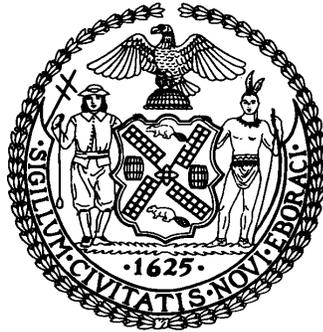


Committee on Economic Development  
Alex R. Paulenoff, *Counsel*  
Emily Forgione, *Senior Policy Analyst*  
Aliya Ali, *Principal Financial Analyst*

Committee on Small Business  
Kristoffer Sartori, *Senior Counsel*  
Noah Meixler, *Policy Analyst*  
Aliya Ali, *Principal Financial Analyst*



**THE COUNCIL OF THE CITY OF NEW YORK**

**BRIEFING PAPER OF THE GOVERNMENTAL AFFAIRS DIVISION**

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Rachel Cordero, Deputy Director, Governmental Affairs Division

**COMMITTEE ON ECONOMIC DEVELOPMENT**

Hon. Paul Vallone, Chair

**COMMITTEE ON SMALL BUSINESS**

Hon. Mark Gjonaj, Chair

**December 9, 2020**

**Oversight: Workforce Development and Combating Unemployment**

## **I. INTRODUCTION**

On December 9, 2020, the Committee on Economic Development, chaired by Council Member Paul Vallone, jointly with the Committee on Small Business, chaired by Council Member Mark Gjonaj, will hold an oversight hearing entitled *Workforce Development and Combating Unemployment*. The Committees will examine the City’s workforce development infrastructure and what measures the City is taking to combat the drastic rise in unemployment due to the COVID-19 pandemic. Those invited to testify include representatives of the New York City Economic Development Corporation (“NYCEDC”), the Department of Small Business Services (“SBS”), the Mayor’s Office of Workforce Development (“WKDEV”), and interested members of the public.

## **II. BACKGROUND**

### **THE COVID-19 CRISIS IN NEW YORK CITY**

The rapid transmission of COVID-19, first identified in late 2019, led the World Health Organization to declare a pandemic on March 11, 2020.<sup>1</sup> By March 22, 2020, New York City was designated the epicenter of the pandemic, with approximately five percent of confirmed COVID-19 cases worldwide.<sup>2</sup> As of December 6, 2020, New York State confirmed 713,129 positive

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<sup>1</sup> See WORLD HEALTH ORGANIZATION, *WHO Director-General's Opening Remarks at the Media Briefing on COVID-19* (2020) available at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>

<sup>2</sup> See Jesse McKinley, *New York City Region Is Now an Epicenter of the Coronavirus Pandemic*, N.Y. TIMES (Mar. 22, 2020) available at <https://www.nytimes.com/2020/03/22/nyregion/Coronavirus-new-York-epicenter.html>.

COVID-19 cases, and 27,232 related deaths.<sup>3</sup> Of those, New York City had reported 309,566 positive COVID-19 cases, and 19,673 confirmed deaths.<sup>4</sup>

On March 7, 2020, Governor Cuomo issued an Executive Order declaring a disaster emergency for the State of New York.<sup>5</sup> This declaration was followed by a series of Executive Orders,<sup>6</sup> referred to collectively as “New York On PAUSE,” which “closed or otherwise restricted public or private businesses or places of public accommodation” in order to slow the spread of COVID-19 throughout the state.<sup>7</sup> Meanwhile, Mayor de Blasio issued a number of Executive Orders suspending, postponing and modifying City government operations to promote social distancing in the City.<sup>8</sup> Among other things, these state and local orders closed schools and businesses, and required government agencies to drastically reduce the number of staff working in offices.<sup>9</sup>

### **COVID-19'S IMPACT ON UNEMPLOYMENT IN NEW YORK CITY**

While the pandemic has stifled economic activity throughout the nation, New York City has suffered severely when it comes to job losses.<sup>10</sup> In fact, according to Moody’s Analytics, the City endured the one of the worst rate of job losses when compared to 82 other metropolitan areas

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<sup>3</sup> See NEW YORK STATE DEPARTMENT OF HEALTH, COVID-19 TRACKER, <https://covid19tracker.health.ny.gov/views/NYS-COVID19-Tracker/NYSDOHCOVID-19Tracker-Map?%3Aembed=yes&%3Atoolbar=no&%3Atabs=n> (last visited December 8, 2020).

<sup>4</sup> In addition to confirmed deaths, the City tracks “probable” COVID-19 deaths. As of December 8, 2020, there were 4,714 probable COVID-19 deaths reported. See NYC DOHMH, COVID-19: DATA, <https://www1.nyc.gov/site/doh/covid/covid-19-data.page> (last visited December 8, 2020).

<sup>5</sup> See N.Y. Gov. Exec. Order No. 202.

<sup>6</sup> See N.Y. Gov. Exec. Order No. 202.3, 202.4, 202.5, 202.6, 202.7, 202.8, 202.10, 202.11, 202.13, 202.14, 202.28, and 202.31.

<sup>7</sup> See N.Y. Gov. Exec. Order No. 202.31.

<sup>8</sup> See, e.g., N.Y.C Mayor Exec. Order No. 99 and 100.

<sup>9</sup> See *id.*

<sup>10</sup> See Greg David, “NYC Unemployment Pain Far Worse Than Nation’s in Lagging Pandemic Recovery,” THE CITY, September 17, 2020, available at <https://www.thecity.nyc/economy/2020/9/17/21444441/nyc-unemployment-pain-far-worse-than-nation>.

when comparing July 2020 to July 2019.<sup>11</sup> Its unemployment rate tied with that of Los Angeles and Las Vegas for the worst in the nation.<sup>12</sup> The pandemic's effect on the City's economy has been enormous, with the City previously having its longest economic expansion on record, gaining about one million jobs for a period that lasted more than 10 years.<sup>13</sup> Now, it is faced with a complete reversal of that trend.

According to the New York State Department of Labor ("DOL"), the damage done to private sector jobs in the City is tremendous. From October 2019 to October 2020, private sector jobs fell to 3,545,600 from 4,099,500, a loss of 553,900 jobs.<sup>14</sup> The job losses were widespread, but primarily occurred in industries upon which the City is extremely reliant, including: leisure and hospitality (205,600 losses), professional and business services (93,900 losses), trade, transportation and utilities (85,000 losses), educational and health services (72,200 losses), other services<sup>15</sup> (32,700 losses), financial activities (29,200 losses), natural resources, mining and

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<sup>11</sup> *See id.*

<sup>12</sup> *See id.*

<sup>13</sup> *See* Patrick McGeehan, "Why N.Y.C.'s Economic Recovery May Lag the Rest of the Country's," THE NEW YORK TIMES, October 26, 2020, available at [www.nytimes.com/2020/10/26/nyregion/nyc-unemployment.html](http://www.nytimes.com/2020/10/26/nyregion/nyc-unemployment.html)

<sup>14</sup> *See* New York State Department of Labor, "Labor Statistics for the New York City Region," <https://www.labor.ny.gov/stats/nyc/> (last visited December 3, 2020).

<sup>15</sup> According to the United States Bureau of Labor Statistics, "Other Services" are "primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services." U.S. Bureau of Labor Statistics, "Industries at a Glance: Other Services (except Public Administration): NAICS81" <https://www.bls.gov/iag/tgs/iag81.htm> (last visited December 3, 2020).

construction (17,300 losses), manufacturing (12,400 losses) and information<sup>16</sup> (5,600 losses).<sup>17</sup> These job losses reflect a rate of change that, at 13.5 percent, is steeper when compared to that of the State and nation, at 11.5 percent and 6.2 percent, respectively.<sup>18</sup> According to Moody's Analytics, the recovery for the City will be most difficult particularly because COVID-19 caused the greatest amount of job losses in "face to face" industries, which provide much of the City's economic base.<sup>19</sup> These industries include hotels and food services, administrative services, arts and entertainment, transportation and retail, and accounted for half of private sector jobs lost.<sup>20</sup>

The most recent unemployment statistics supplied by DOL also highlight the severity of the City's unemployment rate when compared to that of the rest of New York State and the nation as a whole. For October 2020, these unemployment rates were 13.2 percent, 9.6 percent and 6.9 percent respectively, which were down slightly from 13.9 percent, 9.7 percent and 7.9 percent the month before. However, when comparing the data from the year before in October 2019, the City, State and nation had unemployment rates of 3.6 percent, 3.9 percent and 3.6 percent respectively.<sup>21</sup>

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<sup>16</sup> According to the United States Bureau of Labor Statistics, "The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; Web search portals, data processing industries, and the information services industries.

The Information sector groups three types of establishments: (1) those engaged in producing and distributing information and cultural products; (2) those that provide the means to transmit or distribute these products as well as data or communications; and (3) those that process data." U.S. Bureau of Labor Statistics, "Information: NAICS 51," <https://www.bls.gov/iag/tgs/iag51.htm> (last visited December 3, 2020).

<sup>17</sup> See *id.*

<sup>18</sup> See *id.*

<sup>19</sup> See Greg David, *supra* note 10.

<sup>20</sup> See *id.*

<sup>21</sup> See United States Bureau of Labor Statistics, TED: The Economics Daily, November 6, 2019, [https://www.bls.gov/opub/ted/2019/unemployment-rate-was-3-point-6-percent-in-october-2019.htm?view\\_full#:~:text=Unemployment%20rate%20was%203.6%20percent,U.S.%20Bureau%20of%20Labor%20Statistics](https://www.bls.gov/opub/ted/2019/unemployment-rate-was-3-point-6-percent-in-october-2019.htm?view_full#:~:text=Unemployment%20rate%20was%203.6%20percent,U.S.%20Bureau%20of%20Labor%20Statistics).

While the State’s unemployment rate approximately doubled during that timeframe, the City’s rate soared by almost four times in the same period. Though recent unemployment numbers look better when compared to the numbers early on during the pandemic, when the City’s rate reached a high of 20.4 percent in June, it is clear that the economic crisis caused by COVID has been more severe in the City than other areas of the State.<sup>22</sup>

The borough-by-borough breakdown of these numbers highlights this disparity between the City and the rest of the State as well.<sup>23</sup>

<b>Unemployment Rate: Borough-Breakdown</b>	<b>October 2020</b>	<b>2020-Highest Rate</b>	<b>2020-Lowest Rate</b>
<b>Bronx</b>	<b>17.5%</b>	<b>25% in July</b>	<b>4.6% in February</b>
<b>Brooklyn</b>	<b>13.3%</b>	<b>20.5% in June and July</b>	<b>3.5% in February</b>
<b>Manhattan</b>	<b>10.3%</b>	<b>16.0% in June and July</b>	<b>3.0% in February</b>
<b>Queens</b>	<b>13.1%</b>	<b>21.6% in June</b>	<b>3.0% in February</b>
<b>Staten Island</b>	<b>10.8%</b>	<b>18.1% in June</b>	<b>3.3% in February</b>

In comparison, the highest rate for a non-City county in the State is Westchester with a rate of 7 percent, (up from a low of 3.9 percent in February, down from a high of 14.2 percent in July).<sup>24</sup>

As the chart below reflects, unemployment rates have also differed among New Yorkers of different races and ethnicities.<sup>25</sup>

<sup>22</sup>See New York State Department of Labor, “Local Area Unemployment Statistics Program, New York City,” <https://labor.ny.gov/stats/laus.asp> (last visited December 3, 2020).

<sup>23</sup> See *id.*

<sup>24</sup> See *id.*

<sup>25</sup> See N.Y.C. Comptroller Scott Stringer, “New York By the Numbers: Weekly Economic and Fiscal Outlook,” November 23, 2020, available at <https://comptroller.nyc.gov/newsroom/new-york-by-the-numbers-weekly-economic-and-fiscal-outlook-no-26-november-23-2020/>.

<b>Unemployment Rate: Racial-Breakdown</b>	<b>October 2020</b>	<b>2020-Highest Rate</b>	<b>2020-Lowest Rate</b>
<b>Asian New Yorkers</b>	<b>13.4%</b>	<b>25.6% in May</b>	<b>3.4% in February</b>
<b>Black New Yorkers</b>	<b>13.5%</b>	<b>24.3% in June</b>	<b>5.2% in February</b>
<b>Hispanic New Yorkers</b>	<b>15.4%</b>	<b>25.1% in May</b>	<b>5.2% in February</b>
<b>White New Yorkers</b>	<b>10.3%</b>	<b>13.9% in June</b>	<b>1.6% in January</b>

The severity of the unemployment rate in the Bronx brings into greater focus the inequities that the COVID-19 pandemic has exacerbated among vulnerable communities and how that relates to high unemployment. At the beginning of the pandemic, the death rate for residents of the Bronx was double that of the rest of the City, with research suggesting that pollution played a role in this high rate of death.<sup>26</sup> The economic harm and higher unemployment rate that was inflicted on the Bronx was so high because the borough has the largest percentage of workers in face-to-face industries, such as tourism and food service, that were shut down during the most severe moments of the pandemic and have yet to rebound fully.<sup>27</sup> It should also be noted that the Bronx has the lowest percentage of employees who are able to work remotely.<sup>28</sup> Regarding economic insecurity, 20 percent of Bronx residents applied for Supplemental Nutrition Assistance Program (“SNAP”) benefits in October, compared to 13 percent citywide.<sup>29</sup> SNAP recipients in the Bronx increased

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<sup>26</sup> See Greg David, “Bronx Grapples with ‘Deepest Inequalities in America’ as COVID Surges Again,” THE CITY, November 29, 2020, available at [https://www.thecity.nyc/bronx/2020/11/29/21725453/bronx-inequality-racism-covid-hunger-health-jobs-housing?mc\\_cid=d0ffff1966&mc\\_eid=37d5b46595](https://www.thecity.nyc/bronx/2020/11/29/21725453/bronx-inequality-racism-covid-hunger-health-jobs-housing?mc_cid=d0ffff1966&mc_eid=37d5b46595).

<sup>27</sup> See *id.*

<sup>28</sup> See *id.*

<sup>29</sup> See *id.*

by 69,000 from February to September.<sup>30</sup> Further, 10 percent of Bronx residents visited a food pantry or soup kitchen in October, with 15 percent indicating having enough food to eat was their main concern.<sup>31</sup> Finally, about 63 percent of Bronx residents are on Medicaid, compared with 45 percent in Brooklyn, 45 percent in Queens, 33 percent in Staten Island and slightly less than 30 percent in Manhattan.<sup>32</sup> The Bronx serves as strong example that highlights the correlation between, high COVID-19 rates, poverty and unemployment.

#### **MAYOR’S OFFICE OF WORKFORCE DEVELOPMENT (“WKDEV”) AND CAREER PATHWAYS**

In April of 2014, Mayor de Blasio created WKDEV to serve as the central office in charge of coordinating workforce development efforts across the City.<sup>33</sup> The office is currently led by Amy Peterson, formally the Director of Housing Recovery, who was appointed in 2018.<sup>34</sup> A month after creating WKDEV, Mayor de Blasio created the Jobs for New Yorkers Task Force (“the Task Force”), comprised of members of government agencies, businesses, educational institutions, organized labor, nonprofits, and philanthropy, to develop goals and a framework that would guide the City’s approach to workforce development going forward.<sup>35</sup> In November of 2014, the Task Force released its plan, entitled *Career Pathways: One City Working Together* (“Career Pathways”).<sup>36</sup>

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<sup>30</sup> See *id.*

<sup>31</sup> See *id.*

<sup>32</sup> See *id.*

<sup>33</sup> See N.Y.C. Office of Workforce Development, “History,”

<https://www1.nyc.gov/html/ohcd/html/about/history.shtml>, (last visited December 3, 2020).

<sup>34</sup> See N.Y.C. Office of Workforce Development, “Staff,” <https://www1.nyc.gov/html/ohcd/html/about/staff.shtml> (last visited December 3, 2020); See also N.Y.C. Office of the Mayor, Press Release “Mayor de Blasio Appoints Amy Peterson as Director of the Mayor’s Office of Workforce Development,” September 20, 2018, available at <https://www1.nyc.gov/office-of-the-mayor/news/477-18/mayor-de-blasio-appoints-amy-peterson-director-the-mayor-s-office-workforce-development>.

<sup>35</sup> See THE CITY OF NEW YORK, CAREER PATHWAYS: ONE CITY WORKING TOGETHER (2014) [hereinafter *Career Pathways*] available at <http://www1.nyc.gov/assets/careerpathways/downloads/pdf/career-pathways-full-report.pdf>.

<sup>36</sup> See *id.*

According to the report, over the past two decades, the City’s workforce development system had focused primarily on job placement via so-called “rapid-attachment” programs.<sup>37</sup> These programs focused on ensuring a large quantity of job-seekers were hired, as opposed to ensuring those people ended up in quality jobs. For example, the programs prioritized placing job seekers in low-wage positions in the retail and food service industries that offered few benefits, irregular scheduling and limited advancement potential.<sup>38</sup> While job placement in these sectors had increased significantly, most of these jobs did not provide the long-term economic stability that job seekers desire. At the time, about two-thirds of the \$500 million spent annually on workforce development programs went to these rapid attachment programs.<sup>39</sup> The Human Resources Administration (“HRA”) also reported that 25% of the City’s welfare recipients who left welfare rolls for employment returned back to welfare assistance within 12 months.<sup>40</sup>

The *Career Pathways* report included a number of recommendations from the Task Force intended to shift the City’s workforce development system to:

- “Support[ing] career advancement and income mobility by helping jobseekers and incumbent workers address educational needs and develop high-demand skills;
- Ensur[ing] that businesses in New York City can find the talent they need within the five boroughs;
- Improv[ing] the quality of low-wage jobs to benefit both workers and their employers;
- Leverag[ing] New York City’s economic development investments and purchasing power to place more New Yorkers into jobs; and
- Function[ing] as a coherent system that rewards job quality instead of the quantity of job placements by using system-wide job outcome data.”<sup>41</sup>

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<sup>37</sup> *See id.* at 19.

<sup>38</sup> *See id.*

<sup>39</sup> *See id.* at 11.

<sup>40</sup> *See id.* at 19

<sup>41</sup> *See id.* at 12.

Recommendations included, but were not limited to: launching or expanding so-called “industry partnerships” in six sectors (healthcare, technology, industrial/manufacturing, construction, retail, and food service); investing more public money into bridge programs and career-track, middle-skill occupations; improving career-oriented education initiatives at educational institutions; increasing work-based learning opportunities for youth; creating a standard to assess employers for good business practices; expanding access to financial empowerment resources for low-wage workers; maximizing local job opportunities through the City’s contracts and economic development investments by establishing a “First Look” hiring process and enforcing targeted hiring provisions in social service contracts; and reimbursing workforce agencies on the basis of job quality rather than the quantity of job placements.<sup>42</sup>

The *Career Pathways* aim was to coordinate the work of all the various agencies involved in workforce development, especially SBS, HRA, and the Department of Youth and Community Development (“DYCD”), and “require agencies to work together more effectively” to share best practices and eliminate redundancies, while highlighting each agency’s strengths in providing workforce training to job seekers.<sup>43</sup> It was also designed to allow agencies to pass job seekers from one stage of the workforce development process to the next. For example, the *Career Pathways* report identified a scenario whereby HRA would focus on entry-level skill training and then pass individuals who complete those programs on to SBS for occupational training – the goal of which would be to “improve[] cross-agency coordination and data sharing.”<sup>44</sup>

### **III. CAREER PATHWAYS UPDATE AND COVID-19 IMPACT**

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<sup>42</sup> See *id.* at 13-14.

<sup>43</sup> See *id.* at 37.

<sup>44</sup> See *id.* at 38.

The de Blasio Administration provided an update on *Career Pathways* and the impact of the COVID-19 pandemic on the City’s workforce development infrastructure in the Fiscal Year 2020 Mayor’s Management Report (“MMR”). In FY20, recognizing that over half of adult New York City residents live in high-poverty communities and that those communities were hit especially hard by COVID-19, the de Blasio Administration proposed state legislation that would allow the City to run a “Community Hiring” initiative.<sup>45</sup> Under a Community Hiring scheme, contractors and businesses working with the City would be required to hire low-income New Yorkers and New Yorkers from high-poverty communities.<sup>46</sup> The Administration also negotiated a Project Labor Agreement (“PLA”) with construction unions that agreed to prioritize the referral of workers from zip codes where at least 15 percent of the population lives below the federal poverty level and/or are NYCHA residents, with the goal that at least 30 percent of all hours worked under the PLA projects will be logged by workers from these zip codes.<sup>47</sup>

The Mayor’s Office of Economic Opportunity (“NYC Opportunity”) has been developing a citywide data platform to analyze workforce program services and outcomes data from various City agencies, and launched a beta version of the data portal in December 2019.<sup>48</sup> According to the MMR, five City agencies report 18 programs into this system, and it contains data on nearly 75,000 unique individuals receiving workforce services from the City.<sup>49</sup> NYC Opportunity has also been working with WKDEV to develop a new website to serve as a hub for employment-related resources the City and its partners offer, including information about employment

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<sup>45</sup> See THE CITY OF NEW YORK, MAYOR’S MANAGEMENT REPORT (2020) at 39-44, available at [https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/career\\_pathways.pdf](https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/career_pathways.pdf).

<sup>46</sup> See N.Y.C. Office of the Mayor, Press Release, “Mayor de Blasio Announces Community Hiring Economic Justice Plan,” August 13, 2020, available at <https://www1.nyc.gov/office-of-the-mayor/news/588-20/mayor-de-blasio-community-hiring-economic-justice-plan>.

<sup>47</sup> See MAYOR’S MANAGEMENT REPORT (2020), *supra* note 46 at 39-44.

<sup>48</sup> See *id.*

<sup>49</sup> *Id.*

programs, internships, job training and education, and featured jobs.<sup>50</sup> WKDEV announced a “soft launch” of the website, [working.NYC.gov](https://working.nyc.gov), in August.<sup>51</sup>

The MMR also provided updates on how workforce development agencies and entities adjusted their work in response to COVID-19. DYCD worked to ensure its contractors that provide training programs to youth were able to pivot to remote work. DYCD provided technical assistance sessions on how to use virtual teaching platforms and best practices, and helped contractors continue their paid youth work experiences remotely.<sup>52</sup> DYCD also adapted its Summer Youth Employment Program (“SYEP”) to avoid having youth do in-person internships. Instead of placing youth in in-person opportunities, DYCD developed the SYEP Summer Bridge 2020 virtual program, intended to offer youth an opportunity to learn new skills and explore careers remotely while still earning money over the summer.<sup>53</sup> This program, funded by \$51 million via public-private partnership, was expected to serve 35,000 New York City youth during the summer of 2020.<sup>54</sup>

The NYC Workforce Development Board (“the Board”), housed in WKDEV, is a mayoral-appointed board required under federal law to conduct oversight over the roughly \$60 million in federal workforce development funds the City receives annually.<sup>55</sup> WKDEV began convening the Board twice per week from mid-March through June 30 (before the pandemic, it had convened on a quarterly basis), to provide updates on the City’s COVID-19 response, identify challenges facing

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<sup>50</sup> *Id.*

<sup>51</sup> *Id.*; see also WorkingNYC, <https://working.nyc.gov/> (last visited December 3, 2020).

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

workers and businesses, and take action to address those challenges.<sup>56</sup> The Board also began taking steps to apply a racial equity lens in its work to champion good employer best practices.<sup>57</sup>

In addition, each of the five currently operating industry partnership (“IP”) networks pivoted their work to address immediate challenges each sector faced as a result of the COVID-19 economic crisis. The healthcare IP, the New York Alliance for Careers in Healthcare (“NYACH”), first moved to address immediate challenges faced by essential workers in the long-term services and supports (“LTSS”) subsector by creating an emergency response workgroup to focus on worker visibility, business viability and continuity, availability of resources for workers and clients/patients, and emergency workforce shortages.<sup>58</sup> NYACH helped facilitate the distribution of personal protective equipment (“PPE”) to homecare agencies and launched a virtual home health aide training to alleviate the staffing shortages faced in the LTSS sector.<sup>59</sup> NYACH also created a pathway for food-insecure New Yorkers to sign up for food delivery via their homecare agencies.<sup>60</sup>

The NYC Food and Beverage IP joined the interagency restaurant recovery task force convened in May 2020, through which it helped develop the City’s “Open Streets: Open Restaurants” program to help restaurants stay afloat by allowing them to set up tables on the street.<sup>61</sup> The Food and Beverage IP also helped City agencies amplify and clarify public health guidelines for businesses to ensure compliance and avoid fines.<sup>62</sup> Finally, the Food and Beverage IP partnered in the development of the Restaurant Revitalization Program, launched in June 2020,

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<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

which provides a restaurant worker wage subsidy to businesses that commit to supporting the economic well-being of their workers and to making meals accessible to people facing food insecurity.<sup>63</sup>

The industrial/manufacturing IP, the Manufacturing and Industrial Innovation Council (“MaiiC”), partnered with the technology IP to create an online platform for matching organizations seeking PPE with local manufacturers who can produce it.<sup>64</sup> MaiiC also helped local manufacturers pivot their operations to produce this PPE, including masks, face shields, gowns, ventilators, and plexiglass shields.<sup>65</sup> MaiiC also worked to make the City’s food supply chain more resilient and accessible by leading a multi-agency collaboration to determine operational best practices around resiliency, and connecting food manufacturers, distributors, and meal providers to City food provision contracting opportunities.<sup>66</sup>

The technology IP, the NYC Tech Talent Pipeline (“TTP”) established a Volunteer Industry Partner Corps of tech professionals to help inform and rapidly develop technical products to help with the COVID-19 response at no cost to the City.<sup>67</sup> These products included the online platform for finding local PPE manufacturing developed along with MaiiC, discussed above. The TTP also worked to ensure CUNY students had access to remote learning for computer science programs.<sup>68</sup>

Finally, in response to the COVID-19 crisis, the Construction Industry Partnership led the effort to pivot site safety training and pre-apprenticeship training to be delivered remotely.<sup>69</sup>

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<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

#### IV. SBS WORKFORCE DEVELOPMENT TOOLS AND COVID-19 RESPONSE

In addition to providing assistance to small business owners, SBS is responsible for connecting job seeking City residents with employers and developing City residents' workforce skills.<sup>70</sup> SBS utilizes recruitment expertise and industry input to offer skill-building trainings in in-demand industries to City residents, including in technology, healthcare, manufacturing, construction, transportation, food, media and entertainment.<sup>71</sup> SBS also added a Home Health Aide training for City residents during the pandemic due to an increased need for these workers.<sup>72</sup>

SBS's 18 "Workforce1" Career Centers are the agency's on-the-ground service providers of workforce development resources.<sup>73</sup> The Centers offer a variety of services in addition to industry-related trainings, including resume and cover letter building, interview preparation, and recruitment events.<sup>74</sup> SBS's Workforce1 Career Centers also offer tailored services to certain City residents. City veterans and their spouses, for example, are eligible for priority service at all Workforce1 Career Centers, and SBS offers trainings on how to translate military experience into skills for civilian jobs.<sup>75</sup> Formerly incarcerated City residents can also access relevant services at

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<sup>70</sup> See N.Y.C. Dep't of Small Business Services, "Careers," <https://www1.nyc.gov/site/sbs/careers/careers.page> (last visited December 3, 2020).

<sup>71</sup> See Testimony by N.Y.C. Dep't of Small Business Services First Deputy Commissioner Jackie Mallon before the NYC Council Committee on Small Business and Committee on Civil Service and Labor, November 27, 2017, <https://legistar.council.nyc.gov/MeetingDetail.aspx?ID=572237&GUID=A407E508-5171-4681-9446-3A890DA2E914&Options=info&Search=>

<sup>72</sup> See THE CITY OF NEW YORK, MAYOR'S MANAGEMENT REPORT (2020) at 243-248, available at <https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/sbs.pdf>.

<sup>73</sup> See THE CITY OF NEW YORK, MAYOR'S MANAGEMENT REPORT (2020) at 39-44, available at [https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/career\\_pathways.pdf](https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/career_pathways.pdf).

<sup>74</sup> See NYC Dep't of Small Business Services, "Guidance for Jobseekers Impacted Due to COVID-19," <https://www1.nyc.gov/site/sbs/careers/prepare-for-an-interview.page> (last visited December 3, 2020).

<sup>75</sup> See N.Y.C. Dep't of Small Business Services, "Priority1 – Services for Veterans and Their Spouses," <https://www1.nyc.gov/site/sbs/careers/veteran-services.page> (last visited December 3, 2020).

the City’s Bronx and Brooklyn Workforce1 Career Centers, including workshops on how to overcome “barriers to work that are common for individuals with a criminal justice history.”<sup>76</sup>

In mid-March, SBS paused in-person service at their Workforce1 Career Centers and launched their Centers virtually due to the spread of COVID-19.<sup>77</sup> As of November 23, 2020, SBS’s virtual workforce development services had engaged with over 58,900 New Yorkers, and had referred over 30,000 New Yorkers to jobs.<sup>78</sup> Nonetheless, overall City resident engagement with the Career Centers was down in Fiscal Year 2020. In Fiscal Year 2020, Workforce1 Career Centers served a total of 93,944 jobseekers, a third of whom were serviced virtually<sup>79</sup> after the pandemic began.<sup>80</sup> In Fiscal Year 2019, SBS’s Career Centers served a total of 100,677 jobseekers, and in Fiscal Year 2018, SBS’s Career Centers served a total of 102,357 jobseekers. While SBS’s Workforce1 Career Centers served fewer New Yorkers in Fiscal Year 2020 than in Fiscal Year 2019, the unemployment rate in the City at the end of Fiscal Year 2020 was around 12 percentage points higher than at the end of Fiscal Year 2019.<sup>81</sup> As the chart below shows, the amount of New Yorkers receiving services from the Workforce1 Career Centers has decreased annually since Fiscal Year 2016.<sup>82</sup>

<b>Workforce1 Career Centers</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
<b>Unique Customers Served</b>	<b>104,715</b>	<b>104,239</b>	<b>102,357</b>	<b>100,677</b>	<b>93,944</b>

<sup>76</sup> See N.Y.C. Dep’t of Small Business Services, “Post-Criminal Justice Involvement Services” <https://www1.nyc.gov/site/sbs/careers/post-criminal-justice-involvement.page> (last visited December 3, 2020).

<sup>77</sup> See MAYOR’S MANAGEMENT REPORT (2020), *supra* note 73 at 243-248.

<sup>78</sup> See Testimony by N.Y.C. Dep’t of Small Business Services Commissioner Jonnel Doris before the N.Y. City Council Committee on Small Business, November 23, 2020, available at <https://legistar.council.nyc.gov/MeetingDetail.aspx?ID=812495&GUID=4FF210E9-F8FD-4E96-9A0D-9F00B8C700EA&Options=info&Search=>

<sup>79</sup> Virtual services are conducted either online or over the phone

<sup>80</sup> See MAYOR’S MANAGEMENT REPORT (2020), *supra* note 73 at 243-248.

<sup>81</sup> See New York State Department of Labor, “State Labor Department Releases Preliminary August 2020 Area Unemployment Rates,” September 22, 2020, available at <https://www.labor.ny.gov/pressreleases/2020/september-22-2020.shtm>.

<sup>82</sup> See MAYOR’S MANAGEMENT REPORT (2020), *supra* note 73 at 243-248.

The number of jobseekers registered through the Workforce1 system who found employment or obtained promotions has also steadily decreased<sup>83</sup> over the past five fiscal years.<sup>84</sup> While around 26,200 New Yorkers were able to obtain employment or promotions through the Centers in Fiscal Year 2020, over 27,300 New Yorkers used the Workforce1 Career Centers to obtain employment or promotions in Fiscal Year 2019.<sup>85</sup> The number of “new” jobseekers registered through the Workforce1 Career Center system has also decreased over the past five fiscal years.<sup>86</sup> To explain the decrease in usage of the agency’s workforce development programs, despite the drastic increase in need for such services due to the economic fallout caused by the pandemic, SBS explained in the Fiscal Year 2020 Mayor’s Management Report: “The reduction in number of job seekers served and walk in traffic to Centers when compared to last year is due to the impact of COVID-19.”<sup>87</sup>

Perhaps because of the drastic increase in unemployment in the City, on August 13, 2020, SBS Commissioner Jonnel Doris announced the creation of Career Discovery NYC, a centralized online resource to help New Yorkers with career discovery and training.<sup>88</sup> According to the Commissioner, “Thousands of New Yorkers will be conducting much more of their lives in a virtual environment. This portal is a step to ensure that they are well equipped and supported in their career exploration, and to put them on a path toward economic prosperity...we must continue to adapt to a new normal as our workforce looks to us to help them get back on their feet”.<sup>89</sup> The Career Discovery NYC portal provides free resources to jobseekers to:

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<sup>83</sup> Except for one increase from Fiscal Year 2018 to Fiscal Year 2019.

<sup>84</sup> See MAYOR’S MANAGEMENT REPORT (2020), *supra* note 73 at 243-248.

<sup>85</sup> See *id.*

<sup>86</sup> *Id.*

<sup>87</sup> *Id.*

<sup>88</sup> See N.Y.C. Dep’t of Small Business Services “City Launches Digital Training Tool to help New Yorkers Start New Careers” August 13, 2020, available at <https://www1.nyc.gov/site/sbs/about/pr20200813-careerdiscoverynyc.page>.

<sup>89</sup> See *id.*

- “Learn about a career, including skill requirements, industry demand and salary expectation;
- Take an introductory course to discover the skills required for the job and determine whether the career is a good match;
- Prepare for a rigorous job training program by practicing foundational techniques and gaining familiarity with the work; and
- Join an intensive training program that will put an individual on a direct path toward starting a new career.”<sup>90</sup>

The Career Discovery NYC portal also specifically focuses on technology-related career development. The portal includes information on careers in web development, and offers courses on coding led by Fullstack Academy, a coding “bootcamp” company.<sup>91</sup> Career Discovery NYC also provides more general trainings on how to “become more comfortable with computers,” including how to use the internet to gain employment and how to improve everyday online skills.<sup>92</sup> As City residents without internet access are at a disadvantage in using these workforce development resources, the Career Discovery NYC portal also offers basic resources to New Yorkers without internet access on how to access low-cost or free internet.<sup>93</sup> The Portal provides a few options City residents can use to gain temporary internet access, as the portal offers links to WiFi in Parks, New York Public Library Internet Hot Spots, Link NYC, and NYC DoITT Broadband Access.<sup>94</sup>

## **V. NYCEDC WORKFORCE DEVELOPMENT TOOLS AND COVID-19 RESPONSE**

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<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> See N.Y.C. Dep’t of Small Business Services, “Career Discovery NYC,” <https://careerdiscovery.cityofnewyork.us/> (last visited December 3, 2020).

<sup>93</sup> See “City Launches Digital Training Tool,” *supra* note 89.

<sup>94</sup> See N.Y.C. Dep’t of Small Business Services, “Free or Low-Cost WiFi,” <https://careerdiscovery.cityofnewyork.us/resources/> (last visited December 3, 2020)

As the City’s lead economic development entity, NYCEDC plays a big role in creating employment opportunities for New York City’s current and future workforce. According to NYCEDC, its approach to workforce development is “to leverage existing projects, real estate assets, and partnerships to create and support sustainable workforce development initiatives that prepare individuals with the lasting skills they need for career growth.”<sup>95</sup> Examples of NYCEDC’s recent workforce development initiatives include, but are not limited to: partnering with Fullstack Academy to launch a \$7.8 million cybersecurity “bootcamp” to prepare students and young professionals for NYC-based cybersecurity jobs;<sup>96</sup> partnering with WKDEV to award \$550,000 in micro grants to support workforce training programs for in-demand jobs;<sup>97</sup> expanding the Queens Food Entrepreneurship and Services Training Space (“FEASTS”) program that offers training and mentorship for food business entrepreneurs;<sup>98</sup> partnering with the American Association of University Women to offer salary negotiation workshops for women;<sup>99</sup> and awarding fashion manufacturing grants to local fashion industry businesses to promote fashion industry growth and maintain jobs.<sup>100</sup>

NYCEDC also runs a HireNYC program, which requires contractors that contract with NYCEDC on projects valued at \$1 million or more to share new entry- and mid-level construction-related job openings with the City and to interview qualified candidates that the City refers for the

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<sup>95</sup> See N.Y.C. Economic Development Corporation, “Exploring Paths to an Inclusive Workforce in NYC,” September 30, 2020, available at <https://edc.nyc/article/exploring-paths-to-an-inclusive-workforce-in-nyc>

<sup>96</sup> See N.Y.C. Economic Development Corporation, “Workforce: Empowering New Yorkers to Succeed.” <https://edc.nyc/edc-360/workforce> (last visited December 3, 2020).

<sup>97</sup> See N.Y.C. Economic Development Corporation, Press Release, “De Blasio Administration Awards Microgrants to Support Development of Workforce Training Programs for 21st Century In-Demand Jobs,” July 18, 2020, available at <https://edc.nyc/press-release/de-blasio-administration-awards-microgrants-support-development-workforce-training>.

<sup>98</sup> See Workforce: Empowering New Yorkers to Succeed, *supra* note 97.

<sup>99</sup> See *id.*

<sup>100</sup> *Id.*

job openings.<sup>101</sup> It also spearheads the Administration’s New York Works jobs plan, a plan to create 100,000 good-paying jobs over ten years.<sup>102</sup>

Additionally, in August 2020, NYCEDC announced that the NYC Neighborhood Capital Corporation (“NYCNCC”), a community development entity administered by NYCEDC, was awarded \$50 million from the U.S. Treasury Department’s New Markets Tax Credit program (“NMTC”).<sup>103</sup> These tax credits will go to providing low-cost financing to development projects in low-income New York City communities, including development of schools, healthcare centers, grocery stores, and community facilities.<sup>104</sup> NYCNCC reports that since receiving its first NMTC award in 2016, it has helped finance seven projects in underserved neighborhoods, including developing community healthcare centers, a Boys & Girls Club, a grocery store, light industrial manufacturing centers, and a new Food Bazaar in the Bronx.<sup>105</sup>

In addition to continuing to invest in its ongoing workforce development initiatives, NYCEDC also played an important role in creating local manufacturing jobs in direct response to the COVID-19 crisis in the City. In the initial peak of the pandemic in March 2020, the City had an urgent need to secure adequate hospital space and medical supplies to handle the expected surge of virus cases, and health care professionals were sounding the alarm that the City faced a dire shortage of PPE, including isolation gowns, face shields, and masks for its medical professionals.<sup>106</sup>

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<sup>101</sup> See HireNYC, “HireNYC: NYCEDC Development for Construction Positions” available at [https://www1.nyc.gov/assets/careerpathways/downloads/pdf/edc\\_construction.pdf](https://www1.nyc.gov/assets/careerpathways/downloads/pdf/edc_construction.pdf).

<sup>102</sup> See New York Works, <https://newyorkworks.cityofnewyork.us/> (last visited December 3, 2020).

<sup>103</sup> See N.Y.C. Economic Development Corporation, “What \$50M in New Markets Tax Credits Can Do for Community Investment in NYC,” August 5, 2020, available at <https://edc.nyc/article/what-50-million-in-new-markets-tax-credits-can-do-community-investment-nyc>

<sup>104</sup> See *id.*

<sup>105</sup> *Id.*

<sup>106</sup> See Amanda Eisenberg “As supplies grow scarce in New York City, medical workers fear becoming patients themselves”, *Politico*, March 23, 2020, available at <https://www.politico.com/states/new->

In addition to vetting and procuring medical supplies from around the world, NYCEDC partnered with local businesses to manufacture PPE locally and supply it to hospitals and medical sites around the City.<sup>107</sup> In March, NYCEDC put out a call for local businesses to manufacture PPE and reported that it received over 2,900 responses.<sup>108</sup> At the Economic Development Committee’s June 24, 2020 oversight hearing, NYCEDC reported that it had partnered with 15 domestic manufacturers, nine of which are NYC-based, to produce over four million face shields.<sup>109</sup> This face shield manufacturing supported 505 local jobs.<sup>110</sup> In addition, NYCEDC said that it produced 3.2 million gowns from 14 local manufacturers,<sup>111</sup> an effort that retained or created 2,181 jobs for local garment manufacturers, almost 60 percent of whom are qualified to register as M/WBEs.<sup>112</sup> Among the organizations NYCEDC partnered with was the Broadway Relief Project, a coalition of over 700 Broadway costume designers and sewers who have teamed up to produce gowns and masks for public hospitals in the City.<sup>113</sup> It also partnered with garment manufacturing businesses at manufacturing hubs across the City, including the Brooklyn Navy Yard, Manhattan’s Meatpacking and Garment Districts, and the Brooklyn Army Terminal.<sup>114</sup>

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[york/albany/story/2020/03/23/as-supplies-grow-scarce-in-new-york-city-medical-workers-fear-becoming-patients-themselves-1268743](https://www.albany.edu/story/2020/03/23/as-supplies-grow-scarce-in-new-york-city-medical-workers-fear-becoming-patients-themselves-1268743).

<sup>107</sup> See NYCEDC “Five Ways NYCEDC is Supporting New York City’s COVID-19 Response”, May 4, 2020, available at <https://edc.nyc/article/five-ways-nycedc-is-supporting-new-york-city-covid-19-response>.

<sup>108</sup> See *id.*

<sup>109</sup> See James Patchett, NYCEDC “Testimony before the New York City Council Committee on Economic Development,” June 24, 2020.

<sup>110</sup> See NYCEDC, “Weekly Update from NYCEDC”, Jun 19, 2020, (*email correspondence on file with committee staff*).

<sup>111</sup> See James Patchett, NYCEDC “Testimony before the New York City Council Committee on Economic Development,” June 24, 2020.

<sup>112</sup> See “Weekly Update from NYCEDC,” Jun 19, 2020, (*email correspondence on file with committee staff*).

<sup>113</sup> See Christian Allaire “Broadway Costume Designers Are Making PPE for Healthcare Workers”, VOGUE, May 13, 2020, available at <https://www.vogue.com/article/broadway-costume-designers-ppe-healthcare-workers>.

<sup>114</sup> See NYCEDC “Five Ways NYCEDC is Supporting New York City’s COVID-19 Response”, May 4, 2020, available at <https://edc.nyc/article/five-ways-nycedc-is-supporting-new-york-city-covid-19-response>.

NYCEDC also helped lead the effort to produce ventilators, which are vital to treat severe cases of respiratory diseases like COVID-19. NYCEDC facilitated a public-private partnership that developed a low-cost “bridge” ventilator, a machine meant to help less critically ill patients breathe, in about a month – a process that normally could take a year or more.<sup>115</sup> Upon recognizing the urgent need for ventilators, the City invested \$100,000 for a research grant and nearly \$10 million for an agreement to buy 3,000 bridge ventilators.<sup>116</sup> Then a team of scientists, engineers, entrepreneurs, physicians and regulatory experts, led by New Lab, the technology center for researchers and startups based at the Brooklyn Navy Yard, went to work developing an affordable product that could get to market quickly.<sup>117</sup> The FDA approved the new machine, called the Spiro Wave, in mid-April.<sup>118</sup> While the City did not end up experiencing the severe ventilator shortage it had anticipated, the Spiro Wave is still a valuable tool to have on hand, and could expand access to treatment to other parts of the country as the pandemic spreads, and to developing countries in need of low-cost equipment.<sup>119</sup> All told, NYCEDC’s efforts to set up supply and manufacturing chains to ensure the City had adequate PPE during the height of the pandemic supported nearly 3,000 jobs in the City.<sup>120</sup>

## VI. CONCLUSION

The COVID-19 pandemic and resulting shutdown of the City’s economy led to a dramatic increase in unemployment, which disproportionately affected foreign-born City residents and City residents of color. To address this crisis, WKDEV, NYCEDC, and SBS have offered a number of

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<sup>115</sup> See Steve Lohr “New York Needed Ventilators. So They Developed One in a Month”, *New York Times* Apr. 20, 2020, available at <https://www.nytimes.com/2020/04/20/technology/new-york-ventilators-coronavirus.html>.

<sup>116</sup> See *id.*

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

<sup>119</sup> *Id.*

<sup>120</sup> See THE CITY OF NEW YORK, MAYOR’S MANAGEMENT REPORT (2020) COLLABORATING TO DELIVER RESULTS: COVID-19 at 3-9, available at <https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/covid-short.pdf>.

new resources to get City residents back to work while directly addressing other crises caused by the pandemic. The Committee looks forward to hearing from the Administration on its plans to continue to get New Yorkers back to work, including how it has adopted an equity-based approach to combat unemployment. The Committees look forward to hearing feedback from advocates on the Administration's programs as well.