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| Committee on Small Business Staff: |   Nicole Catá, *Legislative Counsel* Rebecca Barilla, *Policy Analyst*Glenn Martelloni, *Financial Analyst* |



**The Council of the City of New York**

Committee Report of the Governmental Affairs Division

Andrea Vazquez, *Legislative Director*

Rachel Cordero, *Deputy Director, Governmental Affairs*

**Committee on Small Business**

Hon. Julie Menin, Chair

**May 25, 2023**

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| **Proposed Int. No. 686-A:** | By Council Members Stevens, Menin, Louis, Riley, Restler, Hudson, Ung, Farías, Sanchez, Lee, Schulman, Hanif, Hanks and Avilés |
| **Title:** | A Local Law to amend the administrative code of the city of New York, in relation to summer youth employment |

1. **Introduction**

On May 25, 2023, the Committee on Small Business, chaired by Council Member Julie Menin, will hold a vote on the following legislation: Proposed Introduction Number 686-A (Int. 686-A), sponsored by Council Member Althea Stevens, in relation to summer youth employment. This bill was previously heard on February 27, 2023.

1. **Background**

When the COVID-19 pandemic erupted in March 2020, young workers ages 16 to 24 in New York City (NYC) suffered the worst unemployment rates of all age groups nationwide.[[1]](#footnote-1) While the rest of New York State (State) and the nation continue to see strong rebounds in their youth workforces, young workers in NYC continue to struggle.[[2]](#footnote-2) According to a December 2022 report by the State Comptroller’s Office, young workers in NYC have reached an unemployment rate of 17.9 percent, compared to 9.3 percent for young workers in the rest of the State, and 8.3 percent for young workers in the rest of the country.[[3]](#footnote-3) There are currently over 70,000 unemployed youth in NYC, nearly two times as many as in 2019.[[4]](#footnote-4) Of these, young Asian and Black workers are experiencing disproportionately high unemployment rates of 23.3 percent and 20.4 percent respectively.[[5]](#footnote-5) Additionally, there is a wide disparity between young male and female workers in NYC, as young male workers have reached an unemployment rate of 23.6 percent, while their female counterparts are just under 15 percent.[[6]](#footnote-6)

NYC was devastated by the pandemic, prompting industry-wide closures as well as vaccine and mask mandates that were among the strictest in the country.[[7]](#footnote-7) NYC’s recovery continues to lag behind other cities because of the steep job losses it suffered early in the pandemic. In the first two months of the pandemic, NYC lost approximately one million jobs, the most of any city in the country.[[8]](#footnote-8) The leisure, hospitality, and retail industries were hardest hit and experienced rapid decline.[[9]](#footnote-9) Because these industries have fewer hard-skill requirements, they are more accessible to young people and have served as their traditional pipeline into the workforce.[[10]](#footnote-10) Moreover, because young people have limited experience, they have fewer job options and have had great difficulty re-entering the workforce after the slow recovery of the hospitality and retail sectors.[[11]](#footnote-11)

The pandemic reversed much of the progress made for out of school and out of work (OSOW) youth over the previous decade. In NYC, the number of OSOW youth steadily declined in the decade prior to the pandemic.[[12]](#footnote-12) In 2018, 13.2 percent of NYC youth were OSOW, compared to 18.2 percent in 2010.[[13]](#footnote-13) One key factor that led to this decrease was the growing economy, which created more job opportunities for young adults.[[14]](#footnote-14) However, the majority of these new jobs were low wage and part time.[[15]](#footnote-15) Therefore, while young adults were in the workforce, they were not necessarily on a steady career path.[[16]](#footnote-16) Even before the COVID-19 pandemic, approximately 325,000 New Yorkers ages 16-24 were at risk of becoming OSOW, suggesting that preventative measures must focus on driving down OSOW numbers in the long term.[[17]](#footnote-17)

In 2017, the Council passed legislation to establish The Disconnected Youth Taskforce to consider the challenges of OSOW youth ages 16-24. [[18]](#footnote-18) According to a 2020 report from the taskforce, the number of youth who are OSOW in NYC, also referred to as disconnected youth, has likely doubled since the coronavirus permeated NYC in the spring of 2020.[[19]](#footnote-19) The taskforce found that the experience of being OSOW in adolescence leads to lower earnings, diminished homeownership rates and worse health outcomes later in life.[[20]](#footnote-20) The taskforce issued recommendations for preventing youth from dropping out of school, reengaging those who do, and building training and career opportunities for youth.[[21]](#footnote-21) The report urged the City to center young people in the emerging industries of the COVID-19 response and recovery, prioritizing them in contract tracing and other projects fueled by federal stimulus money.[[22]](#footnote-22)

1. **The Administration’s Response to the Youth Unemployment Crisis**

In response to the urgency of the youth employment crisis, the Adams administration launched new initiatives and expanded longstanding programs to help youth who suffered from pandemic job losses. In February 2022, Mayor Adams announced an expansion of the Summer Youth Employment Program (SYEP) to 90,000 slots for youth ages 14-24,[[23]](#footnote-23) an increase from 75,000 in Fiscal Year (FY) 2022, the largest number of slots made available in the program’s 60-year history.[[24]](#footnote-24) SYEP provides participants with paid internship opportunities to explore potential career interests, helping to develop their professional, social, and leadership skills, preparing them for potential careers. [[25]](#footnote-25)According to a study by JP Morgan Chase, youth who secured summer employment were less likely to be incarcerated, had improved performance in school, and were 86 percent more likely to secure jobs the following year.[[26]](#footnote-26) The expansion of SYEP serves as both a public safety priority and workforce development initiative for the Adams administration.[[27]](#footnote-27)

One of the Adams administration’s first steps to combat rising unemployment was the consolidation of workforce training and job placement programs across agencies.[[28]](#footnote-28) Executive Order 22, signed in August 2022, requires the City to merge historically siloed services across two dozen agencies under a single office, now named the Mayor’s Office of Talent and Workforce Development.[[29]](#footnote-29) The Executive Order stressed that a more efficient and streamlined approach was necessary to better match jobseekers with training and career opportunities.[[30]](#footnote-30) City officials, advocates, and non-profit leaders on the Disconnected Youth Taskforce also called for the consolidation of services programs for unemployed youth.[[31]](#footnote-31) The 2020 report released by the taskforce explains that the expansive nature of the OSOW population and the lack of a uniform strategy across City agencies has yielded a patchwork of programs that is disjointed and unfocused.[[32]](#footnote-32) The report’s overriding recommendation was to create a single office or position in City government responsible for developing coherent and effective programming for OSOW youth.[[33]](#footnote-33)

 In addition to the consolidation of workforce development programming, Executive Order 22 also launched Pathways to Industrial and Construction Careers (PINCC), designed to move 2,300 low-income New Yorkers receiving government assistance or living in public housing into industrial and construction careers.[[34]](#footnote-34) The program is financed by an $18.6 million federal grant and targets industries that are unionized or pay relatively high wages where demand is expected to grow.[[35]](#footnote-35) Through this program, the City trains and places participants in roles such as diesel mechanic, utility worker, construction project manager, or tradesperson.[[36]](#footnote-36) The City selects participants with an aptitude for the work, provides necessary training and continued support after the participant has established themself in the role.[[37]](#footnote-37)

Executive Order 22 also created the Future of Workers Taskforce, led by City officials and nonprofit leaders, and required it to issue recommendations to drive better employment outcomes for New Yorkers ages 16-24.[[38]](#footnote-38)

1. **Programming for Out of School and Out of Work Youth**

 ***Department of Youth and Community Development (DYCD)***

 DYCD offers several youth employment programs for youth ages 14-24 designed to help youth gain work experience and education.[[39]](#footnote-39) DYCD’s Learn and Earn program is a year-long program for high school juniors and seniors at risk of dropping out of school.[[40]](#footnote-40) The program supports students by providing targeted academic assistance and exam preparation, developing career awareness, improving work readiness, and exploring postsecondary education options.[[41]](#footnote-41) DYCD also offers direct programming for OSOW youth. The agency’s Train and Earn Program for low-income youth ages 16-24 provides training and employment services to secure a job, obtain a high school equivalency certificate, and access postsecondary education and training.[[42]](#footnote-42) In FY 2022, Train and Earn had 1,506 participants, an increase from 1,270 in FY 2021.[[43]](#footnote-43)

Similarly, DYCD’s Advance and Earn program helps youth 16-24 further their career through comprehensive High School Equivalency (HSE) preparation, employer recognized trainings, credentials and certifications, and paid internships.[[44]](#footnote-44) In FY 2022, Advance and Earn had 948 participants, and 40 percent of those participants were placed in education, employment, or advanced training within 90 days of the program’s end.[[45]](#footnote-45)

DYCD’s largest program for NYC youth ages 14-24 is the SYEP, the nation’s largest youth employment program.[[46]](#footnote-46) The expansion of SYEP, to 90,000 slots in FY 2023, allowed DYCD to place 55 percent of eligible applicants into compensated internships in the summer of FY 2023, compared to 49 percent in the summer of FY 2022.[[47]](#footnote-47) Further, the expansion led to more partnerships with large businesses and corporations across NYC, allowing young people the opportunity to broaden their career choices and engage in professional experiences within the private sector.[[48]](#footnote-48)

***Department of Small Business Services (SBS)***

SBS programs complement SYEP.[[49]](#footnote-49) According to Mayor’s office of Youth Employment (MOYE), the Advanced Manufacturing Career Collective was designed with a goal to engage up to 1,000 students annually in the field of advanced manufacturing.[[50]](#footnote-50) Originally a collaboration between MOYE, City University of New York (CUNY), and SBS’ Manufacturing Industrial and Innovation Council (MAiiC),[[51]](#footnote-51) the program continues to exist under the purview of CUNY and MAiiC.[[52]](#footnote-52) The current program, marketed as ApprenticeshipNYC, is targeted for New Yorkers who make less than $50,000 a year.[[53]](#footnote-53)

The Disconnected Youth Task Force also reported on several SBS programs that have served OSOW individuals. For example, SBS’ Bridge to Tech program was targeted to OSOW New Yorkers ages 18 and above.[[54]](#footnote-54) Although the program’s existence is unclear today, SBS continues to support the NYC Tech to Talent Pipeline, which offers “no-cost training programs for jobs in the tech field.”[[55]](#footnote-55) NYC’s Tech to Talent Pipeline training programs include data analysis and web development for individuals above 18 who are either unemployed or employed and earning less than $45,000 to $50,000 a year.[[56]](#footnote-56)

In 2018, SBS launched a program targeted for OSOW individuals aged 18 to 24 under New York Alliance for Careers in Healthcare (NYACH).[[57]](#footnote-57) The Medical Assistants for Modern Healthcare Delivery Training Program served 29 clients in FY 2019.[[58]](#footnote-58) It is unclear if this particular training program is still available today, but NYACH continues to support youth training in partnership with SBS. In a 2022 report, NYACH shared that over the course of their Ready for Healthcare Program, they have supported 781 high school and career and technical education (CTE) students.[[59]](#footnote-59)

The task force’s report also included Employment Works, a Workforce1 related program designed for individuals who have been involved in the criminal justice system.[[60]](#footnote-60) In FY 2019, the program served 38 clients.[[61]](#footnote-61) Although recent participation numbers are not publicly available, Employment Works is still in existence today, with accessible services provided at the Bronx and Brooklyn Workforce1 Career Centers.[[62]](#footnote-62) SBS’ Workforce1 also provides specific services for OSOW individuals between the ages of 18 to 24 at the West Farms and Brownsville and East New York Workforce1 Career Centers.

1. **Joint Committee hearing on Int. No. 686-2022 and Subsequent Bill Amendments**

On February 27, 2023, the Committee on Youth Services, chaired by Council Member Althea Stevens, and the Committee on Small Business, chaired by Council Member Julie Menin, held an oversight hearing on DYCD’s support for unemployed youth. The Committee on Small Business also considered Int. 686. The Committees received testimony from DYCD, SBS, youth advocates, and members of the public.

After the hearing, Int. 686 was amended to reflect that DYCD would continue to operate SYEP and coordinate with SBS to promote the program to businesses with which SBS has contact. The amendments also eliminated the mandate that the number of agency SYEP positions be proportionate to the total number of full- and part-time employees of each agency. Instead, the amended bill would set a goal that each agency accept SYEP participants equal to at least .5 percent of its total full-time headcount. The amended bill would also eliminate the mentorship program proposed in the original bill. Finally, the amended bill modified the reporting requirement.

1. **Legislative Analysis**

***Int. 686-A***

Int. 686-A would require DYCD to operate SYEP. DYCD would coordinate with other agencies to develop summer youth employment opportunities. Each agency would have a goal of accepting SYEP participants equal to at least .5 percent of its total full-time headcount. DYCD would also coordinate with SBS to promote SYEP to businesses with which SBS has contact. DYCD would submit an annual report including the number of youth employed pursuant to SYEP each year, disaggregated by placement in each of the government, private, and nonprofit sectors. For the government sector, the report would disaggregate the number of youth employed by each agency. For any agency that does not meet the goal of employing at least .5 percent of its total full-time headcount, the report would include an explanation of why the goal was not met.

This bill would take effect 120 days after becoming law.

Proposed Int. No. 686-A

By Council Members Stevens, Menin, Louis, Riley, Restler, Hudson, Ung, Farías and Sanchez

..Title

A Local Law to amend the administrative code of the city of New York, in relation to summer youth employment

..Body

Be it enacted by the Council as follows:

Section 1. Chapter 4 of title 21 of the administrative code of the city of New York is amended by adding a new section 21-414 to read as follows:

§ 21-414 Summer youth employment program. a. Definition. For the purposes of this section the following term has the following meaning:

Summer youth employment program. The term “summer youth employment program” means the program operated by the department of youth and community development to provide youth with opportunities for summer employment.

b. The department shall operate a summer youth employment program. In operating the program, the department shall:

1. Coordinate with other agencies to develop summer youth employment opportunities within such agencies; each agency shall have a goal of accepting summer youth employment program participants equal to at least .5 percent of its total full-time headcount; and

2. Coordinate with the department of small business services to promote the summer youth employment program to businesses with which such department has contact.

c. On or before January 31, 2024, and annually thereafter, the commissioner shall submit to the mayor and the speaker of the council a report regarding the summer youth employment program. Such report shall include the number of youth employed pursuant to the summer youth employment program during the previous summer, disaggregated by placement in each of the government, private, and nonprofit sectors. For the government sector, the report shall disaggregate the number of youth employed by each agency. For any agency that does not meet the goal of employing at least .5 percent of its total full-time headcount, the report shall include an explanation of why the goal was not met.

§ 2. This local law takes effect 120 days after it becomes law.

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