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“Legislative Proposals to Increase Work and Health Care Opportunities for Public and Subsidized Housing Residents”

Testimony to the House Committee on Financial Services
Subcommittee on Housing and Community Opportunity

Mario Musolino,
Executive Deputy Commissioner



Testimony for
Executive Deputy Commissioner Mario J. Musolino
New York State Department of Labor

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for Public and Subsidized Housing Residents”**

Good morning, Chairwoman Waters, Representative Velázquez and members of the committee. Thank you for the opportunity to comment on these legislative proposals on behalf of New York Governor David Paterson and State Labor Commissioner Patricia Smith.

We share the goals that the “Together We Can Act” and the “Earnings and Living Opportunities Act” aim to realize - addressing the need to connect some of our most vulnerable citizens with gainful employment to forge a pathway out of poverty and providing adequate health care for the substantial and growing segment of our population that is elderly, disabled or ill. Both proposals aim to expand training opportunities for the unemployed and underemployed, especially those living in public housing and federally-assisted rental housing.

New York State has many communities that would benefit from these initiatives – unemployment rates and the percentages of those living in poverty are on the rise. For example, the latest available data available from the U.S. Census Bureau’s 2005 – 2007 American Community Survey (ACS) estimates that from 2000 to 2007, the percentage of families living in poverty has risen dramatically. In Binghamton, the percentage jumped from 16.5 percent to 23.7 percent; in Syracuse, the percentage rose from 21.7 percent to 25.5 percent; and in Utica, the ACS estimates that in 2007, 23.5 percent of families were living below the poverty line, as compared to 19.8 percent in 2000.

Unfortunately, these alarming statistics are not uncommon – they reflect a widespread problem affecting every part of our state, rural and urban alike. It is a problem we share with states across the nation.

Persons with low incomes constitute the largest percentage of the unemployed in New York. In June of 2009, 42.3% of New York State’s unemployment insurance beneficiaries were low-wage earners.

Many of those living in poverty, and low-wage earners, are residents of public housing or occupy rental housing subsidized by the federal government.

The pilot program proposed in the Together We Can Act to train public housing residents for home- and community-based health care occupations affords an opportunity to “field test” a plan that serves two purposes: providing training and job creation for the

unemployed and underemployed; and expanding the supply of direct-care workers to assist the elderly and disabled.

The need for direct-care providers is rapidly growing as the “Baby Boom” generation ages. The Paraprofessional Healthcare Institute (PHI) produced an April 2008 analysis of the of U.S. Department of Labor Bureau of Labor Statistics (BLS) national occupational projections for 2006 – 2016 that suggests:

- “...demand for direct-care workers over the next decade, particularly in home- and community-based settings, will continue to outpace supply dramatically;” and
- “...the employment estimate for the direct-care workforce exceeded three million in 2006 and projected demand calls for an *additional one million new positions* by 2016.”

The BLS also projects that Personal and Home Care Aides and Home Health Aides will be the second and third fastest-growing occupations in the country between 2006 and 2016, increasing by 51 percent and 49 percent, respectively.

The BLS notes that the majority of direct-care workers are currently employed in home- and community-based settings. The proportion working in these types of settings will continue to increase over the next decade – home- and community-based direct-care workers are expected to outnumber those workers in facilities by almost *two to one*.

These statistics and findings strongly demonstrate opportunities for low-wage earners to learn to provide home-based health services to residents of public housing and federally-assisted rental housing.

States have various ways to train home health aides. Federal regulations apply to home health agencies certified to provide services to Medicare and Medicaid recipients. Those regulations serve as the basis of New York State’s guidelines for approving and monitoring home health aide training programs. In New York, a home health aide training program must include a minimum of 75 training hours, including 16 hours of supervised, practical training.

There are more than 350 organizations statewide approved to operate home health aide programs. Their employees must receive certification from the state. A recent state law requires that all individuals that complete home care training be listed on a public registry, beginning this September. All approved training programs will be required to register everyone they certify.

While the state believes that the scope of existing home health care trade programs includes residents of public or subsidized housing, New York State currently has no home health care trade programs specifically serving that target population.

As I stated previously, providing pathways out of poverty is very important to us and our partners in New York’s workforce development system.

Our department is the state's administrative agency under the federal Workforce Investment Act (WIA) of 1998 and the Wagner-Peyser Act, the two funding streams that largely support our training programs for adults, dislocated workers and youth. The majority of these funds (approximately 85%) are distributed via formula to 33 workforce investment areas. Training supported by this funding source must be focused on preparing individuals for occupations that are in demand in the local areas.

A key challenge for all of our workforce training programs is limited resources. The extra influx of funding through the Recovery Act temporarily enables the system to support many more individuals in training, but the need far surpasses the available funds. Both the United States Department of Labor (USDOL) and the State Labor Department are emphasizing that Recovery Act funding should be used to boost the provision of training. And with the downturn in the economy, we have found that individuals are willing to go into longer-term training to acquire industry-recognized credentials and educational degrees.

The Recovery Act also emphasizes the importance of providing services to those most in need of employment and training services. The funding for adult training services provided under the Act requires that low-income individuals and public assistance recipients receive priority. These low-income individuals often need basic- and work-readiness skills development in addition to occupational training. They usually have many needs for support services as well. Residents in public housing would meet the eligibility requirements for these WIA programs.

The State Labor Department issues Requests for Proposals (RFPs) to procure training services. We are currently reviewing 100 applications received in response to our Emerging and Transitional Worker RFP, which solicited training program proposals to serve low-income, unemployed adults in construction, health care, transportation, and advanced manufacturing industries. We will soon be issuing an RFP to solicit training to serve youth ages 14 to 24.

I would also like to note that we are implementing a sector-based approach to workforce development in New York. Our state is participating in a multi-state National Governors Association Sectors Policy Academy – an effort to transform how the state supports workforce development and aligns workforce policies. The Policy Academy focuses on three sectors: green/renewable resources, health care and advanced manufacturing.

We also promote the provision of wrap-around, supportive services for our clients – transportation and child care services often are barriers to the under-employed and unemployed individuals we serve – as well as mechanisms to gradually transition low-income earners from living with public assistance to self sufficiency. ARRA funding can also be used to provide supportive services such as child care, transportation and financial support to individuals in training, and we are maximizing those funds for this purpose.

A guiding principle and philosophy of our workforce strategy is to assure that the jobs created in our state generate career pathways that provide family-sustaining wages for individuals in economically-distressed communities.

While training efforts are not specifically targeted to residents of public and subsidized housing, our system gives priority to training low-income individuals and strives to develop the skills and education for all participants in need of such services.

To help accomplish that, the department has taken the lead in developing partnerships and collaborations, and relies upon these partnerships to align and leverage our state-level resources.

For instance, Public Housing Authorities (PHAs) and local Workforce Investment Boards (WIBs) work together to form the connections that work best for their local communities. Recently, the United States Department of Housing and Urban Development (HUD) and USDOL issued a mass mailing to all PHA and WIB directors encouraging collaboration, particularly in job posting and skills development. It should be noted that under the Workforce Investment Act (Section 121(b)) employment and training activities carried out by the HUD should be accessible through One-Stop systems, so coordination between PHAs and WIBs is authorized and encouraged. We do not specifically track whether individuals are public housing residents in our training programs. We do collect information to determine whether individuals are low-income or whether they are public assistance recipients.

At the state level, our agency and the Division of Housing and Community Renewal have worked very closely to develop training programs for weatherization and energy efficiency projects. In addition, we have been working with the Dormitory Authority of New York State.

Key to our collaborative resources are 79 One-Stop Career Centers located across our state. The One-Stop Career Centers provide skills assessment, career counseling, career planning, training and job placement services to under-employed and unemployed individuals – both adults and youth. Both our department and our local partners provide staff for the One-Stop Centers in our joint effort to engage workers in viable career pathways.

The Workforce Strategy Center defines a career pathway as “a series of connected education and training programs and support services that enable individuals to secure employment within a specific industry or occupational sector, and to advance over time to successively higher levels of education and employment in that sector.”

“Career Pathways” initiatives also target jobs in industries of importance to local economies – jobs that meet the demands of communities.

For example, in New York, the Department of Labor and the Office of Temporary and Disability Assistance (OTDA) are partnering on a Career Pathways initiative, using \$2.5 million in TANF funds and \$2.5 million in WIA funds.

The program is designed to expand access to education and occupational training services to low-income individuals aged 16 and over, with the goal of developing the skills needed to secure employment with a defined career pathway in a high-growth or high-demand industry that is vital to the state’s economic vitality.

The Together We Can Act could provide funding for a pilot program that emulates the Career Pathway model in the health care industry, to provide workers with sustainable,

living-wage careers in this high-demand industry. It addresses many of the objectives of our workforce development strategy and those of states across the nation.

The Earnings and Living Opportunities Act (ELOA) would enhance HUD's monitoring and enforcement of compliance with Section 3, designed to provide low- and very-low-income persons, especially recipients of housing assistance, with access to training, jobs and contracting opportunities that result from the expenditure of HUD funds in their communities.

ELOA's guiding principle is one which we support – creating additional economic opportunities for low-income individuals by affording them a portion of the benefits created by HUD-funded projects.

Currently, responsibility for hiring, training, and connecting public housing and subsidized housing residents with jobs Section 3 compliance falls largely to the local PHAs and prime recipients of HUD Section 3 covered assistance. HUD monitors compliance.

In order to maximize the achievement of Section 3 goals by our local partners, DHCR conducts annual workshops, offers technical assistance and provides informational materials to encourage greater participation. DHCR developed and disseminates the "Utilization of Section 3 Residents and Businesses" reporting form. The form requires all recipients to provide documentation of all good faith efforts undertaken to utilize area residents as trainees and employees and to award contracts to businesses located within the Section 3-covered project area.

New York State Division of Housing and Community Renewal (DHCR) tracks Section 3 compliance for the HOME and HOME LPA Programs, as well as for CDBG non-entitlement communities. Participation goals are established and evaluated by DHCR and incorporated into all Section 3 covered assistance contracts. Each recipient of such funding is required to take action to increase participation in its projects. DHCR received approximately 145 Section 3 compliance reports in 2008. The data captured from these reports is analyzed and submitted to HUD.

The Act presents a framework for reforming and enhancing Section 3 by encouraging compliance through expanded monitoring and the introduction of sanctions, and building the capacity of grantees to meet Section 3 requirements. However, this will require additional resources for entities that implement and monitor HUD-funded projects – HUD, DHCR, public housing authorities, local governments and other grantees and their contractors.

We applaud the proposal's provision of grants to hire Section 3 coordinators to enhance the capacity of HUD funding recipients to track and meet Section 3 goals. It also allows for administrative expenses, including oversight and technical assistance to recipients, contractors, and subcontractors. If fully funded, these provisions will go a long way to helping strengthen Section 3 in a workable way.

ELOA also recommends consultation with, among others, local labor organizations. We would encourage these discussions, in order to adequately assess the

viability of meeting the Act's goals for hiring low-income individuals for skilled construction jobs and ensuring training, employment and contracting opportunities. Local, state and national labor organizations could provide critical input that would help assess and advance Section 3 compliance.

Our experience shows that state-approved apprenticeship programs provide an excellent source of training that leads to enhanced economic opportunities for participants. They allow people with limited skills an opportunity to learn a new trade while continuing to earn wages, and provide them with a nationally recognized, portable credential when they finish the program. New York's registered apprenticeship program has approximately 900 sponsors, 300 apprenticeship occupations and 21,000 active apprentices.

Apprenticeship is a potential pathway out of poverty, but there are obstacles that may limit participation in an apprenticeship program. For instance, many programs require that apprentices have a high school diploma or a GED in order to qualify. Some programs may require apprentices to have their own mode of transportation or a NYS driver's license to use company vehicles.

In New York City, an alliance called the Trade Unions & Residents for Apprenticeship Development and Economic Success (TRADES), made up of organized labor, public housing residents and community activists, partnered with the New York City Housing Authority (NYCHA). They developed the CM/Build Program that required builders to offer state-approved apprentice programs and pay prevailing wages. The carpenters, painters, laborers, and plumbers unions agreed to place residents of public housing in their apprenticeship programs and hire them for NYCHA and other construction projects. The Housing Authority also worked to strengthen enforcement of Section 3 compliance.

This alliance demonstrates a cooperative effort to recruit and retain low-income, women and minority workers in higher-level road construction jobs.

It should be noted that Section 3 alone was ineffective at moving NYCHA residents out of poverty. Requiring that workers reside in the complex where the work was taking place ensured that when the work was finished and the contractor moved on to other projects, the workers were laid off.

The Earning and Living Opportunities Act also gives special consideration to persons in state-approved apprenticeship programs. We would encourage discussion on developing a means to encourage and support efforts to enroll recipients of federal housing assistance in these programs. And we should ensure that current public housing residents that are in existing apprenticeship programs have opportunities to gain employment.

Because of widespread recognition of the obstacles to Section 3 implementation articulated by local PHAs and contractors that are recipients of Section 3 covered assistance – lack of skills, temporary nature of many of jobs generated in the rehabilitation of housing – there has historically been wide latitude on issuance of waivers by HUD. DHCR would welcome a partnership to strengthen Section 3 compliance initiatives, but cautions that there are insufficient resources at the state level to enhance compliance monitoring.

We believe that efforts are underway to connect Section 3 residents with employment opportunities in New York State in the context of our comprehensive workforce training programs, but recommend that any introduction of sanctions to improve compliance be gradual, in order to allow development of supply-side workforce development programs to prepare Section 3 residents for employment. We see a need for Section 3 to work in tandem with both occupational and pre-employment and job-readiness skills preparation of Section 3 residents to enable them to take advantage of the opportunities that Section 3 could present.

In summary, we support the intent of these two acts.

We are very interested in working with congressional staff to best align the aims of the legislation with existing local, regional and state workforce development programs, institutional infrastructure and funding sources.

At the federal level, we support a concerted effort to consolidate the many employment and training programs and funding streams into a focused system, with state authority to align these resources with state-level needs, priorities and goals.

Aligning resources will enable a coordinated approach to training under-employed and unemployed workers. A coordinated approach also will promote the ELOA's goal of leveraging present funding sources to provide training opportunities and jobs.

We also recommend that any action proposed to enhance and expand training opportunities and provide new employment opportunities, particularly for low-income earners, have mechanisms that create career ladders that provide pathways out of poverty.

We must create employment opportunities that move low-wage workers into self-sufficiency, improve distressed communities and foster a renewed sense of self-respect and empowerment.

Lastly, we'd like to reiterate the importance of forming partnerships and collaborations to advance workforce training and job creation and retention strategies.

Educational institutions, training providers, organized labor, community-based organizations, the Small Business Administration and state economic development entities, among others, must work together to leverage resources, achieve economies of scale and assure that both worker and employer needs are addressed.

Our efforts and those of the workforce systems around the nation must be flexible and responsive to the ever-changing needs of workers and employers.

We welcome the opportunity to discuss how the Together We Can Act and the Earnings and Living Opportunities Act can help workforce professionals provide new opportunities for workers, meet projected demand in growth industries and grow local and regional economies.

We commend Representative Velázquez for her effort to address the needs of low-wage earners, and elderly and disabled residents of federally-subsidized housing. Our agency looks forward to assisting the subcommittee.

Thank you.