

# S.2503 / A.3003

STAFF CONTACT : Amber Rangel Mooney | Director of Workforce Development | 518.694.4465

<p><b>BILL</b></p> <p>S.2503 / A.3003</p>
<p><b>SUBJECT</b></p> <p>COVID-19 Recovery Workforce Initiative</p>
<p><b>DATE</b></p> <p>February 19, 2021</p>
<p><b>SUPPORT</b></p>

The Business Council of New York State, the State’s leading statewide business and industry association, supports programs that ensure New York has the qualified workforce needed to further grow our economy. As such, The Business Council supports the creation of the “COVID-19 Recovery Workforce Initiative” outlined in budget bill S.2503 / A.3003, which would invest \$50 million for training in high-growth industries, employer-driven training for low-income workers, and funding for small businesses to re-train and hire furloughed, laid-off, or new employees.

Even prior to the pandemic, serious skill gaps plagued employers struggling to fill open positions. At the start of 2019, there were seven million unfilled jobs in the U.S. and employers consistently cited challenges in finding appropriately skilled workers to fill these positions.<sup>1</sup>

Skill gaps endure in major industries projected to continue to grow including, information technology (IT), manufacturing, construction, and the healthcare sector. These growing sectors have two things in common: 1) they are all STEM-based (science, technology, engineering, and math) industries, and 2) they have a high demand for a skilled workforce with more than a high school diploma, but less than a bachelor’s degree (also known as “middle skills” jobs).

The U.S. Bureau of Labor Statistics predicts eight percent employment growth in STEM related occupations from 2019 to 2029, compared to only three percent in non-STEM related occupations.<sup>2</sup> In 2019, the median salary for STEM occupations was \$86,980 whereas it was only \$38,160 for non-STEM occupations.<sup>3</sup> These pre-pandemic statistics highlight the previous needs, which have only been exacerbated by the pandemic.

As the demand for these occupations grow, both the p-12 and adult education systems have an opportunity to meet the industry demand for a STEM educated workforce, better equipping students to engage in a STEM-industry centered economy that provides well-paying jobs. For businesses across New York State to continue to grow and remain successful in the state, more needs to be done to address these enduring skills gaps.

With increased investment in workforce development, we cannot emphasize enough the importance of employer engagement in the development of quality workforce programs. Employer engagement must be crucial criteria to the awarding of funding for any new workforce training program. Employers across the state have thousands of open positions, and many are looking at future growth and opportunities to upskill their current workforce, opening more entry-level positions for new employees.

State investments in workforce development should also focus on three core tenets: flexibility, accountability, and scaling what works. To meet the needs of employers and a dislocated workforce, it is important that new workforce development funding be flexible.

Additional aspects of these newly allocated resources that should also be considered include:

- supporting multi-year investments;
- being accessible throughout the year on a rolling basis;
- investing in what works & in innovation;
- being regionally targeted and responsive to local needs; and
- adequately supporting all New Yorkers; including incumbent workers and those most in need of basic skills development, wage advancement & support to overcome barriers to family sustaining wages.

The Business Council supports programs that ensure New York has the qualified workforce needed to further grow our economy. As such, The Business Council supports the creation of the “COVID-19 Recovery Workforce Initiative” outlined in budget bill S.2503 / A.3003, which would invest \$50 million for training in high-growth industries, employer-driven training for low-income workers, and funding for small businesses to re-train and hire furloughed, laid-off, or new employees.

---

1. Craig, R. (2019, March). *America’s Skills Gap: Why It’s Real, and Why It Matters*. Progressive Policy Institute. <https://www.progressivepolicy.org/wp-content/uploads/2019/03/SkillsGapFinal.pdf>

2. Fayer, S., Lacey, A., & Watson, A. (2017, January). *STEM Occupations: Past, Present, And Future*. Spotlight on Statistics. U.S. Bureau of Labor Statistics. <https://www.bls.gov/spotlight/2017/science-technology-engineering-and-mathematics-stem-occupations-past-present-and-future/pdf/science-technology-engineering-and-mathematics-stem-occupations-past-present-and-future.pdf>

3. *Employment for the Largest STEM Occupations, May 2019*. (2020, March 31). U.S. Bureau of Labor Statistics. <https://www.bls.gov/oes/2019/may/stem1.htm>