts, as well as aid employers in finding, Governor Hochul's Executive Budget has proposed a new Office of Workforce and Economic Development to be housed at Empire State Development. Because workforce is economic development, we are hopeful that this move better integrates the local workforce development system, including local workforce boards, Boards of Cooperative Education Services (BOCES), community colleges, and community-based organizations into the Regional Economic Development Council process. Ensuring that this happens will be critical to this Office's success.

In addition, the Executive Budget also proposes a significant "workforce development" investment of \$350 million to be administered via this office. We understand this to replace the existing \$175 million Workforce Development Initiative (WDI), as well as from conversations with the Governor's office they intend to fully expend the \$175 million commitment, including the \$69 million in Pay for Success Funding (which has not been spent since the initiative's inception in 2018).¹ We courage the Legislature to continue to ask questions about these funds, and ensure the applications in the pipeline are reviewed and funded as appropriate.

Of this \$350 million outlined in the budget documents, we estimate approximately \$141 million dollars will be attributed to workforce development activities, like job training, coaching, supportive services (transportation, childcare, etc.) and employment.² We strongly encourage that as much flexible funding as possible be directed to workforce development programs, that work with employers and New Yorkers to expand existing programs and develop new programs across New York. Additionally, this funding must remain flexible, so providers are able to be nimble in meeting the needs on the ground. Due to the significant issues with the \$175 million, WDI application process, and speed getting the funding out to providers, we strongly encourage the Legislature require the Governor to spend a certain percentage of the funding be spent annually; and that the process lasts no more than 60 days from submission to contract.

We see the buckets contributing to the \$350 million as laid out below. Text that is italicized are recommendations:

Operations/System Infrastructure: \$88,340,000

Funding designated for the operation of the Office of Workforce and Economic Development and the workforce system.

- Office of Workforce and Economic Development Administration: \$20,840,000 – *This should include staff dedicated to reporting outcomes from the \$350 million investment.*
- Training Capacity Expansion for Statewide Institutions: \$22,500,000 – *This should include BOCES programs, community colleges and community-based organizations.*
- Administration of the Workforce Development Capital Grant Program: \$35,000,000
- Expansion of Alternative Teacher Certifications: \$10,000,000 – *This should include increasing the number of certified career and technical education certified teachers and transitioning retired professionals into instructor roles at BOCES and workforce development programs.*

¹ Aid to Localities Budget Bill, Reappropriations on pg. 942

² Aid to Localities Budget Bill, Project Schedule on pg. 890

Workforce Training Related Funding: Total Funding \$140,660,000

- Workforce Development Grant Program: \$115,000,000
- Funding Internships at SUNY & CUNY: \$10,000,000
- Funding Apprenticeships at SUNY & CUNY: \$5,000,000 – *This should be dedicated to “Registered Apprenticeships”*
- E & T Programs at the Office for People with Developmental Disabilities: \$2,660,000
- Upskilling School Paraprofessionals: \$8,000,000

“Other” Office of Workforce and Economic Development Programs: \$121,000,000

These programs do not seem to be related to workforce development – they appear to be once time payments and/or worker support programs

- Teacher Residency Program: \$30,000,000
- Expansion of Psychiatric Rehabilitation Services at the Office of Mental Health: \$2,800,000
- Program Administration Related to the Diversity in Medicine Program: \$1,200,000
- Expansion of a SUNY Pre-medical Opportunities Program: \$1,000,000
- Caregiver Flexibility for Direct Care Workers: \$39,000,000
- Financial Burden Relief for Healthcare Workers: \$47,000,000

As you know, skills training is critical to ensuring that we have plumbers, mechanics, and electricians, but it’s also about growing industries like Information Technology, and Advanced Manufacturing that provide the type of good paying jobs we need more of. By ensuring providers who work with youth and adults are funded with flexible dollars, we will be able to advance significantly more New Yorkers who have been systematically excluded from a good job into high quality, high wage jobs. Our success will be measured on how well we support these New Yorkers recover.

New York Association of Training and Employment Professionals (NYATEP)

Melinda Mack is the Executive Director of NYATEP, the statewide workforce development association representing New York’s education, job training, postsecondary and employment providers. NYATEP’s members serve over 1.2 million New Yorkers annually in education and employment services, and support thousands of businesses in their regions as they train and employ talent. Learn more about NYATEP at www.nyatep.org