

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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March 9, 2018

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HELD AT: Council Chambers - City Hall

B E F O R E: MARK GJONAJ  
Chairperson

COUNCIL MEMBERS:

DIANA AYALA  
STEPHEN T. LEVIN  
BILL PERKINS  
CARLINA RIVERA

## A P P E A R A N C E S (CONTINUED)

Greg Bishop  
Commissioner of the New York City Department of  
Small Business Services, SBS

Shaazad Ali  
Assistant Commissioner for Finance at New York  
City Department of Small Business Services, SBS

Jackie Mallon  
First Deputy Commissioner of the New York City  
Department of Small Business Services, SBS

Kris Goddard  
Assistant Commissioner of Neighborhood  
Development at New York City Department of Small  
Business Services, SBS

Andrew Schwartz  
Council at the New York City Department of Small  
Business Services, SBS

Demos Demopoulos  
Secretary Treasurer of Teamsters Local 553

Daniel Gatto  
President of Teamsters Local 553

Donald Ranshte  
Senior Vice President of Building Trades  
Employers' Association

Jesse Laymon  
Director of Policy at the New York City  
Employment and Training Coalition

Eric Kim  
Small Business Project Management at Asian  
American Federation

## A P P E A R A N C E S (CONTINUED)

Michael Brady  
Executive Director of the Third Avenue Business  
Improvement District, South Bronx

Saduf Syal  
Coordinating Director of Network of Workforce  
Cooperatives

Omar Freilla  
Founder and coordinator of Green Worker  
Cooperatives

Ruth Lopez  
Worker Owner of Pa'lante Green Cleaning  
cooperative

Humberto Restrepo  
Representing the Joint Industry Board of the  
Electrical Industry

[gavel]

CHAIRPERSON GJONAJ: Good afternoon

everyone and welcome to today's budget hearing. My

name is Mark Gjonaj and I am the Chair of the

council's Committee on Small Business services. We're

also joined at the moment by Council Member Bill

Perkins. Today we'll be hearing from the Department

of Small Business Services on their fiscal 2019

preliminary budget that totals 172.2 million. I share

that the Speakers vision in ensuring that the city's

budget is fair, transparent and accountable to New

Yorkers. Hence as Chair of the Council's Small

Business Committee I will continue to push for

accountability and accuracy and ensure that the

budget reflects the needs and interests of the city.

Department of Small Business Services fiscal 2019

preliminary budget totals 172.2 million dollars which

includes 29.3 million for personal services to

support 362 full time employees. The Department's

fiscal 2019 preliminary budget is 43.9 million

dollars or 20 percent less than the fiscal 2018

adopted budget of 216.5 million dollars. I would like

the Commissioner to provide the reasons for this

decrease in the baseline budget and the programs that

1 will be impacted due to the decrease. Additionally, I  
2 would like the Commissioner to explain the impending  
3 increases that we may see in the executive budget in  
4 May and the November plan or the readjustment. One  
5 concern I have in this head count for the agency, the  
6 fiscal 2019 preliminary plan has 362 full time  
7 positions in fiscal 2018 and 2019, however, the  
8 agency's actual head count every month in fiscal 2018  
9 has been almost 90 less than what is in the plan. I  
10 would like to hear from SBS today the reason why the  
11 agency consistently without fail has such a high  
12 vacancy rate and whether these funds can be  
13 redistributed to programs that actually help SBS  
14 fulfil its mission to help New York's small  
15 businesses grow and prosper. Other areas I'm hopeful  
16 to hear from the Commissioner on include new needs  
17 reflected in the budget such as the CUNY tech  
18 initiative, school bus grant program, construction  
19 safety training imitative and apprentice NYC  
20 initiative. I'd like the Commissioner to share with  
21 us how the agency plans to meet the Mayor's five  
22 percent efficiency savings targeted in the executive  
23 budget and the city's goal to have 30 percent of the  
24 dollar value of city contracts go to certified MWBEs  
25

1  
2 by 2021 when we are currently only at 12 percent. I  
3 want to learn more about the work that bids are doing  
4 in the community and the other programs such as  
5 Avenue NYC that assist in neighborhood development  
6 and communities. As the Speaker highlighted at the  
7 OMB hearing, it is essential that the budget that we  
8 adopt this year is transparent, accountable, and  
9 reflective of the priorities and interests of the  
10 council and the people we represent. This year and as  
11 a vital part of this process and I expect that the  
12 SBS will be responsive to the questions and concerns  
13 of council members. I look forward to an active  
14 engagement with the administration over the next few  
15 months to ensure the fiscal 2019 adopted budget meets  
16 the goals that the council has set out. I'd like to  
17 thank the Commissioner Bishop for coming here today  
18 and testifying. I'd like to thank the SBS staff who  
19 have consistently been responsive to our many  
20 requests, we would not be able to analyze the city's  
21 budget at such a detailed level without their  
22 cooperation so thank you. I'd like to also thank both  
23 my staff and the staff of the Finance Division for  
24 their help in preparing this hearing. Thank you,  
25 Commissioner.

1  
2 GREGG BISHOP: Thank you. Good afternoon  
3 Chair Gjonaj and the members of the Committee on  
4 Small Business. My name is Greg Bishop, I'm the  
5 Commissioner of the New York City... I'm sorry... [cross-  
6 talk]

7 CHAIRPERSON GJONAJ: Sorry, just really  
8 quick Commissioner do you swear or affirm to tell the  
9 truth before this committee today and respond  
10 honestly to Council Member's questions?

11 GREGG BISHOP: I always speak the truth.

12 CHAIRPERSON GJONAJ: Of course, thank  
13 you.

14 GREGG BISHOP: I'm joined by SBS First  
15 Deputy Commissioner Jackie Mallon and my senior  
16 leadership team. I would like to begin by welcoming  
17 the new members of this committee and I look forward  
18 to continuing our important work together. At SBS we  
19 aim to unlock economic potential and create economic  
20 security for all New Yorkers by connecting them to  
21 quality jobs, building stronger businesses and  
22 fostering thriving neighborhoods across the five  
23 boroughs. Today I want to update... I want to share an  
24 update on our efforts over the last year to  
25 strengthen the city's support for job seekers, small

businesses and commercial corridors across the city. After my testimony I'm happy to take your questions. First, I'd like to give you an overview of our agency budget from there I will delve into the services made possible through this funding. SBS FY '19 preliminary budget is 172.7 million dollars with a head count of 362 employees. The preliminary budget includes pass through funding for other financial needs within city government, this funding is not spent or managed by SBS but is used as a conduit funding for other city entities. Of the 172.7 million, 36 percent or 61.3 million is pass through funding which includes 22.2 million for New York City economic development corporation, 21.2 million for New York City and company and 16.5 million for Governors Island and 1.4 million for the Brooklyn Navy Yard, the remaining 111.4 million or 64 percent of the FY '19 preliminary budget is allocated for SBS's program. This funding supports SBS mission of economically empowering New Yorkers through our employment business and neighborhood services. As the city's advocate for small businesses, SBS is committed to ensuring that businesses are aware of and can easily connect to our services no matter where they are in our city.



Businesses can access our range of free services through our seven NYC Business Solution Centers throughout the five boroughs. Job seekers can receive free recruitment and training resources through our 21 Workforce One Career Centers. SBS also invests in mass marketing through ad campaigns, social media, email blast, radio, and local and ethnic press. We understand that it's not always easy for business owners to come to us, so we also bring our resources directly to their door steps. Through the council funded Chamber on the Go initiative, trained business specialist campus commercial corridors connect business owners with our services. SBS also recently launched a mobile outreach unit, an additional resource equipped to serve New Yorkers on site in their neighborhoods. The mobile outreach unit features classroom space and multimedia capabilities so we are able to deliver routine and emergency services on site quickly. We've reached over 8,000 businesses through these services. Additionally, SBS works closely with community partners to get the word out about our services. We look forward to partnering with this committee to reach New Yorkers across the city. Small businesses are essential to the local

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economy and character of our neighborhoods, they provide opportunities for individuals to strengthen their own economic security and provide jobs for members of their communities. I grew up with my grandmother in Grenada who supported our household as a woman entrepreneur, so I understand firsthand how business ownership can empower a family and support greater economic opportunity for future generations. This personal experience is fundamental to my vision for SBS and I'm proud to work every day towards our mission to help New York City entrepreneurs start, operate and grow their business. As I previously mentioned SBS operates a network of seven NYC Business Solution Centers that provide free high-quality services. These centers which are the core of our business support offer services including access to capital, MWBE certification, navigating government regulations, and connecting to qualified talent. To provide assistance to industrial and manufacturing businesses, SBS contracts with nine industrial business service providers, IBSPs. In FY '17 the IBSPs connected more than 550 businesses to nearly a thousand services. SBS is also working to identify and mitigate common concerns of small businesses.

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With support from more than 15 city agencies SBS leads Mayor De Blasio's small business first initiative, a multi-agency collaboration to reduce the regulatory burden on small businesses. The city gathered input from hundreds of business owners to better understand areas of the city that needed improvement, with streamlining the delivery of critical information to businesses by creating an online portal that businesses can see all of their interactions with different city agencies in one place. Through our small business support center in Queens, the first one stop licensing and permitting office that houses multiple city agencies in one building we have provided over 70,000 services. We have also provided more than 2,600 odd site consultations through our compliance advisors, experts from regulatory agencies who educate business owners on how to prevent costly fines and penalties. Many businesses struggle to adapt to changes in the business environment, these challenges range from macroeconomic trends like the rise of ecommerce to neighborhood dynamics like rent speculation. The underlying causes of these changes are complex and vary from neighborhood to neighborhood, corridor to

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corridor and property to property but SBS is committed to providing businesses with the tools they need to adapt. To support businesses that are facing issues with their lease we provide free legal assistance through our commercial lease assistance program, businesses can work one on one with attorneys to review lease renewal terms, negotiate with their landlord and even prepare court papers and motions when litigation cannot be avoided. A major focus of our work is ensuring our program is accessible to all New Yorkers including women and immigrant entrepreneurs. In 2015 SBS launched WE NYC, a major initiative to address the entrepreneurship gender gap with a focus on underserved communities. Through extensive research and engagements with more than 1,500 women entrepreneurs we developed a series of programs to address the most common challenges women business owners face, this includes the recently launched WE Fund Crowd, a city led crowd funding program that helps women entrepreneurs access, access affordable capital and start businesses. Through our partnership women entrepreneurs can apply for crowd funded loans up to 10,000 dollars and the city will contribute the first

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ten percent of their loan request. To support immigrant entrepreneurs, we released a guide offering step by step advice for immigrant entrepreneurs. Building your Business in New York City, a guide for immigrant entrepreneurs, is available in seven languages and includes advice on topics such as signing a commercial lease, navigating government and understanding the rights of immigrant New Yorkers. Along with our support of small businesses SBS also plays a key role in the city's minority and women owned business enterprise program. The MW program aims to support the growth of minority and women owned businesses through city procurement and ensure a vendor's reflected diversity of our city. SBS certifies MWBEs and provides essential capacity building services and technical assistance to ensure that they can compete for and execute city contracts. This administration has made major investments into the MWBE program and has set ambitious goals to support MWBEs including certifying 9,000 MWBEs by 2019, to achieve this SBS has streamlined our application process while maintaining the integrity of the program. Through the support and investment of this administration we will... we are seeing the

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results. At the end of quarter one of FY '18, SBS has certified 5,271 MWBEs representing a nearly 45 percent increase during this administration. SBS also offers a number of capacity building programs and technical assistance resources designed for MWBEs. Cash flow is often an issue for companies working on city projects particularly for MWBEs, so the administration created a contract financing loan fund. This ten-million-dollar revolving fund offers low interest loans of up to half a million dollars capped at a three percent interest rate. MWBEs also have difficulty receiving surety bonds for construction contracts, in January we launched the ten-million-dollar bond collateral assistance fund to allow MWBEs and small businesses to access up to half a million dollars in collateral assistance. Beyond supporting MWBEs in contracting, SBS also offers targeted programs to help MWBEs grow their business. Programs like strategic steps for growth and education program in partnership with NYU, SBS helps MWBEs define and execute a strategic growth action plan to help stimulate revenue and job growth. Since the launch of the program SBS has graduated more than 100 MWBEs. By investing in the MWBE program and the

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2 companies themselves the city is leveraging its  
3 spending power to ensure diversity and procurement.

4 In line with the Mayor's career pathway strategic  
5 plan, a roadmap to create a more inclusive workforce  
6 SBS is responsible for helping New Yorkers find jobs  
7 by connecting job seekers to employers and local  
8 residents to industry informed training. Through our  
9 network of 21 Workforce One career centers SBS  
10 provides recruitment expertise, industry knowledge,  
11 and skill building workshops to match candidates to  
12 jobs. Annually we successfully connect more than  
13 25,000 New Yorkers with quality employment and nearly  
14 4,000 New Yorkers with the training needed to advance  
15 their careers. To ensure job seekers are connected to  
16 good paying jobs this administration instituted a job  
17 quality policy which requires businesses receiving  
18 free recruitment services through our Workforce One  
19 career centers to hire employees for full time  
20 positions or pay at least the living wage currently  
21 at 13.65 per hour, as a result we have seen a  
22 significant increase in the percentage of New Yorkers  
23 connected to full time work, from about 45 percent in  
24 2014 up to around 80 percent in 2017. SBS also offers  
25 a number of training that are designed to meet

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employers needs identified through our industry partnerships. These trainings are designed to help low income New Yorkers gain access to living wage jobs that they would otherwise struggle to find and secure. We have expanded our industry partnerships in technology and health care sectors and have launched partnerships in the food and beverage service, construction and industrial and manufacturing sectors. The goal of these industry partnerships is not only to connect New Yorkers to employment but also to build a long term sustainable connection between employers and the organizations that teach individuals the skills that are needed to enter and advance in the New York City job market. SBS plays a role in Mayor De Blasio's New York Works Plan, a series of 25 initiatives developed to create 100,000 jobs with good wages over the coming decade. In FY '17 we announced a CUNY 2X Tech Initiative to double the number of city university of New York students graduating annually with the tech related bachelor's degree by the year 2022. The five years, 20 million-dollar CUNY 2X Tech initiative brings together CUNY colleges and the major employers to expand access to quality tech careers and meet industry needs. SBS



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will also launch Apprentice NYC, a new employer partnership model that will provide New Yorkers with good jobs in sectors that include tech, health care and industrial and manufacturing. SBS is also working with the Department of Buildings and the Mayor's Office to provide construction safety training for those who do not have access. With an investment of 18.7 million in FY '17, we are developing a program to provide day laborers, employees of small businesses and MWBEs and new... and, and entrance into the construction industry with the construction safety training recommended by the site safety training task force. The expertise of local underground partners is essential to tackling the unique challenges faced by New York City's diverse neighborhoods and business communities. SBS oversees the largest network of business improvement districts in the country with 75 bids delivering more than 147 million dollars in services to over 93,000 businesses throughout the five boroughs. Not only does SBS provide technical assistance, grant opportunities, and capacity building services to bids but this network also provides a direct connection between neighborhoods, small businesses and our agency. We

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are proud that this administration has led an increase in smaller bids located in outer boroughs giving business communities across the city an opportunity to raise their collective voice. We recently celebrated the creation of the city's 75<sup>th</sup> bid, the Marsh Park bid which I'm sure you're very familiar with Chair Gjonaj because it's in your district. We'll soon release our annual bid trends report which highlights the tremendous impact bids have on our neighborhoods across the city. SBS is committed to working with community partners to identify local, commercial district needs and plan targeted solutions. One tool for gaining this understanding is through our commercial district needs assessment or CDNAs. So far, we have published seven CDNAs in downtown Flushing, downtown Staten Island, East Harlem, East New York, Inwood, Jerome Avenue, and Coney Island. Conducted in partnership with local community organizations CDNAs identified the strengths, challenges and opportunities within a commercial corridor. This tool provides valuable information about the needs of local business owners and commercial corridors and gives community organizations a framework to plan investments aimed

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at strengthening neighborhoods and businesses. SBS also provides financial support to strengthen and revitalize commercial districts through our grant programs. With Neighborhood 360 community-based organizations in six neighborhoods were awarded approximately 8.5 million in funding over the next three years to develop and staff revitalization projects that address the needs identified in the CDNAs. Projects pertaining to merchant organizing, public programming, streetscape enhancements, business development, and other quality of life improvements are ongoing in each of these neighborhoods. To further support small businesses and neighborhoods SBS provides community-based organizations with capacity building services including workshops, legal assistance, design assistance, leadership development and non-profit management coaching. To address additional staff capacity challenges our Neighborhood 360 fellows program pairs ten neighborhood development professionals with ten community-based organizations, the fellows are paid full time professionals, community, community organizers are urban planners. The program provides organizations with dedicated

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2 support for commercial revitalization projects and  
3 builds a pipeline of talent in neighborhood  
4 development. For example, in Chinatown the FY '17  
5 Neighborhood 360 fellow created and implemented a  
6 communications plan to increase awareness of SBS  
7 business preparedness and resiliency program among  
8 Chinatown based business owners. Her efforts resulted  
9 in 30 new applications resulting in the potential for  
10 more than 90,000 dollars in grants to these small  
11 business owners. After wrapping up two successful  
12 cohorts SBS is excited to launch our third cohort  
13 which with placements at organizations in every  
14 borough this spring. Together SBS and our community  
15 partners are supporting a vibrant neighborhood where  
16 neighborhood... where New Yorkers can shop, work and  
17 live. We look forward to working with the council in  
18 the year ahead. Thank you and I'd be happy to take  
19 your questions.

20 CHAIRPERSON GJONAJ: Thank you

21 Commissioner. One of the most important part of the  
22 hearings like this is that government leaders get a  
23 chance to hear directly from the public on the issues  
24 that impact their lives, Commissioner do you plan on  
25 staying for the remainder of the hearings to hear

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2 those things that impact our businesses and community  
3 leaders?

4 GREGG BISHOP: So, we... I have staff that...  
5 I, I'm not able to stay because I have a, a personal  
6 commitment but certainly I have a whole team here  
7 that will be here and in previous hearings whatever  
8 the public has said has come back to our agency and  
9 we, we have addressed it.

10 CHAIRPERSON GJONAJ: Great, thank you for  
11 that but I encourage you to stay as long as you can.  
12 For every day New Yorkers who have their own busy  
13 lives the budget process may seem a bit dense and  
14 arcane so why don't we start with some of the basics,  
15 why we're all here today, what is the SBS and what is  
16 its missions, in particular what is the mission of  
17 the agency?

18 GREGG BISHOP: So, our agency is complex  
19 because we have three areas that we work in but in  
20 short, our, our job is to create economic opportunity  
21 for New Yorkers and we do that in multiple ways. One,  
22 is obviously we talked about the, the support that we  
23 provide small businesses, so we help businesses  
24 start, expand and operate. A lot of our services  
25 focus on pre-startups, startups and operating

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businesses. We also help job seekers so New Yorkers who are looking to advance their career either in training in new skill sets, we provide a lot and a lot of our investments are actually in training or we actually help New Yorkers find jobs. So, our model is unique because we work with the private sector, we help... we sit down with the business owners, we understand what skill set the business owners are looking for and then we make a match to the individuals that are coming through our centers. If we are unable to make a match then we connect them to the training to make sure that they... those... the, the skill sets that they need are in line with what the business owners are looking for. And then certainly the work we do in our neighborhoods because as you know part of the broader economic development strategy is to have robust neighborhoods and that includes having corridors that are viable, corridors that New Yorkers can shop in and experience and have a good time and that's the work that we do in the neighborhood development. One, we help administer the process of bid creation but a lot of the work that we've been doing recently is really making investments in, into local economic development

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2 organizations to help build their capacity to address  
3 some of the needs in their local communities.

4 CHAIRPERSON GJONAJ: Thank you. How long  
5 have you been with the agency Commissioner?

6 GREGG BISHOP: I've been... in October it  
7 will be ten years actually, so this has been a  
8 passion of mine and I started... when I started at the  
9 agency it was focus on minority and women owned  
10 businesses and then I moved to all small businesses  
11 and then two years ago the Mayor... I was blessed  
12 enough that the Mayor tapped me to be Commissioner  
13 for the agency.

14 CHAIRPERSON GJONAJ: And what is your  
15 role as the Commissioner of the agency?

16 GREGG BISHOP: Well I, I think it's to  
17 lead a dynamic agency. We have over 360 hardworking  
18 individuals at the agency and certainly it's to set  
19 the tone and the culture of the agency to ensure that  
20 we deliver the services to New Yorkers. I'm very  
21 passionate about service and very passionate about  
22 ensuring that we defy the stereotypes of government,  
23 so we do a lot of listening, we do a lot of work in  
24 communities that may not have been invested in in  
25

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2 previous administrations so we're out there and  
3 certainly I'm pretty proud of the team.

4 CHAIRPERSON GJONAJ: Great, what is the  
5 purpose of today's testimony?

6 GREGG BISHOP: So, we're... it's a budget  
7 hearing so I think you highlighted some of the things  
8 that you wanted to hear in regards of how we're using  
9 our funding and how we're helping New Yorkers.

10 CHAIRPERSON GJONAJ: So, basically, it's  
11 to prioritize the agency's concerns for the year and  
12 the dollar amount that would be needed to achieve  
13 those objectives?

14 GREGG BISHOP: Well I, I think this is a,  
15 a healthy conversation in terms of, you know your  
16 role is to provide oversight over our agency and, and  
17 certainly part of that oversight is to ensure that we  
18 are using taxpayer dollars as efficiently as possible  
19 and certainly, you know we have a lot of programs  
20 with the agency and we want to make sure that, you  
21 know the... what we're doing in the community is  
22 actually what the community needs and we do a lot of  
23 outreach in, in terms of hearing from business  
24 owners, hearing from community based organizations,  
25 hearing from universities but certainly this is a, a



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2 partnership and, and this hearing also will uncover  
3 certain things that we may need to work on.

4 CHAIRPERSON GJONAJ: But I think today's  
5 priorities that we discuss the budget for the  
6 upcoming fiscal year and the needs of the agency to  
7 meet its goals?

8 GREGG BISHOP: Correct.

9 CHAIRPERSON GJONAJ: Great. So, I guess  
10 we'll begin with the questions of this preliminary  
11 budget and spending levels that you're submitting  
12 that won't actually reflect the amount of the public  
13 money that your agency will spend, is that correct?

14 GREGG BISHOP: Correct.

15 CHAIRPERSON GJONAJ: Okay and there's a  
16 preliminary budget, an adopted budget and then an  
17 actual budget, can you walk us through that?

18 GREGG BISHOP: So, the, the preliminary  
19 budget is, is basically the... what we have put forward  
20 in terms of the needs of the agency, I think this is  
21 a, a process where we now work with council in terms  
22 of ensuring that our priorities match the priorities  
23 that council and what you have heard in the community  
24 to make sure that we're aligned and then there's the,  
25 the back and forth that we as the administration has

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2 with council and then we finally come up with the  
3 actual budget.

4 CHAIRPERSON GJONAJ: Why is there always  
5 such a big difference between the preliminary and the  
6 adopted budget, why are there such wide gaps between  
7 the two?

8 GREGG BISHOP: If you're talking  
9 historically I, I think we've... you know we have had,  
10 you know changes obviously depending on the program,  
11 depending on the priorities it is part of the  
12 negotiation that we have with council so in certain  
13 cases things may increase, things may decrease but I  
14 think that's, that's the healthy part of budget  
15 negotiations.

16 CHAIRPERSON GJONAJ: And the difference  
17 then between the adopted and the actual?

18 GREGG BISHOP: So, if, if you're  
19 specifically talking about... because in... sometimes in  
20 our budget we also have council funds so for example  
21 council through the discretionary of funding we are  
22 required to manage those contracts and that funding  
23 usually comes later in the cycle so sometimes there  
24 is that disparity but I think that's probably what  
25

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2 you're seeing in terms of the, the big gap in...

3 between the preliminary and the, the final actual.

4 CHAIRPERSON GJONAJ: Do you have 2017

5 numbers, the preliminary?

6 GREGG BISHOP: From 2017?

7 CHAIRPERSON GJONAJ: Right... [cross-talk]

8 GREGG BISHOP: Do you mean last, last...

9 [cross-talk]

10 CHAIRPERSON GJONAJ: Just for

11 illustration... [cross-talk]

12 GREGG BISHOP: ...the last fiscal year...

13 [cross-talk]

14 CHAIRPERSON GJONAJ: ...purposes so we can

15 look at the three...

16 JACKIE MALLON: We have the reports...

17 CHAIRPERSON GJONAJ: Okay.

18 JACKIE MALLON: Just hold on one second.

19 GREGG BISHOP: Is there a particular

20 question in terms of 2017 and 20...

21 CHAIRPERSON GJONAJ: For illustration

22 purposes I just want to show the three and we'll do

23 '17 and '18 and then...

24 JACKIE MALLON: I don't know the full

25 budget, no... [cross-talk]

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2 CHAIRPERSON GJONAJ: ...work on '19...

3 [cross-talk]

4 JACKIE MALLON: Well here... well no... do  
5 you have it?

6 GREGG BISHOP: No...

7 JACKIE MALLON: I don't have it.

8 GREGG BISHOP: No, we don't have it. We,  
9 we came prepared to talk about the, the current  
10 fiscal year.

11 CHAIRPERSON GJONAJ: Tell me about the  
12 current fiscal... the preliminary plan for 2019, the,  
13 the dollar amount?

14 GREGG BISHOP: In... do you have a  
15 particular program or...

16 CHAIRPERSON GJONAJ: No, the entire  
17 budget that... your, your preliminary budget for 2019.

18 GREGG BISHOP: Right, so the preliminary  
19 budget for 2019 is 172.7 million and as I said in the  
20 testimony a certain percentage of that are, are, are  
21 actually pass through funding so the remaining 111.4  
22 million is actually allocated to SBS programs.

23 CHAIRPERSON GJONAJ: And comparing the  
24 '19 to the 2018 preliminary budget there's a  
25 difference of 43 million?

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2 GREGG BISHOP: That's right.

3 CHAIRPERSON GJONAJ: Why is that?

4 GREGG BISHOP: So, some of that is a  
5 decrease in OTPS so that's other than personnel and  
6 there's a number of things that's in there some of it  
7 which I talked about for example, city council funds  
8 they're not usually baselined so that usually comes  
9 in at the, the end of the cycle, there's a six  
10 million dollar decrease in career pathways funding  
11 but that's an ongoing conversation, that could  
12 change, there's a 2.9 million dollar decrease for...  
13 allocation on, on workforce side, there's a 13.5  
14 million dollar decrease for the MWBE bond and loan  
15 fund that wasn't included in, in this budget but  
16 that's more of a technicality, there's a 19.5 million  
17 decrease in... for EDC, there's a one million dollar  
18 decrease for Governor's Island, there's a one million  
19 dollar decrease for disparity study funding and  
20 there's 800,000 dollar decrease for the Mayor's  
21 Office of MWBE and a 500,000 dollar decrease for MWBE  
22 program.

23 CHAIRPERSON GJONAJ: So, I just want to  
24 go back to the difference between the preliminary and  
25 the adopted and just looking at 2018 preliminary of

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2 327 million compared to an adopted of 216 million,  
3 that's 100-million-dollar difference and it seems  
4 that this year 2019's preliminary budgets extremely  
5 low where our adopted will be much higher.

6 GREGG BISHOP: Okay, I'm going to ask... do  
7 you want to...

8 SHAAZAD ALI: Yeah...

9 JACKIE MALLON: Yeah.

10 SHAAZAD ALI: Hello, my name is Shaazad  
11 Ali, I'm the Assistant Commissioner for Budget for  
12 Small Business Services. The reason for that change  
13 in the current... the current FY '18 budget is 327  
14 million compared to the adopted of 262, the big  
15 change in increases in that was 41 million dollars  
16 was added in our FY '18 current budget for the Bus  
17 program, EDC's allocation because of the CDBG-DR  
18 funds was increased by 59 million dollars so if you  
19 add those two that's close to over the 100 million  
20 dollars why our budget has gone... our current budget  
21 has gone up.

22 CHAIRPERSON GJONAJ: So, my question to  
23 you is... do you want to swear him in? Okay, great. So,  
24 my question to you is when we look at preliminary  
25 budgets and adopted budgets... [cross-talk]

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2 SHAAZAD ALI: Uh-huh... [cross-talk]

3 CHAIRPERSON GJONAJ: ...why isn't that... at  
4 this phase can we introduce a budget that's going to  
5 be very close and historically looking at the last  
6 five years or four years there has always been a  
7 tremendous jump between preliminary and the adopted  
8 budgets...

9 SHAAZAD ALI: Over, over the past few  
10 fiscal years I can speak for that we had significant  
11 monies we got for the CDBG-DR funds that are usually  
12 added during the course of the budget and also for  
13 the last couple of years we have been paying for the  
14 Bus program which the funds are usually added during  
15 the budget not at adoption. So, that's... those are the  
16 two big items that has been constantly have the big  
17 difference in our budget.

18 CHAIRPERSON GJONAJ: And in estimating  
19 our preliminary budget we couldn't put in values that  
20 historically could be reflected so there's a more  
21 transparent budget discussion?

22 SHAAZAD ALI: Its, it's difficult because  
23 of the CDGB-DR its scheduled later on and is added on  
24 so its... you know it's, it's difficult to do that.

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2 GREGG BISHOP: So, the CDGB-DR is a  
3 community development block grant which is federal  
4 funding... [cross-talk]

5 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

6 GREGG BISHOP: ...so... and especially with  
7 DR, I think that was a, a lot of that was related to  
8 hurricane Sandy and, and the... sort of the... we had  
9 about seven years of funding through that but I  
10 think, you know we try to be as accurate as possible  
11 but like I said between preliminary and adoption  
12 there may be other priorities that changes within the  
13 administration so... for example, you know we work  
14 closely with other partners for the school bus grant  
15 program so we... you know those are things that, that  
16 may come up in, in terms of... between the preliminary  
17 and the... and the adopted so we make every effort to  
18 actually have an accurate budget but that's part of  
19 why we have two hearings so... the first one is  
20 preliminary and then we'll come back to you in May  
21 with something that's closer to what's adopted.

22 CHAIRPERSON GJONAJ: Fair enough. So,  
23 maybe then we can begin the conversation... I just want  
24 to acknowledge the Council Members that have joined  
25 us are Council, Councilwoman Rivera and Ayala, Ayala



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2 excuse me, corrected, you can mispronounce my name  
3 later. So, just to put things back into focus as we  
4 talk about the budget needs of the agency, roughly  
5 your agency operates under how many different program  
6 areas?

7 GREGG BISHOP: So, so we have business  
8 services, we have neighborhood development, we have  
9 division of economic and financial opportunity which  
10 is the division that's focused on the MWBE program,  
11 but they do a lot of business services and we also  
12 have workforce development but then we also have the  
13 internal support team. So, those are the operations;  
14 that's finance, legal, procurement, etcetera.

15 CHAIRPERSON GJONAJ: Can we go through  
16 that one more time, how many is that?

17 GREGG BISHOP: So, we have four major  
18 division however we have the internal support team  
19 and then of course my office.

20 CHAIRPERSON GJONAJ: So, my, my records  
21 show that we have 13 program areas that the agency's  
22 broken down into?

23 GREGG BISHOP: 13 program areas?

24 CHAIRPERSON GJONAJ: Yes.  
25

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2 GREGG BISHOP: Are you talking about  
3 business... okay, so I would probably need to see your  
4 program areas. Okay, thank you. Yes, so there's,  
5 there's so pass through there so you have the Mayor's  
6 Office of Film and Theatre, remember I said that this  
7 is... we serve as a conduit, there is NYC and Co., the  
8 EDC is in here, we do have business development so  
9 some of... some of this is... some of the programs here  
10 are, are SBS programs and some of the programs are  
11 actually the conduit funding that we... that we do.

12 CHAIRPERSON GJONAJ: Before I continue I  
13 know that some of my colleagues have questions for  
14 you, but I just wanted to acknowledge the 13 programs  
15 that were broken down that we can get an idea of a  
16 description from you what each stand for and whether  
17 they're a pass through or... [cross-talk]

18 GREGG BISHOP: Yeah, we could certainly  
19 sort of... [cross-talk]

20 CHAIRPERSON GJONAJ: Great.

21 GREGG BISHOP: Bring that... those two  
22 things together but for SBS its neighborhood  
23 development, its workforce development, its business  
24 services and in, in... on here it says MWBE but that's  
25 our division of economic and financial opportunity.

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2 CHAIRPERSON GJONAJ: Great, so if we can  
3 take them one by one at a time please and let's begin  
4 with administrative... the agency administrative and  
5 operations.

6 GREGG BISHOP: That's, that's us. Are  
7 you... are you... you're... you want more details in terms  
8 of... [cross-talk]

9 CHAIRPERSON GJONAJ: Yes... [cross-talk]

10 GREGG BISHOP: ...like what that is...  
11 [cross-talk]

12 CHAIRPERSON GJONAJ: Exactly... [cross-  
13 talk]

14 GREGG BISHOP: ...that's, that's our  
15 internal support teams, that's like legal, that's  
16 our, our procurement team, that's our financing team,  
17 that's our budget teams, that's our technology team,  
18 that's the team that keeps the agency ticking  
19 basically.

20 CHAIRPERSON GJONAJ: Great and the line  
21 item in preliminary budget for 2019 for that?

22 GREGG BISHOP: Is it... are, are you...

23 CHAIRPERSON GJONAJ: Referring to the  
24 line item in the budget, yes, the base in your  
25 preliminary budget.

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2 GREGG BISHOP: Right, so 17... [cross-talk]

3 CHAIRPERSON GJONAJ: Its 17.3 million?

4 GREGG BISHOP: Right.

5 CHAIRPERSON GJONAJ: Okay, comparing that  
6 to last year, 2018 adopted, 23 million?

7 GREGG BISHOP: So... okay, it... so, you're  
8 are asking us to verify that, I'm, I'm, I'm not sure  
9 what the... [cross-talk]

10 CHAIRPERSON GJONAJ: I'm ask... [cross-  
11 talk]

12 GREGG BISHOP: ...question is?

13 CHAIRPERSON GJONAJ: Yeah, I'm asking you  
14 to confirm what the budget was for the agency  
15 administrative and operations for 2018 compared to  
16 the preliminary proposed in 2019.

17 JACKIE MALLON: One second please.

18 CHAIRPERSON GJONAJ: Sure.

19 SHAAZAD ALI: Okay, for the FY... right,  
20 for the administrative and operations, it's 17, 17  
21 million in the preliminary budget and in the adopted  
22 it was 23, the changes occurred because of various  
23 reasons, there was council funds included in the  
24 budget that drops off, it's not in the '19, there is  
25 various items, there was a realignment which we did,

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2 it was funding for different programs, there was, you  
3 know waterfront variances, it's a combination of  
4 several items that give you that, you know that six  
5 million dollars that drops off, the bulk of it was  
6 the council funding that was included in there..

7 [cross-talk]

8 CHAIRPERSON GJONAJ: The council money?

9 SHAAZAD ALI: The council money, that's  
10 not... right, that's not in... yeah, uh-huh.

11 CHAIRPERSON GJONAJ: What was that dollar  
12 amount?

13 SHAAZAD ALI: That dollar amount was  
14 almost half of that, three million dollars.

15 CHAIRPERSON GJONAJ: Three million, okay,  
16 good, thank you. And business development?

17 JACKIE MALLON: That, that is one of the  
18 divisions that, that the Commissioner spoke about,  
19 that's our business services division. You're ask...  
20 you're going to ask me again the difference... [cross-  
21 talk]

22 CHAIRPERSON GJONAJ: Yes, 2019 versus  
23 2018... [cross-talk]

24 SHAAZAD ALI: There's a 15... okay, there's  
25 a 15 million dollar drop in that again a, a big chunk

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2 of that is council funding again which is almost 4.5  
3 million, there is the CDBG funds that drops off on  
4 that also, there was the MWBE bond and loan fund  
5 that's not scheduled in '19 of 13 million that drops  
6 off so those gives you that difference almost of 15  
7 million dollars reduction on that.

8 CHAIRPERSON GJONAJ: The difference, the  
9 dollar amount I didn't hear?

10 SHAAZAD ALI: Excuse me?

11 CHAIRPERSON GJONAJ: What was the dollar  
12 amount difference?

13 SHAAZAD ALI: It was 15 million.

14 CHAIRPERSON GJONAJ: 15 million... [cross-  
15 talk]

16 SHAAZAD ALI: 15, 15 yeah... [cross-talk]

17 CHAIRPERSON GJONAJ: Correct... [cross-  
18 talk]

19 SHAAZAD ALI: ...15.039 and the bulk... I  
20 give you the you the bulk items.

21 CHAIRPERSON GJONAJ: Perfect and the same  
22 for the economic... EDC?

23 SHAAZAD ALI: EDC dropped by 19 million.

24 CHAIRPERSON GJONAJ: 19 million dollars...  
25 [cross-talk]

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2 SHAAZAD ALI: 19 million.

3 CHAIRPERSON GJONAJ: And the difference

4 between... [cross-talk]

5 GREGG BISHOP: We don't... [cross-talk]

6 CHAIRPERSON GJONAJ: ...in between those

7 two... [cross-talk]

8 GREGG BISHOP: We don't know... [cross-

9 talk]

10 SHAAZAD ALI: I don't have the EDC

11 because they... you know they negotiate that.

12 CHAIRPERSON GJONAJ: Who negotiates that?

13 SHAAZAD ALI: EDC negotiates directly

14 with OMB on that, yeah so, I, I... [cross-talk]

15 CHAIRPERSON GJONAJ: EDC negotiates

16 directly with OMB?

17 SHAAZAD ALI: Yes.

18 CHAIRPERSON GJONAJ: And you're just the

19 pass along?

20 SHAAZAD ALI: Yes.

21 GREGG BISHOP: Correct.

22 CHAIRPERSON GJONAJ: Interesting. And for

23 the NYC co-tourism support?

24 GREGG BISHOP: It's the same, same...

25 [cross-talk]

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2 JACKIE MALLON: Same.

3 SHAAZAD ALI: It was the same number...  
4 there were no, no changes in the NYC...

5 CHAIRPERSON GJONAJ: No changes. Contract  
6 services?

7 SHAAZAD ALI: That dropped by 979,000  
8 dollars, the bulk of that was we took an efficiency  
9 saving for half a million dollars and then the trust  
10 for the, the Governor's Island took a reduction of  
11 470,000 so those, those two give you the 979,000.

12 CHAIRPERSON GJONAJ: And that's roughly  
13 how much in difference, a million...

14 SHAAZAD ALI: 979.

15 CHAIRPERSON GJONAJ: 900... economic and  
16 financial opportunities, MWBEs?

17 SHAAZAD ALI: Right, it... that's correct,  
18 again another item there is almost 600,000 that's  
19 council funds that drops off, there was the MWBE  
20 disparity study of a million dollars that's not  
21 scheduled in '19, the MWBE certification where  
22 500,000 drops off, there was a council for the MWBE  
23 study of 750,000 that drops off and those items give  
24 you the difference of 2.9 million dollars difference.

25



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2 GREGG BISHOP: And when he says the, the  
3 MWBE certification that was a marketing... that was  
4 funding that we got for marketing... [cross-talk]

5 SHAAZAD ALI: Right... [cross-talk]

6 GREGG BISHOP: ...that is not in FY '19.

7 CHAIRPERSON GJONAJ: Neighborhood  
8 development?

9 SHAAZAD ALI: Neighborhood development  
10 drops off by 2.8 million dollars from the adopted to  
11 the preliminary budget, the, the bulk of that change  
12 again is city council funds almost 2.5 million  
13 dollars drops off there so that, that was the bulk of  
14 it and then there was some CD... community development  
15 funds drops off also so that gives you the 2.8  
16 million dollars.

17 CHAIRPERSON GJONAJ: Workforce  
18 development, one stop center?

19 SHAAZAD ALI: Right, so it's a... it's a...  
20 the difference here of this item is 5.2... 5.3 million  
21 dollars, the bulk of that is the... a program called  
22 career pathways that was funded, it's not scheduled  
23 in FY '19 as of now so the... that's almost... was close  
24 to almost six million dollars was in that funding  
25 stream and there some other technical items also.

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2 CHAIRPERSON GJONAJ: And workforce  
3 development program management?

4 SHAAZAD ALI: Right, workforce  
5 development program management there's a 12.2-  
6 million-dollar difference there... [cross-talk]

7 CHAIRPERSON GJONAJ: Increase?

8 SHAAZAD ALI: Increase, right and the  
9 bulk of that increase is the construction safety  
10 training program, we have almost 18 million dollars  
11 scheduled in '19 that was not in, in, in FY '18 and  
12 then we have other, other various programs and  
13 council funding also, we have got funding for green  
14 jobs, we got funding... there was some wage adjustments  
15 and there was the council funds drops off of almost  
16 nine million dollars within that allocation so that...  
17 all those changes will give you the additional 12.2,  
18 yeah. We can... I just want to let you know we can  
19 provide, you know specifically the item number but  
20 I'm, I'm just giving you the bulk items.

21 CHAIRPERSON GJONAJ: Ballpark, got it.  
22 Workforce development training?

23 SHAAZAD ALI: Right, workforce  
24 development training we had the, the CEO organization  
25

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2 that funding was dropped off of almost three, three,

3 3.2 million dollars.

4 CHAIRPERSON GJONAJ: And economic and

5 financial opportunity?

6 SHAAZAD ALI: Economic and financial... I,

7 I don't... we went... we went over that with... [cross-

8 talk]

9 CHAIRPERSON GJONAJ: Labor services... I'm

10 sorry?

11 SHAAZAD ALI: Oh, labor services, yeah...

12 no, there's, there's no change there.

13 CHAIRPERSON GJONAJ: No change?

14 SHAAZAD ALI: No, change,

15 CHAIRPERSON GJONAJ: And film theater and

16 broadcasting?

17 SHAAZAD ALI: The film theater and

18 broadcasting it accounts to one person, the

19 Commissioner of the film... is on SBS bill, it's just

20 one staff person.

21 CHAIRPERSON GJONAJ: There's one person?

22 SHAAZAD ALI: Yes.

23 CHAIRPERSON GJONAJ: Okay, but what is

24 the dollar amount for the budget, this line item?

25

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2 SHAAZAD ALI: It should... it... the salary

3 is close to 200... in... within 200,000 dollars.

4 CHAIRPERSON GJONAJ: 200,000?

5 SHAAZAD ALI: Yes, even though it's not

6 showing the item...

7 CHAIRPERSON GJONAJ: I'm sorry, my... the...

8 we're showing a zero for the... [cross-talk]

9 SHAAZAD ALI: Right, it's basically...

10 [cross-talk]

11 CHAIRPERSON GJONAJ: ...preliminary...

12 [cross-talk]

13 SHAAZAD ALI: ...standard zero but we...

14 she's on our payroll and its, its, it's probably

15 scheduled under the administration, isn't she

16 administration operations?

17 JACKIE MALLON: Right... [cross-talk]

18 SHAAZAD ALI: Its under that, that, that

19 operation.

20 [off-mic dialogue]

21 CHAIRPERSON GJONAJ: But there's no

22 dollar amount associated for that line item in the

23 2019 preliminary, correct specifically for... [cross-

24 talk]

25

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2 SHAAZAD ALI: No, there is... there is, as  
3 I said there's a... salaries... there's one to cover the  
4 Commissioners salary, its... and that money is  
5 scheduled in the... under the agency administrations  
6 and operations.

7 CHAIRPERSON GJONAJ: So, why do we have  
8 someone on salary when there's no budget item  
9 associated for that expense and there hasn't been one  
10 for the last three years; '17... [cross-talk]

11 SHAAZAD ALI: Right, so... [cross-talk]

12 CHAIRPERSON GJONAJ: ...or two years.

13 SHAAZAD ALI: The line item... because if,  
14 if... the reason why it has been there if you go back  
15 way back the Mayor's Office of Film, Theatre and  
16 Broadcasting was one of those pass throughs that SBS...  
17 there's a pass through the SBS and then it was  
18 transferred over to the... to, to DoITT so I guess  
19 that's why it, it still remain there but the funding  
20 for it dropped off, the only person we kept on our  
21 payroll was the Commissioner.

22 CHAIRPERSON GJONAJ: Help me understand,  
23 I'm sorry, maybe... what is... [cross-talk]

24 GREGG BISHOP: So, its, its, it's a  
25 legacy budget entry... [cross-talk]

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2 SHAAZAD ALI: Thank you.

3 GREGG BISHOP: ...many, many, many years  
4 ago most of the funding through the Mayor's Office of  
5 media entertainment used to come through SBS, it no  
6 longer goes through SBS it actually goes through the  
7 Department of Information and Telecommunications and  
8 Technology so the only thing that we still have on  
9 our line item is the Commissioner's salary.

10 CHAIRPERSON GJONAJ: The Commissioner's  
11 salary or staffer?

12 JACKIE MALLON: The Commissioner.

13 GREGG BISHOP: The Commissioner.

14 CHAIRPERSON GJONAJ: So, the Commissioner  
15 is on SBS salary but... [cross-talk]

16 GREGG BISHOP: On our payroll.

17 CHAIRPERSON GJONAJ: On your payroll...

18 GREGG BISHOP: And the rest of the way  
19 DoITT... I mean the way OEM gets their funding is  
20 through DoITT, the Department... it's another city  
21 agency.

22 CHAIRPERSON GJONAJ: Okay. Okay, we'll  
23 figure that one out later I guess. And... right, the  
24 last one before my colleagues get to ask some  
25

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2 questions, industrial manufacturing 2019 preliminary  
3 and 2018?

4 SHAAZAD ALI: There was a 40,000-dollar  
5 adjustment on that and that was a result of the, the  
6 efficiency savings, we took a 40,000-dollar deduction  
7 in that.

8 CHAIRPERSON GJONAJ: But there's no  
9 change I believe from '19 to '18?

10 SHAAZAD ALI: Yeah, from '19 it went to...  
11 oh sorry... yeah, it went from 1460 at adopted to 1.5  
12 so there's an increase of 40,000, yeah.

13 CHAIRPERSON GJONAJ: Right, perfect. So...  
14 because these numbers are so interesting to so many  
15 of my colleagues I'm thinking they want to change  
16 some of the questions and they all have... first off,  
17 I'd like to hear from Council Member Levine... Levin.

18 COUNCIL MEMBER LEVIN: Thank you very  
19 much Chair Gjonaj, thank you Commissioner.

20 GREGG BISHOP: How you doing?

21 COUNCIL MEMBER LEVIN: Good, how are you?

22 GREGG BISHOP: Good.

23 COUNCIL MEMBER LEVIN: L train, L train,  
24 L train...

25 GREGG BISHOP: Yes...

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2 COUNCIL MEMBER LEVIN: There's going to  
3 be in FY '19 the L train apocalypse is going to  
4 start, the L apocalypse, the L apocalypse, the clock  
5 is ticking, what are we doing... so there's... you know  
6 half of this conversation is about... when, when we're  
7 talking on the L train is about the, the, the transit  
8 solutions and how you move, you know hundreds of  
9 thousands of people on buses over the Waynesburg  
10 Bridge every day and the other question is what are  
11 we going to do for the small businesses that rely on,  
12 on traffic, patron traffic from, from Manhattan  
13 along... particularly along the parts of the L train in  
14 Brooklyn that... and, and Manhattan... and Manhattan...  
15 [cross-talk]

16 GREGG BISHOP: We're, we're, we're on  
17 both sides.

18 COUNCIL MEMBER LEVIN: Yeah, but what are  
19 we doing, what's, what's, what's SBS doing, what are  
20 our options, what are things that we would like to  
21 try to do but we can't do right now because of state  
22 law, are we looking at tax incentives, are we looking  
23 at property tax rebates, are we looking at other,  
24 other measures to help other than just, you know some  
25 nice signage saying shop here but if the people can't



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2 get there they're not going to be able to shop there  
3 so I got a lot of businesses in my district that have  
4 invested their life's savings and then... and then this  
5 happens so, please share?

6 GREGG BISHOP: So, a couple of things  
7 one, thank you for obviously being a partner with us  
8 in, in terms of helping us being a little bit  
9 proactive in this particular area, you know as, as we  
10 all are looking at figuring out what the final  
11 transportation plan would be I think we'll be able to  
12 determine the best course of action but in the  
13 meantime... [cross-talk]

14 COUNCIL MEMBER LEVIN: It's going to be  
15 bad... it's going to be bad.

16 GREGG BISHOP: In, in, in... well... so in  
17 the meantime... [cross-talk]

18 COUNCIL MEMBER LEVIN: You can be assured  
19 that the situation is going to be really bad.

20 GREGG BISHOP: We can certainly and we  
21 have been working with, you know the chambers and  
22 local organizations to figure out what it is that we  
23 need to do, some of it is being proactive in terms of  
24 ensuring that the business owners are aware of what  
25 their protections are in terms of their lease and

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2 certainly we want to make sure that, you know we at  
3 least let business owners know some of the services  
4 that we have so for example if, you know there is a  
5 reduction in foot traffic then, you know helping  
6 business owners figure out how to either modify  
7 their, their... the, the way they run their business to  
8 adjust to that reduction is one of the things that we  
9 can do, we certainly are happy to work with you and  
10 our other city partners like the Department of  
11 Finance and, and, and maybe even Economic Development  
12 Corporation if you're talking about a property tax  
13 etcetera to figure out what it is that we can do to  
14 support those small businesses but we have, have had  
15 experience with infrastructure work period that is  
16 always a, a challenge to small businesses, we have an  
17 outreach team that if there is impact to small  
18 businesses they work with the agency that's doing the  
19 work to figure out ways to mitigate the impact. This  
20 one is obviously much larger... [cross-talk]

21 COUNCIL MEMBER LEVIN: This is... right,  
22 this is a... I mean it's, it's a... I think this is  
23 different from other large infrastructure projects  
24 because like... unlike 2<sup>nd</sup> Avenue where... you know that  
25 was a big impact but, but it didn't really

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2 necessarily affect people's ability to get to 2<sup>nd</sup>  
3 Avenue.

4 GREGG BISHOP: No, I would... [cross-talk]

5 COUNCIL MEMBER LEVIN: Right now, you  
6 know under... [cross-talk]

7 GREGG BISHOP: Sorry... [cross-talk]

8 COUNCIL MEMBER LEVIN: ...the L train, I  
9 mean... I mean and, and I appreciate maybe small  
10 businesses maybe doing more online business or  
11 something like that but for like restaurants, I mean  
12 like they can't how... I don't know how they would  
13 modify their business, if, if, if their foot traffic  
14 is cut by 50 percent and they're stuck with the same  
15 rent that they signed in their ten-year lease, you  
16 know what do you... what... I don't even know what you  
17 would... what do we do, what would we even do... I mean  
18 I'm, I'm, I'm interested in hearing, you know  
19 innovative ideas from anybody but... including SBS.

20 GREGG BISHOP: Right, so I think, you  
21 know part of figuring out the ideas because you know  
22 we don't know if it's going to cut foot traffic by 50  
23 percent, the, the, the... we, we need to actually see  
24 what the plan is and then once we see what the plan...  
25 the, the mitigation plan that the MTA puts out then

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2 we'll be able to figure out if there is something  
3 that we can do if the projections in foot traffic  
4 based on what that plan looks like... [cross-talk]

5 COUNCIL MEMBER LEVIN: So, who's in...  
6 sorry, that's MTA's going to do the, the projections  
7 on the foot traffic, who's, who's going to be doing  
8 those types of projections?

9 GREGG BISHOP: Well I mean we, we can  
10 certainly work with, you know local organizations to  
11 figure out if there is the need for that, I, I think...  
12 what, what I'm saying is that, you know we've tried  
13 to be proactive and we continue to be proactive to  
14 get into the neighborhoods, I think you know its... for  
15 us right now we know it's going to be... the, the line  
16 is going to be shut down but we don't know exactly  
17 what impact it's going to have in terms how difficult  
18 it would be for Manhattanites to get to Brooklyn and  
19 vice versa... [cross-talk]

20 COUNCIL MEMBER LEVIN: It's going to...  
21 [cross-talk]

22 GREGG BISHOP: ...from Brooklyn... [cross-  
23 talk]

24 COUNCIL MEMBER LEVIN: ...be very, very  
25 difficult for Manhattanites to get to Brooklyn, it's

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2 going to be very, very difficult... it's going to be  
3 very, very difficult to get one way or the other  
4 because just... around Bedford Avenue that whole  
5 stretch around there... [cross-talk]

6 GREGG BISHOP: Uh-huh... [cross-talk]

7 COUNCIL MEMBER LEVIN: ...it's going... you  
8 know it's going to... where it used... right now it takes  
9 about six or seven minutes to get from Bedford to 1<sup>st</sup>  
10 Avenue and maybe ten minutes to get to, to Union  
11 Square it's going to take 35, 40 minutes maybe, it is  
12 going to... I mean people are not going to want to go...  
13 I mean there's going to be... whatever it is whether  
14 it's a 25 percent decrease in foot traffic or a 50  
15 percent decrease in foot traffic it's going to be  
16 very significant, I mean I went on the... I mean all  
17 you have to do is go, go to Bedford Avenue at 8:30 in  
18 the morning and try to get on the L train going into  
19 Manhattan or go to Union Square at 5:30 in the  
20 afternoon and try to go back into Brooklyn and, and  
21 then think about all those people trying to get on  
22 buses to go over Waynesburg Bridge with the traffic  
23 that's on the Waynesburg Bridge anyway and you know  
24 you start to think about like is anyone really going  
25

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2 to want to spend their weekend doing that, I don't  
3 think so, I mean... [cross-talk]

4 GREGG BISHOP: So, so... [cross-talk]

5 COUNCIL MEMBER LEVIN: ...some will but...  
6 [cross-talk]

7 GREGG BISHOP: So, so I think you know  
8 this is worth a, a continued conversation in terms of  
9 us sitting down and figuring out what are some of the  
10 concerns whether its, you know a, a business that's  
11 stuck in a lease or property tax etcetera and then  
12 figure out a course of action.

13 COUNCIL MEMBER LEVIN: Is SBS... is there  
14 anything in SBS's '19 budget specifically dedicated  
15 to doing that type of outreach for L train related  
16 businesses in the FY '19 budget because that's going  
17 to happen in FY '19 because the, the shutdown is  
18 happening in FY '19?

19 GREGG BISHOP: So, we have already been  
20 out in the community doing outreach, if you're asking  
21 if there's a specific program for the businesses to  
22 impact no there isn't.

23 COUNCIL MEMBER LEVIN: Okay, maybe we  
24 should look at that as part of our FY '19  
25 conversations, it might require additional outreach

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2 staff to actually go out and do all that work. Again,  
3 this is... you know this is... it... unlike major... other  
4 major infrastructure projects this is cutting off,  
5 you know a major means of transportation from two  
6 major small business areas; Brooklyn along the L  
7 train, Williamsburg and into Bushwick and the East  
8 side of Manhattan.

9 GREGG BISHOP: Got you... [cross-talk]

10 COUNCIL MEMBER LEVIN: ...and the West side  
11 of Manhattan.

12 GREGG BISHOP: But happy to talk to you  
13 about some of your thoughts and, and figure out what  
14 we can do.

15 COUNCIL MEMBER LEVIN: Great, thank you.

16 CHAIRPERSON GJONAJ: Thank you Council  
17 Member, Council Member Rosenthal.

18 COUNCIL MEMBER ROSENTHAL: Thank you so  
19 much Chair Gjonaj, congratulations on your new  
20 committee, you clearly know what you're talking about  
21 so thank you. Commissioner always great to see you,  
22 thanks for... [cross-talk]

23 GREGG BISHOP: Good to see you... [cross-  
24 talk]

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2 COUNCIL MEMBER ROSENTHAL: ...all your work  
3 helping our small businesses. I was reading... I'm  
4 sorry I wasn't here but I was reading through your  
5 testimony and I couldn't help but notice that  
6 something was missing, that was your report on worker  
7 cooperatives.

8 GREGG BISHOP: The... we didn't include it...  
9 [cross-talk]

10 COUNCIL MEMBER ROSENTHAL: I know...  
11 [cross-talk]

12 GREGG BISHOP: ...obviously there's,  
13 there's a lot... [cross-talk]

14 COUNCIL MEMBER ROSENTHAL: Right, it... the  
15 silence... [cross-talk]

16 GREGG BISHOP: ...that... there's a lot that  
17 we do... [cross-talk]

18 COUNCIL MEMBER ROSENTHAL: ...was  
19 deafening.

20 GREGG BISHOP: Yep. I mean there's a lot  
21 that we do so I didn't want to keep everyone here for  
22 an hour talking about all the great work but  
23 certainly, you know the work of cooperatives are, are  
24 important to us and we continue to work with the  
25 council.



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2 COUNCIL MEMBER ROSENTHAL: Are you aware  
3 of how many jobs have been created?

4 GREGG BISHOP: For... on, on our worker...  
5 [cross-talk]

6 COUNCIL MEMBER ROSENTHAL: Through the  
7 worker... [cross-talk]

8 GREGG BISHOP: ...cooperatives... [cross-  
9 talk]

10 COUNCIL MEMBER ROSENTHAL: ...cooperatives?

11 GREGG BISHOP: So, we have a relationship  
12 with a lot of community partners, I don't have the  
13 number right now...

14 COUNCIL MEMBER ROSENTHAL: So, 84 worker  
15 cooperatives have been created over the past three  
16 years and 500 jobs and that's with you guys taking  
17 the lead being incredibly wonderful about working  
18 with the community partners and helping to keep  
19 everything organized and so many of us on the council  
20 are really appreciative of that. What I'm wondering  
21 given that this is a program that has definitely been  
22 successful from I, I think our joint perspective  
23 whether or not this is something that, that you feel  
24 is a job... a successful job creating program and  
25 whether or not the administration would be willing to

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2 take on the funding for these job creation  
3 organizations so the city council doesn't have to  
4 fund it every year?

5 GREGG BISHOP: So, that's a great  
6 question and I think it's worth further conversation,  
7 obviously one of the things that we're balancing is  
8 the federal budget uncertainty so I'm, I'm unable  
9 today to commit to the administration taking on  
10 additional funding support but we can certainly talk  
11 about what that, you know... you know how we could  
12 continue the partnership and figure out future steps  
13 in terms of the funding for the program.

14 COUNCIL MEMBER ROSENTHAL: Okay, I  
15 mentioned it to James Patchett this morning and he  
16 said EDC might be interested as well and that he'd  
17 like to learn more and what I would really appreciate  
18 is an opportunity to sit down with you and he and  
19 maybe some of our partner groups to talk about  
20 whether or not this is some... a program that EDC could  
21 invest in.

22 GREGG BISHOP: That's great and James is  
23 just one floor below me so that's going... [cross-talk]

24 COUNCIL MEMBER ROSENTHAL: Oh okay...  
25 [cross-talk]

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2 GREGG BISHOP: ...be a very easy... [cross-  
3 talk]

4 COUNCIL MEMBER ROSENTHAL: ...great...  
5 [cross-talk]

6 GREGG BISHOP: ...conversation.

7 COUNCIL MEMBER ROSENTHAL: Appreciate  
8 that. Do you know if anyone's been pursuing the  
9 notion of developing the Bus... the school bus worker  
10 cooperative if that's gotten any legs to it?

11 GREGG BISHOP: I don't know, no... [cross-  
12 talk]

13 COUNCIL MEMBER ROSENTHAL: Okay. And  
14 that's it, thank you for all your work, I really  
15 appreciate... [cross-talk]

16 GREGG BISHOP: Alright... [cross-talk]

17 COUNCIL MEMBER ROSENTHAL: ...how hard  
18 you're trying.

19 GREGG BISHOP: Thank you, appreciate it.

20 CHAIRPERSON GJONAJ: Thank you Council  
21 Member, Council Member Rivera.

22 COUNCIL MEMBER RIVERA: Hi, good  
23 afternoon.

24 GREGG BISHOP: Good afternoon and  
25 congratulations.

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2 COUNCIL MEMBER RIVERA: Thanks, thanks,  
3 last time I saw you I was a staffer, you were doing  
4 your thing then as well. So, I had a couple of  
5 questions about Career Pathways and so you say it's a  
6 roadmap to an inclusive workforce and that you're  
7 connecting job seekers with employers so I, I didn't  
8 see it in the budget and I want to know what is going  
9 to be SBS's contribution to this?

10 GREGG BISHOP: So, it's a... it's an  
11 ongoing conversation obviously we... the initial  
12 funding was a three year pilot to test the strategy  
13 that working with employers and understanding how to  
14 actually do projections in the workforce and we focus  
15 on sectors that are, are growing in New York City or  
16 actually have meaningful wage so health care,  
17 technology, construction, food and beverage service  
18 and also industrial and manufacturing. We think it's  
19 been highly successful, there's a lot of wins there  
20 in terms of individuals who have been trained, who  
21 have been put into jobs that have higher wages so  
22 certainly it's a conversation that's ongoing in this  
23 budget process to ensure that we have continued  
24 funding for it.

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2 COUNCIL MEMBER RIVERA: So, there's a  
3 possibility we'll see an investment come May?

4 GREGG BISHOP: Correct.

5 COUNCIL MEMBER RIVERA: So, you mentioned  
6 health care as a growing industry and I want to know  
7 some details on how you're expanding those  
8 partnerships?

9 GREGG BISHOP: So... [cross-talk]

10 COUNCIL MEMBER RIVERA: Specifically, in  
11 the healthcare industry.

12 GREGG BISHOP: So, there's a couple of  
13 things that we've, we've done so one... that was one of  
14 our first industry partnerships and just so you  
15 understand the industry partnerships is we work with  
16 the private sector so there's a number of hospitals  
17 and medical organizations that we connect with and we  
18 actually for example have one of our centers that's  
19 focused on... we have a health care center that's  
20 specifically focused on placing people into health  
21 care jobs so this is everything from medical  
22 technicians to certified para-recovery advocates to  
23 also... I'm forgetting some others but there's a lot in  
24 our... in our training where we actually help  
25 individuals because of the changes in the health care

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2 sector adjust their skill sets so we take advantage  
3 of some of the new opportunities there.

4 COUNCIL MEMBER RIVERA: So, in, in terms  
5 of your workforce centers in term... and, and job  
6 placement specifically do you have data as to where  
7 you're placing individuals and the type of New  
8 Yorkers that you're assisting so for example the long  
9 term unemployed, disabled New Yorkers, immigrants, do  
10 you have the type of New Yorkers that you're serving  
11 and where they're going?

12 GREGG BISHOP: So, we can get you the  
13 specific numbers in terms of the, the type of New  
14 Yorkers but just in... just generally our centers are,  
15 are... so the way our center... our system is built we  
16 have hub centers so those are the main centers that  
17 are located in the five boroughs in, in major transit  
18 areas but what we realize is that we also need to be  
19 in other outer boroughs so we have also expansion  
20 centers. A lot of the individuals that use our  
21 centers are long term unemployed, we have a close  
22 relationship with the Department of Labor so anyone  
23 who is unemployed part of the process is actually  
24 integrating with... is, is interacting with our system,  
25 we have a focus on out of school out of work youth

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because one of the areas that I'm really passionate about is ensuring that individuals who may not have a traditional path from high school to college have a skill set that they can use and actually have a meaningful career. So, we actually piloted a center in the Bronx in one of the highest density areas that have a large population of out of school out of work youth, we work closely with the Department of Education to not only provide and I'm going to date myself now, GED training but it's not GED training, its high school equivalency that's what it's called now that's contextualized so that way they can actually have a career in the health care field for example. So, a lot of our focus is on underrepresented communities, we have a center in Washington Heights that's focused on immigrant New Yorkers and again just because there's a center that's focused on one thing it's a whole system so we also help individuals who were formerly incarcerated so we have a network of about 100 employers who have made an agreement with us that they are willing to hire individuals coming through our center and one of the things is that we do is we test a model and then we expand it and scale it system wide.

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2 COUNCIL MEMBER RIVERA: So, what are  
3 your... what's your, your metric for success, how are  
4 you tracking the placements and what do you consider...  
5 I guess what are the parameters for considering a  
6 placement's successful?

7 GREGG BISHOP: So, one of the things  
8 that... in my testimony I talked about we focus a lot  
9 on the quality of the job, so we no longer work with  
10 companies that pay less than the living wage so  
11 certainly one of the things that we saw that we think  
12 is very successful is an increase of... I think we went  
13 from 45 percent in terms of full time jobs about four  
14 years ago to now we're placing individuals by 80  
15 percent of jobs that we place individuals in into our  
16 full-time jobs so that's one metric for success.  
17 Certainly we look at and we have very... when we do our  
18 training we have very robust goals so when we  
19 actually put out an RFP for a provider to actually  
20 help us with the training that have the expertise  
21 it's not just about the training because you can  
22 train a lot of people but if there isn't a job at the  
23 end of that training it doesn't really help so our  
24 providers have to hit an 80 percent placement... job  
25 placement goal after training so that's... those, those



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2 are just two of the metrics that we use for success  
3 and we've been meeting those goals.

4 COUNCIL MEMBER RIVERA: Okay, just one  
5 more question. So, you mentioned in your testimony  
6 that you give grant... so, it's a two-part question,  
7 grant opportunities to, to bids, what, what are those  
8 grant opportunities, what are they typically used  
9 for?

10 GREGG BISHOP: So, bids are independent  
11 501 C3's so similar to local development  
12 corporations, we provide additional opportunities for  
13 funding so for example our neighborhood... [cross-talk]

14 COUNCIL MEMBER RIVERA: Specifically, the  
15 grants what are you... where do they mostly use that  
16 money?

17 GREGG BISHOP: So, our Neighborhood  
18 Challenge for example bids can use that for retail  
19 attraction, they can use it for, you know if they're  
20 doing a specific event and usually events bring  
21 individuals to a commercial corridor. For... the last  
22 neighborhood challenge that we did we specifically  
23 wanted to challenge organizations that were getting  
24 the grants to use technology for example to figure  
25 out ways of increasing consumer spending in a

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2 particular commercial district by using technology so  
3 it all depends on what we are looking at to what  
4 problem we're trying to address.

5 COUNCIL MEMBER RIVERA: And have you  
6 cultivated or started similar relationships with  
7 merchant associations, there are a number of them, I  
8 know some of them work closely with the bids?

9 GREGG BISHOP: Absolutely, so... and one of  
10 the things, you know... you know it, it, it... there's  
11 different sized organizations across the city, I  
12 think that's one of the unique things about SBS is  
13 that we have a network of community partners so some  
14 of the programs that I talked about like our  
15 Neighborhood 360 program, our Neighborhood Fellows  
16 program, a lot of it is to build a capacity of those  
17 smaller organizations to make sure that they have the  
18 capacity to address the local needs on the ground so  
19 for example our Neighborhood Fellows program we place  
20 staff members that we fund in organizations to  
21 address particular issues and that's been very  
22 successful and, and, and certainly a lot of  
23 organizations have really talked about how great that  
24 program has been. Our Neighborhood 360 program we  
25 have actually funded local organizations over the

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2 next three years to address some of the findings in  
3 our CDNAs and we are now... applications are still open  
4 for Avenue NYC program where we are also changing  
5 that model so it's a three-year consistent funding  
6 for local organizations to really make an impact in a  
7 commercial district.

8 COUNCIL MEMBER RIVERA: I, I ask because,  
9 you know with the L train shut down there are  
10 merchant associations in our communities that are  
11 really trying to build and, and develop a, a strategy  
12 to be more proactive in terms of retail attraction so  
13 if those opportunities could be extended to some of  
14 the merchant associations or if there's some  
15 information that I could pass on to my district and  
16 of course to Levin's... [cross-talk]

17 GREGG BISHOP: Sure... [cross-talk]

18 COUNCIL MEMBER RIVERA: ...I would love  
19 some of that information.

20 GREGG BISHOP: That's actually something  
21 we can definitely talk about and do.

22 COUNCIL MEMBER RIVERA: Thank you.

23 GREGG BISHOP: Thank you.

24 CHAIRPERSON GJONAJ: Thank you Council  
25 Member. Commissioner I just want to remind you that

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2 one of the terms and conditions from fiscal 2018  
3 budget was to, to provide council with Workforce One  
4 data by April 1<sup>st</sup>, please share along the information  
5 that you just provided with that update and are we on  
6 par to have a up... to have that information available  
7 by, by April 1<sup>st</sup>?

8 JACKIE MALLON: Yes, we are.

9 CHAIRPERSON GJONAJ: Great and as a  
10 follow up to the council Member's mention of merchant  
11 associations and organizations, do we even have a  
12 list of all of the merchant associations and  
13 organizations throughout the five boroughs?

14 GREGG BISHOP: Its, its... so, we don't  
15 have a comprehensive list but we, we, we have... yeah...  
16 I'm going to ask Kris Goddard to come in, he's  
17 Assistant Commissioner for Neighborhood Development.

18 KRIS GODDARD: Good afternoon Chair,  
19 Council Members. We don't have a comprehensive list  
20 of every organization, some of them don't have the  
21 capacity to find us but we're constantly working with  
22 Council Members and Community Boards to find out who  
23 they are but we do have outreach lists probably with  
24 about at least 150 to 160 organizations that we're  
25 reaching out to regularly in addition to email blasts

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2 and communications that go out to close to thousand  
3 to 1,500 different organizations or representatives  
4 of those places so they're reaching... or at least  
5 that's how we're trying to reach our services out to  
6 those organizations.

7 CHAIRPERSON GJONAJ: Please provide us  
8 with that list that you have, it would be very  
9 helpful as we move forward.

10 KRIS GODDARD: Will do.

11 CHAIRPERSON GJONAJ: Sorry, I know that  
12 we have a lot to cover Commissioner and you're so  
13 eager to do this so let's keep it going... chugging  
14 along. I initially brought up the 13 programs or  
15 initiatives that were broken down in categories but  
16 let me continue by... does the SBS have any programs or  
17 initiatives that are... that are being funded through  
18 its budget that don't directly fulfil the mission of  
19 your agency?

20 GREGG BISHOP: No.

21 CHAIRPERSON GJONAJ: So then let me get  
22 right into it then, in 2014 the SBS asked the council  
23 for a one-time funding to help school bus companies  
24 continue services, is this correct?

25 GREGG BISHOP: That's correct.

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2 CHAIRPERSON GJONAJ: On August 19<sup>th</sup>, 2014  
3 Chris Berner who at the time served as the Chief of  
4 Staff in the Mayor's Office of Labor Relations  
5 testified that this grant program would encourage  
6 school bus companies to offer better wages, as head  
7 of the agency that oversees this program do you still  
8 believe that is the case?

9 GREGG BISHOP: Yes, I do.

10 CHAIRPERSON GJONAJ: At this time when  
11 the Administrator... when the administration first  
12 asked the council to pass the legislation it argued  
13 it was a one time, one year measure that was needed  
14 to ensure smooth service for the year and give the  
15 city time in the next several months to seek state  
16 legislation, what do... what did the administration  
17 mean by this?

18 GREGG BISHOP: So, I think just to, to,  
19 to clarify, so we have the, the... in our statute we  
20 have the ability to administer grant programs to  
21 businesses so that is why, you know we are the agency  
22 that's responsible for administering the grant  
23 program, you know the administration has been looking  
24 at ways in terms of long, long term solutions to  
25 ensure the safety of, of our school kids. The program

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2 is to ensure that the, you know 1,400 individuals who  
3 look after our kids are well trained and they have a  
4 fair wage so... you know within that construct clearly  
5 the administration continues to look for ways to do  
6 that but again we are responsible for administering  
7 the grants to the companies that, that are part of  
8 the program.

9 CHAIRPERSON GJONAJ: Right but  
10 specifically have you been successful in finding  
11 state legislative remedy long term solutions?

12 GREGG BISHOP: So, our role is just to  
13 administer the grant program, if you're asking on the  
14 policy of... because this is a procurement issue with  
15 another agency that is a question that I'm unable to  
16 answer, our focus is really ensuring that the grants  
17 to the businesses are awarded appropriately.

18 CHAIRPERSON GJONAJ: Okay, so then we  
19 should assume that the administration is, is not  
20 able... until they're able to obtain a state  
21 legislation remedy that you'll continue to fund this  
22 program indefinitely?

23 GREGG BISHOP: I'm not... so, we have...  
24 [cross-talk]

25 CHAIRPERSON GJONAJ: The grant.

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2 GREGG BISHOP: Right, so as, as far as I  
3 know there is money in the next fiscal year for us to  
4 continue funding the grant program. I don't know if  
5 there's... you know beyond, beyond the next fiscal  
6 year.

7 CHAIRPERSON GJONAJ: But the basis of the  
8 grant was to... originally you said the basis of the  
9 grant was for... [cross-talk]

10 GREGG BISHOP: Is to ensure that we have  
11 trained workers who are transporting our, our  
12 students to school.

13 CHAIRPERSON GJONAJ: So, you don't think  
14 that'll hold true for the upcoming years?

15 GREGG BISHOP: That, that is a  
16 procurement question and we are... we are not the  
17 procuring agency, we just administer the grant  
18 program so the agency that actually is doing the  
19 procurement for the school... for the bus... for the  
20 school bus drivers or companies are... that's, that's  
21 more of a question for, for that agency.

22 CHAIRPERSON GJONAJ: Right but until  
23 something changes that grant will be available  
24 through SBS?



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2 GREGG BISHOP: So, I, I can only speak to  
3 what I know and what I know is that the grant... the  
4 funding is there for the next fiscal year, I don't  
5 know... so... right, so, so there's a little bit of  
6 funding for the next fiscal year but the previous...  
7 but the next... if you're asking if its indefinitely  
8 going to be at SBS then I don't know... I don't have  
9 the answer to that question.

10 CHAIRPERSON GJONAJ: Now help me  
11 understand the purpose, how many bus companies have  
12 received funding from this program or this grant?

13 GREGG BISHOP: So far only, only one  
14 company has taken advantage of the program.

15 CHAIRPERSON GJONAJ: Which company is  
16 that?

17 GREGG BISHOP: That is Reliant.

18 CHAIRPERSON GJONAJ: Okay. Roughly how  
19 many school bus companies does the city currently  
20 work with that provide similar services?

21 GREGG BISHOP: Again, so that's, that's...  
22 so we are the... so, our purpose is to administer the  
23 grant for companies that apply, that question is  
24 really... that, that is a question for the Department  
25 of Education not for SBS.

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2 CHAIRPERSON GJONAJ: So, how many other  
3 companies apply for this grant?

4 GREGG BISHOP: Only one company applied  
5 for this.

6 CHAIRPERSON GJONAJ: Was it open to other  
7 companies?

8 GREGG BISHOP: Yes, it was.

9 CHAIRPERSON GJONAJ: And I guess the  
10 grant will be offered to companies in this fiscal  
11 period as well?

12 GREGG BISHOP: Its every school year so  
13 yes if other companies want to apply they can.

14 CHAIRPERSON GJONAJ: Well I find that... I,  
15 I'm being inundated by emails and letters saying that  
16 this is unfair, this is meant for... this grant is  
17 provided to only one provider, we've never been able  
18 to, to apply for it, no one considers our needs and  
19 it's become a debacle of a sort.

20 GREGG BISHOP: So, I mean when we put out  
21 the grant application it was open to all companies.

22 CHAIRPERSON GJONAJ: I'll have to look  
23 into that a little further. Reliant, the bus company  
24 that you referred to do you... how many... how much of  
25

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2 the service for the entire city does that provide, I  
3 believe it's a one billion dollar...

4 GREGG BISHOP: So, just a reminder we, we  
5 just administer the grant program so the questions  
6 about routes, questions about employees, that is not  
7 something that I can answer that is question... that is  
8 a question for a contracting agency.

9 CHAIRPERSON GJONAJ: A contracting agency  
10 but you provide... the grant is done through your  
11 agency?

12 GREGG BISHOP: Correct.

13 CHAIRPERSON GJONAJ: And you have no  
14 input and no knowledge of the procurement for this  
15 grant, you're just a pass through?

16 GREGG BISHOP: We do not procure... we do  
17 not procure that, that particular service.

18 CHAIRPERSON GJONAJ: Right but I just  
19 asked you a moment ago is there anything in the  
20 budget that you're dealing with that doesn't directly  
21 fulfil your mission and you said no.

22 GREGG BISHOP: So, our mission is to  
23 create economic opportunity for New Yorkers, if  
24 you're asking does it... is it within our mission to  
25 ensure that 1,400 individuals are able to keep their

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2 jobs and have a fair wage that is certainly within  
3 our mission and that's why we through our charter we  
4 can actually administer this grant program.

5 CHAIRPERSON GJONAJ: Okay, so the...  
6 [cross-talk]

7 GREGG BISHOP: What you're asking is  
8 specifics about a contract that we are not  
9 responsible for.

10 CHAIRPERSON GJONAJ: But yet the money is  
11 passed through SBS?

12 GREGG BISHOP: We administer the grant  
13 program.

14 CHAIRPERSON GJONAJ: You administer the  
15 grant program for a grant that you don't help to  
16 procure and... [cross-talk]

17 GREGG BISHOP: We administer the grant  
18 program because what the grant is doing is  
19 maintaining a fair wage for the drivers for bus  
20 companies.

21 CHAIRPERSON GJONAJ: For one bus company?

22 GREGG BISHOP: For bus companies, only  
23 one company has applied.

24 CHAIRPERSON GJONAJ: Okay. I, I, I'm a  
25 little baffled but we'll continue to look into it

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2 because I'm sure we'll have plenty of dialogue in the  
3 future over this issue. The New York State  
4 Constitution prevents New York City from giving money  
5 directly to a private interest unless there is an  
6 overwhelming public purpose and benefit, this is  
7 meant to ensure that the city doesn't use public  
8 money to play favorite and to put a finger on the  
9 scale for one private entities interest over another,  
10 would you agree that picking a winner and determining  
11 losers isn't the proper role for government?

12 GREGG BISHOP: I'm not clear on that... on  
13 that question, are you asking what... so, so we have  
14 been guided by the law department in, in terms of if  
15 there is a public purpose to the program and we have  
16 the charter authority to administer the grant  
17 program.

18 CHAIRPERSON GJONAJ: But it's not for  
19 government to determine winners and losers on a fair  
20 bidding process or of an RFP?

21 GREGG BISHOP: Again, you're asking  
22 about... [cross-talk]

23 CHAIRPERSON GJONAJ: I'm asking you...  
24 [cross-talk]

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2 GREGG BISHOP: ...you're asking a  
3 procurement question and we are not the procuring  
4 agency. We have... we have the charter authority to  
5 administer a grant program because the public purpose  
6 is to ensure a fair wage for workers.

7 CHAIRPERSON GJONAJ: I'm asking for the  
8 role of government and your agency its not to pick  
9 winners and losers overall.

10 GREGG BISHOP: So, there's a procurement  
11 process... [cross-talk]

12 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

13 GREGG BISHOP: ...that my agency follows,  
14 and we pick the best... any company that wants to  
15 provide services to SBS, we pick the best quality for  
16 the best price, that, that is not... you know I, I  
17 don't know if I'm answering your question but that's  
18 how we operate at SBS.

19 CHAIRPERSON GJONAJ: Well the questions a  
20 little bit more directly, I would... SBS would not be...  
21 it would not be in the best interest of government or  
22 the agency for SBS to pick a winner or a loser, it  
23 would be for the benefit of public interest solely...  
24 [cross-talk]

25 GREGG BISHOP: A winner or loser in what?

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2 CHAIRPERSON GJONAJ: In anything; grants  
3 or maybe a procurement of any type or whether it be  
4 funding or through your budget at all.

5 GREGG BISHOP: So... [cross-talk]

6 CHAIRPERSON GJONAJ: It would be an open  
7 and transparent... [cross-talk]

8 GREGG BISHOP: I'm, I'm... [cross-talk]

9 CHAIRPERSON GJONAJ: ...and accountable...  
10 [cross-talk]]

11 GREGG BISHOP: Right and, and that has...  
12 [cross-talk]

13 CHAIRPERSON GJONAJ: ...transaction...  
14 [cross-talk]

15 GREGG BISHOP: ...and that is always...  
16 [cross-talk]

17 CHAIRPERSON GJONAJ: ...based on best  
18 practices and... [cross-talk]

19 GREGG BISHOP: Right... [cross-talk]

20 CHAIRPERSON GJONAJ: ...not to put your  
21 finger on the scale for any one particular vendor.

22 GREGG BISHOP: That would be illegal,  
23 right?

24 CHAIRPERSON GJONAJ: Exactly.

25 GREGG BISHOP: Okay.

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2 CHAIRPERSON GJONAJ: So, it's not the  
3 intent of government or your agency, correct?

4 GREGG BISHOP: Correct.

5 CHAIRPERSON GJONAJ: Good. In line with  
6 the same questioning, how much grant assistance has  
7 this one company, Reliant received from your agency?

8 GREGG BISHOP: So, so far in the past  
9 three years it's been 92.5 million.

10 CHAIRPERSON GJONAJ: And what is... that's  
11 for years '15... [cross-talk]

12 GREGG BISHOP: '16 and '17... [cross-talk]

13 CHAIRPERSON GJONAJ: ...'16 and '17.

14 GREGG BISHOP: Correct.

15 CHAIRPERSON GJONAJ: And '18?

16 GREGG BISHOP: '18 its 41.8 million.

17 CHAIRPERSON GJONAJ: And what do we have  
18 in preliminary 2019?

19 GREGG BISHOP: We do not have anything in  
20 '19, there's 140, 140,000.

21 CHAIRPERSON GJONAJ: 140,000?

22 GREGG BISHOP: Yeah, which covers the  
23 summer months.

24 CHAIRPERSON GJONAJ: Okay, so we have a  
25 preliminary of 140,000 for 2019 but that will



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2 certainly not be enough of a grant for Reliant to  
3 continue its operations moving forward?

4 GREGG BISHOP: That's, that's... [cross-  
5 talk]

6 CHAIRPERSON GJONAJ: Or are they applying  
7 for that grant... [cross-talk]

8 GREGG BISHOP: ...correct... [cross-talk]

9 CHAIRPERSON GJONAJ: ...now for 2019?

10 GREGG BISHOP: No, that, that is correct  
11 in '19 there isn't a budgeted amount for the full  
12 year of operation.

13 CHAIRPERSON GJONAJ: And that grant will  
14 be readily available to bid... to... for all our... for all  
15 to apply, all other or is this Reliant solely for  
16 2019?

17 GREGG BISHOP: No, at the beginning of  
18 every school year... [cross-talk]

19 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

20 GREGG BISHOP: ...any bus company can  
21 apply.

22 CHAIRPERSON GJONAJ: When does that grant  
23 open to the public to apply for?

24 JACKIE MALLON: Do you want to...  
25

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2 ANDREW SCHWARTZ: Yeah. Hi, Andrew  
3 Shwartz, Council at Small Business Services. As far  
4 as the grant, yeah, it's done by a city  
5 administrative procedure act, rulemaking and at that  
6 time when the rules are effective companies can apply  
7 for the grant.

8 CHAIRPERSON GJONAJ: So, the answer is  
9 when will it be available?

10 ANDREW SCHWARTZ: It would probably be  
11 announced in the fall, I mean it's been slightly  
12 different dates because right now there is no program  
13 in place for fall '18 into... '18/'19 school year, we  
14 don't have the program operative for that. We're  
15 talking about the current school year now that'll end  
16 in June that's the fourth year we've done the  
17 program.

18 CHAIRPERSON GJONAJ: And you have 140,000  
19 to finish up the summer months and then we begin the  
20 school year again in September at... so between now and  
21 September, I'm sure that there will be an application  
22 for the grant?

23 GREGG BISHOP: Well if there's no  
24 funding.  
25

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2 ANDREW SCHWARTZ: Right, if there is a  
3 program in the '18/'19 school year that will be  
4 announced but I do want to say the 140,000 is only to  
5 cover the administrative cost and staff and the 41  
6 million dollars we will... when that gets paid out  
7 we'll see if any additional funding is needed in FY  
8 '19 to finish this school year.

9 CHAIRPERSON GJONAJ: Elaborate that  
10 140,000 is for what purpose?

11 ANDREW SCHWARTZ: Staffing in the..  
12 [cross-talk]

13 CHAIRPERSON GJONAJ: Staff, who... [cross-  
14 talk]

15 ANDREW SCHWARTZ: ...that administers the  
16 grant program at SBS.

17 CHAIRPERSON GJONAJ: I thought the  
18 Commission just said that was for summer... [cross-  
19 talk]

20 ANDREW SCHWARTZ: That's what I want..  
21 just correct that statement.

22 CHAIRPERSON GJONAJ: So, the 140,000 has  
23 nothing to do with the summer bus services that  
24 Reliant is providing but it will be for staffing that  
25

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2 administers the grant that's already been issued, and  
3 have they been paid for 2018?

4 ANDREW SCHWARTZ: No, they have not been  
5 fully paid for 2018.

6 CHAIRPERSON GJONAJ: The 41.8 million has  
7 not been paid, how much of that have they been paid?

8 ANDREW SCHWARTZ: For this school year,  
9 probably about, about 30 million, 31.5 million so  
10 they have a remaining payment for the last school  
11 year and this school year has not been paid out yet,  
12 the current school year.

13 CHAIRPERSON GJONAJ: When is that money  
14 expected to go through following the grant that...  
15 [cross-talk]

16 ANDREW SCHWARTZ: During this, this  
17 spring.

18 CHAIRPERSON GJONAJ: In the spring.

19 ANDREW SCHWARTZ: Yeah and remember it is  
20 a reimbursement so Reliant has to have paid out to  
21 their employees and they get reimbursed for those  
22 payments.

23 CHAIRPERSON GJONAJ: And that'll, that'll  
24 be expected sometime in the spring?

25 ANDREW SCHWARTZ: Correct.

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2 CHAIRPERSON GJONAJ: Okay, good. So, I...  
3 it's just... I understand what you're saying that this  
4 is just a grant that you pass through and procurement  
5 and contracts but for the past four years this grant  
6 has been awarded to one company only, am I correct?

7 GREGG BISHOP: Correct.

8 JACKIE MALLON: Yes.

9 ANDREW SCHWARTZ: Yes.

10 CHAIRPERSON GJONAJ: And for the record  
11 has anyone... has any other company applied for this  
12 grant during that four-year period?

13 ANDREW SCHWARTZ: I think there were  
14 inquiries about it but there are criteria in it, I  
15 think you have a report that the Finance Division  
16 puts out, the briefing paper gives a good background  
17 on why the law was first passed by the council to  
18 support the drivers and workers on the buses and to  
19 give them as the Commissioner said the fair wages and  
20 benefits that they had been receiving before the last  
21 administration bid these out without the employee  
22 protection provisions. So, I think, you know that  
23 explains that purpose and there are certain criteria  
24 that the companies who are paying those higher  
25 salaries and getting reimbursed and that they're

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2 agreeing to hire off something called the master  
3 seniority list only. So, there are certain  
4 restrictions if a company was going to apply and use  
5 this grant.

6 CHAIRPERSON GJONAJ: What are those  
7 criteria again?

8 ANDREW SCHWARTZ: Its using the master  
9 seniority list which is a list that the Department of  
10 Education maintains and again we wouldn't be in  
11 position to go into the details of that but if we pay  
12 out the grant to Reliant it's for employees that the  
13 Department of Education reviews and tells us they are  
14 certified workers.

15 CHAIRPERSON GJONAJ: So, it... this one  
16 company is the only one that qualified under that  
17 scenario because it doesn't sound like... its, it's  
18 just strange that if this was an open grant for other  
19 companies that they could also apply and you're not...  
20 I'm not getting that under the description you just  
21 gave me.

22 ANDREW SCHWARTZ: Right, I think the  
23 company Reliant has the bulk of the roots that would  
24 bid out as explained in your report here and the  
25 employees under it.

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2 CHAIRPERSON GJONAJ: Say, say that one  
3 more... [cross-talk]

4 ANDREW SCHWARTZ: So, they are the... they  
5 have the bulk of the routes that were bid out without  
6 the employee protection provisions as described in  
7 your report.

8 CHAIRPERSON GJONAJ: They have a bulk so  
9 there's others... [cross-talk]

10 ANDREW SCHWARTZ: The bulk... [cross-talk]

11 CHAIRPERSON GJONAJ: ...that don't... [cross-  
12 talk]

13 ANDREW SCHWARTZ: ...I couldn't tell you  
14 specifically though, I think as the Commissioner said  
15 really, it's the Department of Education, their  
16 office of pupil transportation that could give more  
17 information on that.

18 CHAIRPERSON GJONAJ: Okay. So, let me  
19 just go through some numbers and see if you can help  
20 answer and better explain or help us understand how  
21 this whole grant passes through this one company for  
22 four years in a row and if you can't I understand but  
23 I was hoping that you would be able to explain. So,  
24 the... and just for simplistic purposes this grant  
25 program was the Mayor's initiative and the city

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2 council went along with it, correct, in year one, the  
3 year 2014?

4 ANDREW SCHWARTZ: Yes.

5 CHAIRPERSON GJONAJ: Okay and the grant  
6 program came about solely because of the employee  
7 benefits that were not included in the bid process,  
8 is that what I'm understanding?

9 ANDREW SCHWARTZ: I think that's fair to  
10 say, yes.

11 CHAIRPERSON GJONAJ: Is there anything  
12 more that you can add to that or...

13 ANDREW SCHWARTZ: I think for more  
14 details again it's the Office of Labor Relations or  
15 the Department of Education and the law department.

16 CHAIRPERSON GJONAJ: So, it... you can't  
17 answer any more questions about this grant although  
18 its administered through your agency, am I under,  
19 understanding this correctly that... [cross-talk]

20 GREGG BISHOP: You're, you're... so, we  
21 are... we are the agency that reimburses the company..  
22 [cross-talk]

23 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

24 GREGG BISHOP: ...it... and certainly if  
25 you're asking questions about the reimbursement



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2 process, if you're asking questions about how many..  
3 how much money that has been put out that, that is  
4 certainly question, questions we can... we can answer,  
5 if you're asking questions about routes and the  
6 different, you know... it is not... it is a procurement  
7 that was done by another agency.

8 CHAIRPERSON GJONAJ: So, then we're safe  
9 to assume that in 2019 there will not be a grant for  
10 this as far as you know?

11 GREGG BISHOP: In, in 2019 there's no  
12 money allocated as far as we know.

13 CHAIRPERSON GJONAJ: So, there should be  
14 no May adjustment or grant that's... [cross-talk]

15 GREGG BISHOP: I, I can't... [cross-talk]

16 CHAIRPERSON GJONAJ: ...open or November  
17 plan that's going to include this modification as has  
18 been done for the last three years, is that... [cross-  
19 talk]

20 GREGG BISHOP: That is not... that is not  
21 something I can say with certainty. As you know  
22 whenever there's negotiations in budgets things  
23 change. This is the, the preliminary budget so... you  
24 know the next time we come before you there might be  
25 completely different numbers.

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2 CHAIRPERSON GJONAJ: So, in 2018  
3 preliminary budget was this brought up at the budget,  
4 the preliminary... during the preliminary budget  
5 discussions?

6 GREGG BISHOP: Yes, it was.

7 CHAIRPERSON GJONAJ: In 2018?

8 GREGG BISHOP: Yes, it was.

9 [off-mic dialogue]

10 GREGG BISHOP: I'm sorry you said in  
11 2008... we're in 2018 now, in 2000... so, in 2017 we also  
12 had to testify about the program.

13 CHAIRPERSON GJONAJ: Preliminary?

14 GREGG BISHOP: During the... [cross-talk]

15 CHAIRPERSON GJONAJ: Budget... [cross-talk]

16 GREGG BISHOP: ...preliminary budget,  
17 correct.

18 CHAIRPERSON GJONAJ: So, in 2017 it was  
19 in the preliminary budget report?

20 GREGG BISHOP: Well for the '18 budget in  
21 '17.

22 CHAIRPERSON GJONAJ: Okay, then what  
23 about '16, did the preliminary budget report show  
24 that... it's, it's my understanding that it never shows  
25

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2 up in the preliminary budget discussions it only  
3 comes about after the preliminary discussions.

4 GREGG BISHOP: I don't... [cross-talk]

5 CHAIRPERSON GJONAJ: Its done through a  
6 modification whether it be a November plan... [cross-  
7 talk]

8 GREGG BISHOP: Right... [cross-talk]

9 CHAIRPERSON GJONAJ: ...or... [cross-talk]

10 GREGG BISHOP: ...I, I don't recall but I  
11 mean it's the... is the question... are you questioning  
12 the, the, the budget numbers or... I'm, I'm trying to...  
13 is... helpfully as possible to figure out what the  
14 question is?

15 CHAIRPERSON GJONAJ: So, then the 41  
16 million that was... fiscal 2018 41 million dollars at  
17 what point was that budgeted?

18 GREGG BISHOP: That was in the  
19 preliminary budget...

20 JACKIE MALLON: Correct...

21 GREGG BISHOP: Yes.

22 CHAIRPERSON GJONAJ: I see. It... I believe  
23 it came in through a modification in November.

24 JACKIE MALLON: No.

25 GREGG BISHOP: No.

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2 CHAIRPERSON GJONAJ: Well then, I'll  
3 guess we'll wait and see what happens in 2019 and  
4 with this preliminary budget and I hope that it  
5 doesn't appear to come in after the budget  
6 negotiations in, in the November plan. Do any of my  
7 colleagues... I guess they all left, I know that... well  
8 good, thank you Council Members enjoy your trip to  
9 Samos. Let me just go back to the last question of  
10 this because we're going to have plenty of public  
11 testimony on it and I really do hope you can stay  
12 here Commissioner so we can hear from those that want  
13 to talk more about this particular grant and how  
14 unfairly many feel that the benefited one company  
15 only which creates a slew of other issues but... the  
16 numbers... keeping these numbers in mind can you tell  
17 the committee how there's a benefit to the public or  
18 better yet how does this demonstrate that SBS has  
19 been a good stewards of the public money that has  
20 been entrusted with through this particular grant?

21 GREGG BISHOP: I think just to, to  
22 reiterate what I said this program helps get our kids  
23 to school safely, it supports and helps keep a well  
24 trained staff of drivers so if you ask how it  
25 benefits the public I think there's a lot of parents

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2 who sleep well at night knowing that the people who  
3 are transporting their kids are, are trained and,  
4 and... [cross-talk]

5 CHAIRPERSON GJONAJ: Not all just some  
6 are benefiting from this, there's plenty that are  
7 not.

8 GREGG BISHOP: You know... so, the, the  
9 fact that we have individuals who are well trained  
10 and paid a fair wage is the, the public benefit.

11 CHAIRPERSON GJONAJ: Okay because there's  
12 a belief that this company purposely underbid on this  
13 contract and was later given a bus bailout that  
14 benefited one company solely from others and through  
15 this grant that is administrated through SBS has  
16 benefited handsomely compared to the other industry  
17 providers of similar service. We're going to continue  
18 to look in, into working with, I really do hope that  
19 this is not a grant that will be administered through  
20 SBS or any other agency authority in this government  
21 and in the future particularly benefitting one  
22 provider over the rest. So, let me get into head  
23 count and transparency of the number of employees  
24 that you currently have. You earlier stated that you  
25 have 362 full time positions in fiscal 2018 and '19?

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2 GREGG BISHOP: Yes.

3 CHAIRPERSON GJONAJ: Okay, however the  
4 agency's actual head count every month in 2018 has  
5 been almost 90 less than what is in your plan.

6 SHAAZAD ALI: At this point I can't  
7 confirm that because you have to take into  
8 consideration we... the construction safety training  
9 initiative where we got 44 lines we have not hired  
10 anyone for that... those positions yet, we still, you  
11 know working it out in the program.

12 CHAIRPERSON GJONAJ: I can go backwards  
13 month by month from starting with June 2017... [cross-  
14 talk]

15 GREGG BISHOP: It's a... [cross-talk]

16 CHAIRPERSON GJONAJ: ...to July 2016 and I  
17 can show you the exact number of employees that you  
18 had... [cross-talk]

19 GREGG BISHOP: So, are you... are you  
20 asking why are we not fully staffed?

21 CHAIRPERSON GJONAJ: Why... I'm asking why  
22 we are in the preliminary plan showing 362 full time  
23 positions with a dollar amount and historically in  
24 all of '18, '17, and '16 we've never come close to  
25 that number.

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2 GREGG BISHOP: So, at the... you know  
3 whenever we have programs we anticipate to actually  
4 hire into those programs but those, those numbers  
5 actually, you know personnel changes on a daily  
6 basis, either I'm hiring individuals or people are  
7 retiring, people are moving onto other opportunities,  
8 so I don't... I don't think you'll ever see 100 percent  
9 match between what we have budgeted and actual.

10 CHAIRPERSON GJONAJ: Is it your goal to  
11 strive for filling those vacancies?

12 GREGG BISHOP: Clearly, yes, I mean I do  
13 everything possible to you know make sure that we  
14 have a culture at SBS where we can attract talent  
15 where we can retain talent, we are in the lowest in  
16 terms of unemployment rate and of course we're  
17 government, I mean part of the challenge that I have  
18 is competing with the private sector. Right now  
19 people are looking to get opportunities in the  
20 private sector, I have been out there and encouraging  
21 people to look at government as a career opportunity  
22 and you know in some cases I try to steal individuals  
23 from other agencies, I mean it's, its... it is very,  
24 very competitive in terms of getting the best talent  
25 for the agency.

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2 CHAIRPERSON GJONAJ: But historically and  
3 in your tenure have we ever come close to full  
4 capacity?

5 GREGG BISHOP: Since I've been  
6 Commissioner we've had a very, very robust  
7 unemployment rate so, you know when I first came to  
8 the government in 2008 when everything... you know we  
9 had the financial implosion and a lot of companies  
10 were laying off I think that was the best time for  
11 government because a lot of people qualified... talent  
12 was coming to government, you know over the past, you  
13 know ten years or so the economy has improved, been  
14 certainly... you know we have to continue to try to  
15 figure out ways to attract talent.

16 CHAIRPERSON GJONAJ: But historically  
17 you've never even come remotely close to filling  
18 those vacancies in as high as 30 percent off its full  
19 capacity.

20 GREGG BISHOP: During my tenure I don't...  
21 I don't know if that's, that, that number is accurate  
22 but certainly though... I mean... I mean certainly happy  
23 to... you know for you to help me figure out ways to,  
24 to recruit staff... [cross-talk]



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2 CHAIRPERSON GJONAJ: So, the question is  
3 then why... if we're... if we don't expect and we should  
4 strive of course, and the bar is so high that we'll  
5 never achieve full capacity and historically we can  
6 see that we don't even come remotely close why do we  
7 budget for 362 jobs that will never come to fruition?

8 GREGG BISHOP: I wouldn't say that that  
9 would never, I mean we, we, we have hard working  
10 individuals at the agency so there are individuals  
11 who... [cross-talk]

12 CHAIRPERSON GJONAJ: I'm, I'm sure you  
13 do, I'm not denying... [cross-talk]

14 GREGG BISHOP: ...who continue... [cross-  
15 talk]

16 CHAIRPERSON GJONAJ: ...they're hard  
17 working.

18 GREGG BISHOP: Right, so those vacancies,  
19 I mean the work is still being done but we need to  
20 figure out ways to actually ease the burden on those  
21 staff who are doing... [cross-talk]

22 CHAIRPERSON GJONAJ: No, but... [cross-  
23 talk]

24 GREGG BISHOP: ...multiple things.  
25

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2 CHAIRPERSON GJONAJ: Isn't that the issue  
3 that the planned head count is not giving a realistic  
4 picture of the need of the agency so how are we doing  
5 without them, where's the disservice, where is the  
6 lack of filling these positions impacting your agency  
7 and its responsibilities to fulfil the needs of the  
8 13 program areas it is responsible for?

9 GREGG BISHOP: So, are... I'm... [cross-talk]

10 CHAIRPERSON GJONAJ: Because you're  
11 saying that we strive, we want to, we have hard  
12 working men and women but I keep going back to if you  
13 have as high as 60 vacant seats at any given time and  
14 that was as of June 2017, the exact number is 58, in  
15 May of 2017 it was 45, in April it was 45... [cross-  
16 talk]

17 GREGG BISHOP: Yeah, those numbers don't  
18 seem right because I, I don't think I have... [cross-  
19 talk]

20 [off-mic dialogue]

21 CHAIRPERSON GJONAJ: December's... as of  
22 December 2017 you had 269 full time employees,  
23 according to the records I have here.

24 GREGG BISHOP: Okay, yeah, I mean I, I  
25 would have to... because your numbers are not sort of

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2 matching what I have so we certainly can reconcile  
3 those numbers.

4 CHAIRPERSON GJONAJ: Well these are the  
5 numbers that we were given by and provided from OMB  
6 documents and we can clearly show that historically  
7 you have been way under the projected numbers of full  
8 time employees so the question is either we don't  
9 need those positions or there's a disservice that is  
10 not allowing you to fulfil your commitments and  
11 obligations to the 13 program areas.

12 GREGG BISHOP: I, I, I would not sit here  
13 and say that we... certainly, you know in every area we  
14 can always improve on our service so, you know we, we  
15 try to... you know make sure that we have enough staff  
16 and you know we continue to deliver those services  
17 but you know I wouldn't say that there is a  
18 disservice.

19 CHAIRPERSON GJONAJ: Well the... these  
20 unfilled positions do we understand, or actually does  
21 it reflect the needs of the agency as they are?

22 GREGG BISHOP: Yes, so we budget for the  
23 needs of the agency and until we fill those positions  
24 we figure out ways to deliver those services at, at  
25

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2 the highest level possible with the staff that we  
3 have.

4 CHAIRPERSON GJONAJ: And when we budget  
5 for 362 and don't fulfil or don't meet that number  
6 although it's a budgeted line item for salary PS,  
7 what happens to that surplus?

8 SHAAZAD ALI: It generally goes back to  
9 the, the general fund. We have been... as... yes, we have  
10 had, you know certain... some vacancies and we have  
11 been able to use that... those accrues from those  
12 vacancies as part of our efficiency savings that the  
13 administration has, you know requested the agency to  
14 come up with two percent or three percent efficiency  
15 savings we have been able to use those savings from  
16 those vacant lines to support the agency, agency.

17 CHAIRPERSON GJONAJ: But that's not a  
18 savings, right, that's... [cross-talk]

19 SHAAZAD ALI: Yes, it is a savings, yes.

20 CHAIRPERSON GJONAJ: If we allocate a  
21 number, a total dollar amount for PS and never fill  
22 those positions and historically we haven't that's  
23 not a savings, that's over estimating and inflating  
24 so we can show a savings.  
25

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2 SHAAZAD ALI: No, it's not because... Mr.  
3 Chair I just want to clarify one thing also, the fact  
4 that he's saying that we have a head count of 362  
5 this head count was given to us as, you know prior to  
6 preliminary budget we have that amount but the, the  
7 lines... like take for example the construction safety  
8 training initiative we got 44 lines for that... [cross-  
9 talk]

10 CHAIRPERSON GJONAJ: We're going to get  
11 to that, right but... [cross-talk]

12 SHAAZAD ALI: Right, but the agency  
13 cannot fill those lines within... you know within a  
14 couple of weeks, it... as the Commissioner just  
15 mentioned it takes a while, we have to advertise, we  
16 want to seek the best person for the job so to...  
17 judging the agency and saying that they 362 lines  
18 that they have not been filled it's not a fair  
19 statement, that we should be given the opportunity to  
20 fill these positions.

21 CHAIRPERSON GJONAJ: Prior to the  
22 construction safety question of 44 additional  
23 employees that are needed... [cross-talk]

24 SHAAZAD ALI: Uh-huh... [cross-talk]  
25

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2 CHAIRPERSON GJONAJ: There is a... let me  
3 get to the... the number of workers there and the  
4 cutback, was that it there? There's the head count,  
5 okay. Right. Looking at the budget report I have  
6 here, you have 44 positions that were added for  
7 construction safety training initiative, correct?

8 SHAAZAD ALI: Correct.

9 CHAIRPERSON GJONAJ: Okay, you have two  
10 that were added for the 100<sup>th</sup>... the 100,000... [cross-  
11 talk]

12 SHAAZAD ALI: Right... [cross-talk]

13 CHAIRPERSON GJONAJ: ...jobs, right?

14 SHAAZAD ALI: Yes, uh-huh.

15 CHAIRPERSON GJONAJ: You have one for DOE  
16 SBS transfer...

17 SHAAZAD ALI: Thank you, yes.

18 CHAIRPERSON GJONAJ: Okay, you have five  
19 for New York at Work?

20 SHAAZAD ALI: Yes.

21 CHAIRPERSON GJONAJ: Then you have six  
22 that are lost to center for economic opportunity  
23 initiatives?

24 SHAAZAD ALI: Yes... [cross-talk]

25

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2 CHAIRPERSON GJONAJ: 13 that were lost or  
3 have been removed from a... [cross-talk]

4 SHAAZAD ALI: Right... [cross-talk]

5 CHAIRPERSON GJONAJ: ...need on career  
6 pathways reporting...

7 SHAAZAD ALI: Yes.

8 CHAIRPERSON GJONAJ: An additional three  
9 from community development that were removed as  
10 positions that were needed?

11 SHAAZAD ALI: 30 or three?

12 CHAIRPERSON GJONAJ: I'm sorry?

13 SHAAZAD ALI: Three?

14 CHAIRPERSON GJONAJ: Giving you a net of  
15 30... [cross-talk]

16 SHAAZAD ALI: Net of 30.

17 CHAIRPERSON GJONAJ: Net of 30?

18 SHAAZAD ALI: Yes.

19 CHAIRPERSON GJONAJ: On top... so, three...  
20 that would mean you had allocated for 332 jobs prior  
21 to... you are... you are identifying 332 positions that  
22 are available within the agency aside from these  
23 adjustments that are made, of that how many employees  
24 do you currently have as full time salaried  
25 employees?

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2 SHAAZAD ALI: We... I, I saw the, the  
3 report here but I... we need as the Commissioner said,  
4 I need to confirm these numbers for... [cross-talk]

5 CHAIRPERSON GJONAJ: Okay, I'll give you  
6 the number as of December from... provided from OMB  
7 that was 269 so that is roughly 60 off. In November  
8 it was a total of 271 employees you had, in October  
9 it was 272, in September it was 269, in August it was  
10 267, in July it was 269, you see the trend that  
11 we're... we never come near those numbers so we equate  
12 the budget to... for an expense item of salaries that  
13 are not needed then you come back and say oh we just  
14 did... we just saved two percent off our budget when it  
15 was just an increase in estimate that was never going  
16 to be realized expense to begin with. It looks more  
17 like a play on numbers more than transparency.

18 GREGG BISHOP: Was that a, a statement or  
19 a... [cross-talk]

20 CHAIRPERSON GJONAJ: I'm, I'm asking...  
21 [cross-talk]

22 GREGG BISHOP: ...question... [cross-talk]

23 CHAIRPERSON GJONAJ: I'm... my perception  
24 of these numbers and digesting the steady number of  
25 work... employees... [cross-talk]



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2 GREGG BISHOP: So... [cross-talk]

3 CHAIRPERSON GJONAJ: ...full time and the  
4 number that you are indicating you need are not the  
5 same and ultimately, we claim that when the actual  
6 budget or after the... when the actual numbers are  
7 digested we claim savings and the money goes back to...  
8 [cross-talk]

9 GREGG BISHOP: No, that, that, that is...  
10 that is actually an inaccurate statement... [cross-  
11 talk]

12 CHAIRPERSON GJONAJ: Okay, good, so help  
13 me out...

14 GREGG BISHOP: I, I did, I told you we  
15 budget for the needs of the agency and we continue to  
16 strive to hire as many people as possible. Now if we  
17 are unable to do that, you know it doesn't mean that  
18 we just stop looking for that person, we will  
19 continue to look for that person but if there's six  
20 months of savings because we were supposed to hire  
21 somebody in July and we end up hiring that person in  
22 October obviously that is... that is a, a realized  
23 savings and... [cross-talk]

24 CHAIRPERSON GJONAJ: But the SBS has  
25 been... [cross-talk]

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2 GREGG BISHOP: ...we should continue to do  
3 that... [cross-talk]

4 CHAIRPERSON GJONAJ: ...operating under...  
5 you're the Commissioner of SBS for five years...  
6 [cross-talk]

7 GREGG BISHOP: I have been the... [cross-  
8 talk]

9 CHAIRPERSON GJONAJ: ...and it's been  
10 operating... [cross-talk]

11 GREGG BISHOP: ...Commissioner for two  
12 years...

13 CHAIRPERSON GJONAJ: I'm sorry, two  
14 years, you're right, ten years at SBS so...

15 GREGG BISHOP: Uh-huh.

16 CHAIRPERSON GJONAJ: Under the last two  
17 years your agency has been operating, correct?

18 GREGG BISHOP: So, are you saying I'm  
19 doing a bad job in hiring because... [cross-talk]

20 CHAIRPERSON GJONAJ: Oh no, I'm... [cross-  
21 talk]

22 GREGG BISHOP: ...that, that is... that is  
23 certainly... [cross-talk]

24 CHAIRPERSON GJONAJ: ...asking you the...  
25 [cross-talk]

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2 GREGG BISHOP: ...something that I will...

3 [cross-talk]

4 CHAIRPERSON GJONAJ: ...I'm asking you

5 either we don't need those... [cross-talk]

6 GREGG BISHOP: ...continue to... [cross-talk]

7 CHAIRPERSON GJONAJ: ...jobs or... [cross-

8 talk]

9 GREGG BISHOP: Yes, we do need those

10 jobs.

11 CHAIRPERSON GJONAJ: Then how are you

12 operating?

13 GREGG BISHOP: We, we have staff that are

14 working pretty hard to deliver high quality services

15 and we will continue to do that while we continue to,

16 to make sure that we do as much as possible to hire

17 the right people in the right positions.

18 CHAIRPERSON GJONAJ: Then can you help me

19 Commissioner and I... and I'm trying to get a better

20 understanding here. The number of full time employees

21 you have to date can I have like a... do we have a

22 breakdown of what their positions are... [cross-talk]

23 GREGG BISHOP: Is there a specific

24 question in terms of... you know... [cross-talk]

25 CHAIRPERSON GJONAJ: Yeah... [cross-talk]

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2 GREGG BISHOP: ...in terms of like... so we  
3 have a great staff at SBS, that staff... [cross-talk]

4 CHAIRPERSON GJONAJ: Great men and women...  
5 [cross-talk]

6 GREGG BISHOP: ...continues to do the work  
7 that helps New Yorkers... [cross-talk]

8 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

9 GREGG BISHOP: ...but in terms of specific  
10 employees, I mean what, what, what is the question  
11 that you're asking, are we not hiring fast enough, we  
12 will continue to advertise and do as much as possible  
13 to hire the right people in the right jobs.

14 CHAIRPERSON GJONAJ: I think it's  
15 remarkable the men and women that we have working in  
16 government and I'm sure we have some very talented  
17 and hard-working men and women in the SBS in your  
18 agency. I just don't understand how historically we  
19 budget or show a need for a certain number of  
20 employees that we never reach and claim that we need  
21 without having a disservice or an impact on the  
22 service that you provide, that's my question to you.  
23 so, then if there... and I'm sure they really are...  
24 you're pushing them to work harder and you're doing  
25 more with less I'm guessing, help me understand?

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2 GREGG BISHOP: I, I think I've said it a  
3 couple of times, I have, and I've been tremendously  
4 blessed with a team of hard working individuals that  
5 will continue to try to deliver the highest level of  
6 service while we recruit for the right employees...  
7 [cross-talk]

8 CHAIRPERSON GJONAJ: Good... [cross-talk]

9 GREGG BISHOP: ...at the agency.

10 CHAIRPERSON GJONAJ: So, then where are  
11 you short, your agency on the numbers that you  
12 currently have vacancies that you have where are  
13 they... where are you having those vacancies?

14 GREGG BISHOP: They're scattered all  
15 across the agency, there... you know we have vacancies  
16 in the Department... the division of economic financial  
17 opportunity, we have the vacancies in business  
18 services... [cross-talk]

19 CHAIRPERSON GJONAJ: Do you know those  
20 numbers; how many I just want to...

21 GREGG BISHOP: We'll, we'll get back to  
22 you on those.

23 CHAIRPERSON GJONAJ: Okay, great.

24 GREGG BISHOP: On those... information, I  
25 mean you could also go on our website because we have

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2 all the job openings there and you can help us with  
3 recruitment, that would be actually a great  
4 partnership with us.

5 CHAIRPERSON GJONAJ: I'm looking forward  
6 to working on addressing the number of employees,  
7 yes, with you.

8 GREGG BISHOP: Thank you.

9 CHAIRPERSON GJONAJ: Do you know how many  
10 employees are currently working division of... that  
11 oversee bids or work with bids?

12 GREGG BISHOP: We have 26 employees.

13 CHAIRPERSON GJONAJ: 26 employees  
14 specifically for bid?

15 GREGG BISHOP: So, so when you talk about  
16 bids... [cross-talk]

17 CHAIRPERSON GJONAJ: Is that  
18 neighborhood... [cross-talk]

19 GREGG BISHOP: Specifically, for the... if  
20 you're talking about the bid team... [cross-talk]

21 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

22 GREGG BISHOP: ...there's six employees but  
23 Neighborhood development has a total of 26 employees.

24

25

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2 CHAIRPERSON GJONAJ: 26 from neighborhood  
3 development with six that go... that work for bids  
4 direct... what... so that would... [cross-talk]

5 GREGG BISHOP: But, but let me just  
6 clarify, every single one of those employees in  
7 neighborhood development actually sits on... we have 75  
8 bids so every single employee sit on the board  
9 representing the Mayor so the entire team is  
10 actually... the way we set up the... they have... each  
11 employee has a number of bids that they're  
12 responsible for in terms of making sure that they  
13 attend all the bid meetings, annual meetings,  
14 etcetera but in terms of helping shepherd the process  
15 the legislative process in terms of dealing with  
16 either the bid creation process, dealing with the  
17 community or the council members or the, the steering  
18 committee there's six individuals that are dedicated  
19 to that.

20 CHAIRPERSON GJONAJ: Okay. There's a  
21 survey that I believe, a small business survey that's  
22 being prepared currently...

23 GREGG BISHOP: Yes...

24 CHAIRPERSON GJONAJ: Okay, can you tell  
25 me... can you give me an update on that survey?

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2 GREGG BISHOP: So, as you know the, the  
3 law requires us to have that report to council by  
4 2019, we're in the process of actually creating the  
5 questions and we'll... we're on track to get that  
6 survey out by the summer or fall.

7 CHAIRPERSON GJONAJ: How far are you  
8 along with preparing that survey?

9 GREGG BISHOP: We're, we're right now in  
10 the process of developing the survey.

11 CHAIRPERSON GJONAJ: Okay, are you  
12 getting input from businesses and business leaders in  
13 preparation of the survey?

14 GREGG BISHOP: Yes.

15 CHAIRPERSON GJONAJ: Or is this being  
16 done just internally?

17 GREGG BISHOP: No, we, we have... again  
18 we're using our network of community partners and  
19 also the staff that work with small businesses and  
20 our, our staff on the ground we're sourcing questions  
21 for that survey.

22 CHAIRPERSON GJONAJ: Okay, great. I know  
23 that we have some anxious public testimony and I'm  
24 trying to rush through this. As part of the fiscal  
25



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2 2019 plan OMB requested the agency come up with a two  
3 percent efficiency savings, is this correct?

4 SHAAZAD ALI: Correct.

5 CHAIRPERSON GJONAJ: Can your... can the  
6 committee... can the agency, can you identify where  
7 you're coming up with the two percent savings and  
8 whether they'll affect services in any way?

9 GREGG BISHOP: So, again when we have  
10 efficiency savings we try to minimize the impact on  
11 any of our services, so we try to spread it across  
12 the agency, we're still working out the details on  
13 that.

14 CHAIRPERSON GJONAJ: Okay. And although  
15 at the OMB hearing the Director of OMB said that the  
16 Mayor had asked for OMB to come up with an additional  
17 five percent savings as the executive budget, how  
18 does SBS plan to come up with that savings if...

19 GREGG BISHOP: We have not been  
20 instructed... yeah, we, we don't have that directive.

21 CHAIRPERSON GJONAJ: Okay. At the same...  
22 at targets on W... on MWBEs at the OMB hearing the  
23 Director of OMB mentioned that the city's goal is to  
24 have 30 percent of the dollar value of city contracts  
25

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2 go to certified MWBEs by 2021, currently we are at 12  
3 percent, is that correct?

4 GREGG BISHOP: You're talking about the  
5 end of the last fiscal year?

6 CHAIRPERSON GJONAJ: Yes.

7 GREGG BISHOP: Yes.

8 CHAIRPERSON GJONAJ: Okay. How much money  
9 is in the SBS budget in the current fiscal plan for  
10 the MWBE program?

11 GREGG BISHOP: Is it 6 point... is 6.3?

12 JACKIE MALLON: 6.3.

13 GREGG BISHOP: 6.3 million.

14 CHAIRPERSON GJONAJ: What kind of  
15 services does the agency provide for MWBEs?

16 GREGG BISHOP: So, we're focused on  
17 certification and capacity building so we are the  
18 city agency that is responsible for certifying that a  
19 company's owned and controlled by an eligible member  
20 and we also provide capacity building in terms of  
21 helping not only MWBEs build their capacity but we  
22 also have programs that connect them to financing,  
23 that connects them to mentorship programs that also..  
24 we also focus on helping prime contractors find the  
25 right MWBEs and we also help... and working in

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2 partnership with the Mayor's Office of Contract  
3 Services and the Mayor's Office of MWBE ensuring that  
4 we address any of the concerns that the MWBE  
5 community has.

6 CHAIRPERSON GJONAJ: What further steps  
7 can be taken by your agency to ensure that we meet  
8 the goal of 30 percent by 2021?

9 GREGG BISHOP: I think part of it is... you  
10 know obviously we... you know it's a commitment, it's a  
11 citywide commitment so the Mayor's done a great job  
12 in terms of ensuring that all of the Commissioners  
13 are focused on increasing utilization of MWBE, I  
14 think... and you know in the last council session we  
15 had advocates who helped us and as the administration  
16 pushed for a state legislation change so now the city  
17 has more flexibility in our discretionary spending so  
18 we're now... agency have discretion of up to 150,000  
19 dollars, in terms of discretionary micro purchases I  
20 think that's going to be helpful to increase the  
21 utilization of MWBEs. Certainly, we have to help  
22 MWBEs actually learn how to bid and also do more  
23 effective business development with the different  
24 agencies, so we are looking at providing additional  
25 services, so we not only provide them technical

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2 assistance on their bid response, but we also make  
3 sure that we point them to the right agencies that  
4 are procuring the services that they need.

5 CHAIRPERSON GJONAJ: Are we on par to  
6 have the disparity study released for this month?

7 GREGG BISHOP: We are working with the  
8 Office of MWBEs so the, the data analysis portion is  
9 complete and we're working with the Office of MWBE on  
10 the release of the disparity study.

11 CHAIRPERSON GJONAJ: On the contract  
12 services with EDC, the 2019 preliminary budget for  
13 contract services with EDC is 22.2 million  
14 representing a decrease of 19.5 million or 46.7  
15 percent from the fiscal 2018 adopted budget, is that  
16 correct?

17 SHAAZAD ALI: Yes, that's correct.

18 CHAIRPERSON GJONAJ: There's a 6.8  
19 million decline in federal community development  
20 funds for this program area that is a very special  
21 reason for the... is there a very special reason for  
22 this large decline?

23 SHAAZAD ALI: I think that's a question  
24 for EDC at this... as mentioned earlier EDC negotiates  
25 the, the budget transaction directly with OMB, as, as

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2 Commissioner indicated they're a pass through our  
3 agency.

4 CHAIRPERSON GJONAJ: Do you expect any  
5 additional federal community development funding to  
6 cover this gap or is this just going to be  
7 negotiated...

8 GREGG BISHOP: That's a... that's a  
9 question for EDC.

10 CHAIRPERSON GJONAJ: I'm sorry?

11 GREGG BISHOP: That's a... it's a question  
12 for... [cross-talk]

13 CHAIRPERSON GJONAJ: Question for the  
14 EDC... [cross-talk]

15 GREGG BISHOP: ...yep.

16 CHAIRPERSON GJONAJ: Apart from any  
17 decline in federal funding city, city funding or  
18 state funding what would be the impact of any  
19 federal, state, or city funding for this program  
20 area?

21 GREGG BISHOP: Which program area?

22 CHAIRPERSON GJONAJ: In particular the  
23 federal community development funding to cover... I'm  
24 sorry, the federal community development funds, what  
25

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2 areas would be greatly impacted by any cut to that  
3 area? What is that... [cross-talk]

4 GREGG BISHOP: You're talking about the  
5 community... the community development block grants?

6 CHAIRPERSON GJONAJ: Yes, well what is  
7 the... what, what grants are provided through the  
8 federal community... [cross-talk]

9 GREGG BISHOP: Right... [cross-talk]

10 CHAIRPERSON GJONAJ: ...development...  
11 [cross-talk]

12 GREGG BISHOP: You... so yes, you're  
13 talking about the community development block grants,  
14 you know clearly if, if there, there are cuts in  
15 those areas it may mean reduced grants to community  
16 organizations.

17 CHAIRPERSON GJONAJ: How is your agency  
18 prepared to handle such cut backs on such a... such a  
19 vital program?

20 GREGG BISHOP: We're not... we're not...  
21 we're not... I mean, you know if... certainly it's a  
22 conversation that we would have with the budget  
23 office, we will strive to maintain at least the, the  
24 same level of service but until we actually see the  
25 actual numbers because the federal government budget

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2 is still... has not been passed yet so we're not able  
3 to, you know answer that question at this time but I  
4 mean the... what I've told the team is that, you know  
5 depending on where the cuts are we try to minimize  
6 the impact it has on our services.

7 CHAIRPERSON GJONAJ: Okay. Let me go back  
8 to some of the new initiatives. Under the waterfront  
9 permit unit, I believe there's a request for 200,000...  
10 [cross-talk]

11 GREGG BISHOP: That's correct... [cross-  
12 talk]

13 CHAIRPERSON GJONAJ: ...thousand fiscal  
14 2018 to fiscal 2019, preliminary?

15 GREGG BISHOP: Yes.

16 CHAIRPERSON GJONAJ: What is the purpose  
17 of that funding?

18 JACKIE MALLON: Its... what's that...

19 GREGG BISHOP: So, it's to install some...  
20 so, as you know SBS is responsible for permitting on  
21 the water front and I believe some of that dollars is  
22 to procure technology to make it easier and faster  
23 for our plan examiners to work with companies that  
24 are looking for a permit.  
25

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2 CHAIRPERSON GJONAJ: Why does waterfront  
3 permits unit fall under SBS to begin with?

4 GREGG BISHOP: That is the history, the...  
5 it's the history of the agency, we were formally the  
6 ports and trades, this goes way back to, what, the  
7 70's I think or even before so that is a... that is a  
8 function of, of, of SBS past.

9 CHAIRPERSON GJONAJ: Is there... is, is  
10 there reason to believe that this waterfront  
11 permitting unit will always be in the... in the... I  
12 guess your responsibility in the Small Business  
13 services?

14 GREGG BISHOP: We are having  
15 conversations right now with the Department of  
16 Buildings, there's a series of steps that needs to be  
17 taken for example, Department of Buildings is right  
18 now developing a waterfront code to enforce and then  
19 we are in, in conversations in terms of transferring  
20 the responsibility of permitting from SBS to the  
21 Department of Buildings. That is some ways away so  
22 until then we have to continue providing that  
23 service.

24 CHAIRPERSON GJONAJ: So, then if we're  
25 eventually moving to have the waterfront permits unit



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2 become part of DOB as they develop the waterfront  
3 code, why would we invest 200,000 into IT development  
4 knowing that that unit will no longer... may not need  
5 that IT and it'll be a part of a much larger... [cross-  
6 talk]

7 GREGG BISHOP: That's... [cross-talk]

8 CHAIRPERSON GJONAJ: ...agency... [cross-  
9 talk]

10 GREGG BISHOP: ...that's inaccurate they'll  
11 continue... they will need to have that, that, that  
12 technology and certainly we are working to make sure  
13 that that technology is compatible with what the  
14 Department of Buildings is work... is using currently...  
15 [cross-talk]

16 CHAIRPERSON GJONAJ: So, the... [cross-  
17 talk]

18 GREGG BISHOP: But, but until then they  
19 still have to continue doing their jobs, so we want  
20 to make sure we provide the best service to New  
21 Yorkers.

22 CHAIRPERSON GJONAJ: So, the IT upgrade  
23 that we're seeking will, will be assured that they'll  
24 be able to communicate between the Department of  
25

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2 Buildings systems and the waterfront permit... [cross-  
3 talk]

4 GREGG BISHOP: We are... we are in close  
5 communication with the Department of Buildings to  
6 make sure that whatever we do currently will not be  
7 lost.

8 CHAIRPERSON GJONAJ: Okay. Can you help  
9 explain the construction safety training program?

10 GREGG BISHOP: So, we are responsible for  
11 helping over 6,000 firms in, in terms of getting  
12 their employees trained to match the curriculum that  
13 is designed by the task force and as you know this is  
14 all focused on ensuring the safety of construction  
15 workers.

16 CHAIRPERSON GJONAJ: Explain the role  
17 that you foresee SBS having where 44 new positions  
18 will be needed to meet the functions of this... [cross-  
19 talk]

20 GREGG BISHOP: Well, we're, we're, we're  
21 talking about 40 to 50,000 individuals that need to  
22 be trained.

23 CHAIRPERSON GJONAJ: Will be trained by  
24 the new 44... what is... well, hold on... who's going to do  
25 the training?

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2 GREGG BISHOP: So, it's a combination of  
3 local organizations, SBS and we're still in program  
4 design so again the... those numbers could change but  
5 we're, we're trying to figure out the most effective  
6 way to actually get and accomplish this aggressive  
7 goal which is to train such a large number of people  
8 in a short period of time. So, we're looking at every  
9 single option.

10 CHAIRPERSON GJONAJ: Aren't there  
11 currently programs that... in training that... and  
12 courses that are being offered already?

13 GREGG BISHOP: Yes, and we are also... so,  
14 not... there are training providers but they're...  
15 [cross-talk]

16 CHAIRPERSON GJONAJ: Sorry... [cross-talk]

17 GREGG BISHOP: ...there are training  
18 providers out there that certainly we are talking to...  
19 [cross-talk]

20 CHAIRPERSON GJONAJ: Uh-huh... [cross-talk]

21 GREGG BISHOP: ...and they are part of the  
22 strategy but remember this is 40 to 50,000  
23 individuals so there is a capacity issue, so we are  
24 looking to figure out ways of addressing that. I  
25

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2 don't know if First Deputy Jackie Mallon could add to  
3 that.

4 JACKIE MALLON: Yeah, and actually the,  
5 the curriculum, the required curriculum is still  
6 being defined by DOB and so you're, you're right it's  
7 possible that there are existing trainings but this  
8 is brand new and so all new trainings will have to be  
9 approved and be consistent with what the Department  
10 of Buildings and... it's on the recommendations of  
11 their task force require.

12 CHAIRPERSON GJONAJ: What is the  
13 anticipated funding for this initiative in 2019  
14 preliminary or it's a... [cross-talk]

15 JACKIE MALLON: In '19 its 18.7 and it...  
16 [cross-talk]

17 CHAIRPERSON GJONAJ: For the total  
18 initiative... [cross-talk]

19 JACKIE MALLON: So, the total initiative...  
20 [cross-talk]

21 CHAIRPERSON GJONAJ: It's a multiyear...  
22 [cross-talk]

23 JACKIE MALLON: Its currently like 63.4...  
24 point nine, sorry, 63.9.

25 GREGG BISHOP: Over four years.

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2 JACKIE MALLON: Over four and a half  
3 years, yeah.

4 GREGG BISHOP: Four and a half years so...

5 CHAIRPERSON GJONAJ: Okay. And on  
6 apprentice NYC can you tell me more about the  
7 initiative?

8 JACKIE MALLON: Yes, I would be happy to  
9 tell you more about the initiative. It stems from  
10 the, the Mayor's 100K jobs plan and the... it's a  
11 public, private partnership in which we are employing  
12 apprentice like training models to put people into  
13 skilled positions in partnership with industry, we're  
14 going to focus on industrial manufacturing, tech and  
15 health care.

16 CHAIRPERSON GJONAJ: Does that conflict  
17 at all or does that overlap with the 100,000 new jobs  
18 through CUNY or Workforce One or Career Paths or...  
19 [cross-talk]

20 GREGG BISHOP: Its complimentary.

21 JACKIE MALLON: Right...

22 CHAIRPERSON GJONAJ: I'm sorry?

23 GREGG BISHOP: Its complimentary.

24 CHAIRPERSON GJONAJ: Its complimentary.

25 GREGG BISHOP: Yes.

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2 CHAIRPERSON GJONAJ: Okay. My last  
3 question for you is what is the citywide re-  
4 estimates, what does... what does re-estimates mean?

5 GREGG BISHOP: I...

6 JACKIE MALLON: Where are you?

7 CHAIRPERSON GJONAJ: I'm looking at this  
8 and it's a definition of... well it's an explanation of  
9 what happens in the November plan which includes re-  
10 estimates in personal service and other than or OTPS,  
11 explain re-estimates in the calculations?

12 JACKIE MALLON: Would you be so kind...  
13 this, this... I'm sure you're drawing from this report,  
14 could you just provide the page number that you're  
15 looking at, it'd be better... easier to understand what  
16 you're asking.

17 CHAIRPERSON GJONAJ: I'm sorry?

18 GREGG BISHOP: What's the page number  
19 that you're on... [cross-talk]

20 JACKIE MALLON: The page number in this  
21 report, I think... I think you're drawing from this  
22 report?

23 CHAIRPERSON GJONAJ: Yes.

24 JACKIE MALLON: Okay, which page number  
25 are you referring to because... [cross-talk]

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2 CHAIRPERSON GJONAJ: I'm not sure, I saw  
3 it in there as re-estimates.

4 JACKIE MALLON: Okay, just then... hold on  
5 one second let's see...

6 CHAIRPERSON GJONAJ: Look at page five,  
7 its where you have the two percent savings...

8 JACKIE MALLON: Oh, these are the... these  
9 are efficiency savings, right...

10 GREGG BISHOP: Is that what it is... oh, oh  
11 those, those are the efficiency savings.

12 CHAIRPERSON GJONAJ: What are they  
13 called?

14 GREGG BISHOP: Efficiency savings.

15 CHAIRPERSON GJONAJ: What is... [cross-  
16 talk]

17 GREGG BISHOP: The... what... that's what we  
18 talked about whereas, as part of the overall city  
19 strategy to reduce costs so OMB... we talked about a  
20 two percent efficiency savings where we try to figure  
21 out ways to save dollars.

22 CHAIRPERSON GJONAJ: I know that we have  
23 a, an eager public well and ready and have been very  
24 patient and I apologize but I'm going to just wrap it  
25 up with we've got a lot of good work to do ahead of

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2 us... ahead of us Commissioner, I'm looking forward to  
3 the challenges that we're going to meet together, I  
4 know that it's not going to be easy to meet the needs  
5 of the SBS but I'm looking forward to working  
6 alongside of you to improve the environment that our  
7 small business in particular, our micro businesses  
8 and to ensure that all of your resources are  
9 dedicated and committed to specifically helping  
10 preserve the business climate not only enticing new  
11 businesses but preserving the existing businesses  
12 while creating the jobs that pay decent salaries that  
13 makes New York such a wonderful place to live, thrive  
14 and invest. So, I just want to... [cross-talk]

15 GREGG BISHOP: Thank you... [cross-talk]

16 CHAIRPERSON GJONAJ: ...thank you  
17 Commissioner... [cross-talk]

18 GREGG BISHOP: And looking forward to  
19 working with you as well.

20 CHAIRPERSON GJONAJ: Thank you.

21 GREGG BISHOP: Alright.

22 CHAIRPERSON GJONAJ: Okay, just on the  
23 record I'll take a two-minute break if it's okay with  
24 you and then we'll be right back to the public  
25 testimonies. So, this begins the public hearing part



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2 of today and I call up and I hope I pronounce this  
3 correctly if I could read it, Demos Demopoulos, there  
4 you go. Say that again? Demos Demopoulos and you're  
5 going to bring the Chairman up with you and that  
6 would be Daniel Gatto, perfect, we'll have you both  
7 sit at... take a seat at the table there. I just want  
8 to thank you for your patience and I promise you that  
9 this is the opportunity that's afforded to you to, to  
10 discuss with us and not only discuss but you'll be  
11 heard on the issues that impact you and I'm grateful  
12 to you for your time and your patience on this Friday  
13 afternoon.

14 DEMOS DEMOPOULOS: Thank, thank you very  
15 much Mr. Chairman Gjonaj and Council Member Perkins.  
16 I've sat at this table a few times over my years as a  
17 teamster, it's my 40<sup>th</sup> year this year. I am Executive  
18 Officer of Teamsters Local 553, one of the oldest  
19 teamster locals in New York representing about 6,000  
20 members and I'm also Secretary Treasurer of Joint  
21 Council 16 representing 120,000 teamsters where  
22 George Miranda is our President, he sends his regards  
23 by the way, I spoke with him earlier today and I  
24 apologize for our casual dress but we only found out  
25 at ten o'clock this morning that we would be here

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2 today but it's an important issue and we want to make  
3 sure that we made it and first of all I just want to  
4 make a comment on, on the questions that you asked  
5 and asking for accountability from SBS and it's great  
6 to see. I applaud SBS in all the work that they do,  
7 we have a lot of issues where we overlap, the only  
8 thing I work with a much smaller budget but my main  
9 issue for being here is as you may know is the school  
10 bus issue. We represent over 2,000 in our local, over  
11 2,000 school bus drivers and while Reliant which has  
12 been spoken of much today is a much... is a US and  
13 Canadian company and it's the largest privately held  
14 transportation company within those two countries. We  
15 represent about 10 or 11 school bus companies here,  
16 based in the five boroughs, the owners live in the  
17 five boroughs, all their employees live in the five  
18 boroughs so we see it as a little bit of a conflict  
19 that SBS would be concerned about Reliant and you hit  
20 it right on the head with the questions that you  
21 asked about how they were the only ones to get the  
22 grant. My president here Danny Gatto knows more of  
23 the technicalities as to why other companies did not  
24 apply for the grant, I think there were certain  
25 conditions tied to it that prevented them from doing

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that but basically what this did was make an unlevel playing field. We're burdened with negotiating with these owners of these companies for the employees to protect their wages, to protect their medical benefits, to protect their pensions, their way of life. Again in... people that live here in this city as do the employees of Reliant, I recognize that, and I have great respect for 1181, the, the union that represents them but when others have to compete with this work and its one sided it doesn't work, it doesn't work. Again, what's happening is when we negotiate the employees are looking from us to give back, cut back on the wages and nobody can afford to do that or to pay for part of their medical. You may recall that two years ago in the papers we were very, very close to having a strike at one of our bus companies over that very issue of paying towards their medical and I know that some people do in the private sector, we're fortunate that not many of our members do but we're very responsible, we're not strike happy, we always try and work out solutions. When health care costs go up we try and figure other ways to contain those costs, changing the plan, raising co-pays this way not everybody's burdened

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2 with it every week out of their paycheck and it seems  
3 like there's less and less all the time and we're  
4 trying to be very protective of it and that's why we  
5 advocate against this measure of, of the... of the  
6 grants and have been but unfortunately when there was  
7 a previous hearing by one of your president...  
8 predecessor, Council Members Dan Garodnick was there  
9 and testified against the grant and myself testified  
10 against it but it still went through, it still went  
11 through.

12 CHAIRPERSON GJONAJ: So, I have a  
13 question for you, is it that Reliant is too big to  
14 fail that they have to support, is there enough  
15 industry players out there that could pick up the  
16 slack or without Reliant we would have children that  
17 wouldn't have transportation opportunities to get to  
18 school creating chaos for families?

19 DEMOS DEMOPOULOS: Absolutely,  
20 absolutely, absolutely. My... between our local,  
21 another teamster local, 917 between one particular  
22 independent union there may be another 10,000  
23 altogether 10,000 school bus drivers working so there  
24 always seems to be enough people plus you have as was  
25 mentioned today the master list where unemployed

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2 school bus drivers are, are on that the employees can  
3 draw from. So, there's always enough of a workforce,  
4 there's always a shortage of drivers because people  
5 retire and sometimes people don't want to do this  
6 kind of job but actually it's a great job for someone  
7 that is retired from another industry that wants to  
8 supplement their income.

9 CHAIRPERSON GJONAJ: So, the question is  
10 the, the safety of our children and the  
11 transportation options that we provide to them to and  
12 from school is not in jeopardy if this particular  
13 company... [cross-talk]

14 DEMOS DEMOPOULOS: Correct... [cross-talk]

15 CHAIRPERSON GJONAJ: ...would not be a  
16 provider?

17 DEMOS DEMOPOULOS: Correct, all of our  
18 other employers and I'm sure the other unions that,  
19 that I speak of all their employees are vetted, they  
20 have to be, they have to be certified by the  
21 Department of Education in order to do those jobs and  
22 they're trained in those jobs.

23 CHAIRPERSON GJONAJ: To our simple  
24 question, can you think of a good reason for Reliant  
25 to receive this grant and where no other entity or

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2 other group has received it or been able to apply for  
3 it or did apply for it?

4 DEMOS DEMOPOULOS: None, none whatsoever  
5 and really as, as a citizen I'm a little bit taken  
6 back and I don't mean to criticize SBS but they're  
7 giving all this grant money yet there's no oversight,  
8 you know another entity is overseeing how that money  
9 is spent and basically the way we feel about it all  
10 that money is doing is subsidizing this company to be  
11 the lowest bidder and I'll use the term 'bid, bid  
12 rigging', it's as simple as that, you kind of touched  
13 on it a little bit too Mr. Chairman without saying  
14 it.

15 CHAIRPERSON GJONAJ: Thank you.

16 DANIEL GATTO: This is no knock on 1181,  
17 you know they're a good union, they represent their  
18 members well and we're certainly not here to say... to  
19 try to steal members from them, these members were  
20 mostly 1181 members prior to the bid but Reliant was  
21 allowed to come in and underbid and basically willing  
22 to pay less wages and benefits to those drivers and,  
23 and school bus workers and yet be rewarded by giving  
24 grant money so the city saved... they saved 45 million  
25 dollars by putting this work out to bid yet they've

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2 spent 100 million dollars subsidizing it when there  
3 were many other contractors who are good players, who  
4 struggle to pay benefits and, and negotiate with  
5 unions under... for wages and, and benefits who were  
6 not afforded the same, same rights, they just... they..  
7 there's no way that they could competitively bid  
8 facing those obstacles and whatever union they belong  
9 to... whatever union those workers belong to or those  
10 companies had contracts with were all 1181 included,  
11 they were all faced with the same problem.

12 DEMOS DEMOPOULOS: It's a shame that the  
13 most precious cargo that's being transported is  
14 children and the job always goes to the lowest  
15 bidder.

16 CHAIRPERSON GJONAJ: What would have  
17 happened to the... your men and women that are  
18 currently working the 2,000, is that what I  
19 understood, 2,000?

20 DANIEL GATTO: Yeah... [cross-talk]

21 CHAIRPERSON GJONAJ: ...are working for how  
22 many entities in the city?

23 DANIEL GATTO: About ten entities.

24 DEMOS DEMOPOULOS: About... yeah, about  
25 ten.

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2 DANIEL GATTO: About ten... [cross-talk]

3 DEMOS DEMOPOULOS: Ten companies.

4 CHAIRPERSON GJONAJ: And they're  
5 currently being paid, and they have the benefits and  
6 the packages that they've been entitled to and have  
7 been negotiated, there hasn't been a scale back of  
8 any sort?

9 DANIEL GATTO: Well certainly some have  
10 and some haven't, we have what we refer to as legacy  
11 contractors that have ongoing contracts with the city  
12 that have been extended over the years and then we  
13 have other companies that have procured work under  
14 some of the new bids that have, have left kind of a  
15 lot of the benefits that some of the other  
16 contractors get, they don't get that.

17 CHAIRPERSON GJONAJ: So, you're saying  
18 that you have members that currently don't have  
19 benefits that are being provided... [cross-talk]

20 DANIEL GATTO: They have... [cross-talk]

21 CHAIRPERSON GJONAJ: ...to them... [cross-  
22 talk]

23 DANIEL GATTO: They have different  
24 benefits at a different level of compensation than  
25 some of the older... the older ones do.



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2 DEMOS DEMOPOULOS: As, as we said before  
3 we've had to make adjustments in plans to make it  
4 affordable still for the employer on the money that  
5 he gets from the city but yet make sure that our  
6 members still have medical coverage without having to  
7 pay for part of it... [cross-talk]

8 CHAIRPERSON GJONAJ: So, this grant could  
9 have been very helpful to some of those families?

10 DEMOS DEMOPOULOS: Absolutely... [cross-  
11 talk]

12 DANIEL GATTO: Could have been. Could  
13 have been, the whole idea was to put a band aid or to  
14 rectify the problems with losing the EPPs, but it  
15 didn't work, it be... it became one sided and only one  
16 employee benefited because of it.

17 CHAIRPERSON GJONAJ: And you're looking  
18 for a little stability I would imagine and... [cross-  
19 talk]

20 DEMOS DEMOPOULOS: Yes... [cross-talk]

21 CHAIRPERSON GJONAJ: ...clear transparency  
22 in making sure that the playing field is equal for  
23 all?

24 DEMOS DEMOPOULOS: Exactly... [cross-talk]  
25

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2 CHAIRPERSON GJONAJ: While protecting the  
3 men and women that you represent... [cross-talk]

4 DEMOS DEMOPOULOS: Exactly, benefits, all  
5 the employees equally and of course the employees.

6 DANIEL GATTO: Yeah, it's not unique to  
7 Local 553 this has happened across the whole  
8 industry.

9 CHAIRPERSON GJONAJ: Thank you gentlemen  
10 unless there's something else you want to bring to  
11 our attention?

12 DEMOS DEMOPOULOS: No but thank you very...  
13 [cross-talk]

14 DANIEL GATTO: No, thank you... [cross-  
15 talk]

16 DEMOS DEMOPOULOS: ...much for your time.

17 CHAIRPERSON GJONAJ: Thank you for your  
18 patience and thank you for your testimony.

19 DEMOS DEMOPOULOS: Thank you.

20 CHAIRPERSON GJONAJ: Next we have Donald  
21 Ranshte, is Don with you?

22 DONALD RANSHTTE: Right here.

23 CHAIRPERSON GJONAJ: While we're at it  
24 why don't we bring the rest up, I have Lena Afridi;  
25 Jesse, Jesse Laymon; Michael Brady. I'm sorry, is

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2 Jose... is that... Jose here Laymon, nope and... [cross-  
3 talk]

4 JESSE LAYMON: Yes... [cross-talk]

5 CHAIRPERSON GJONAJ: Lena, nope. Eric  
6 Kim. Is three minutes okay for you... perfect.

7 DONALD RANSHTTE: Good afternoon Chairman  
8 Gjonaj... yeah, it's on... it's on, yep. My wife teases  
9 me because she says I need glasses now I know what  
10 she's talking about, she's always right anyway. I'm  
11 Donald Ranshte, Senior Vice President, President of  
12 Building Trades Employers' Association, we represent  
13 26 construction trade associations and 1,200  
14 unionized contractors across the city. We appear  
15 today to ask this committee to continue to examine  
16 and question the administration's proposal in the SBS  
17 budget to allot 64 million dollars over the next four  
18 years for construction safety training. This funding  
19 is supposedly allocated for initiatives associated  
20 with implementation of Local Law 196. When passed  
21 last year Local Law 196 required safety training for  
22 all construction workers, we view this as a mandate  
23 on private businesses, construction contractors to  
24 train their own workforce. In fact, BTA contractors  
25 already pay for safety training for their workforce.

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2 As part of their collective bargaining agreements our  
3 contractors pay their... pay the safety training fees  
4 and buy the equipment associated with safety for  
5 their workers, contractors should be paying for their  
6 workforce safety training. With that said we  
7 understand that there are still unique challenges  
8 presented by the needs of day laborers in New York  
9 City and those who do not have the ability to pay. We  
10 have been supported of a pledge by the administration  
11 to allocate five million dollars for those  
12 construction workers who are not able to pay or are  
13 day laborers in fact and we will continue to support  
14 that however, this, this money is appropriated to  
15 CBOs to start the program and we expect that non-  
16 union contractors will utilize the training for their  
17 workforce at no expense to themselves and subsidized  
18 by the city. It most certainly should not be made an  
19 annual appropriation by the city over the next four  
20 fiscal years when the bill and the law, Local Law 196  
21 sunsets in 2020 worst case scenario. Actually, the  
22 last milestone for training is September 2019 but the  
23 Department of Buildings can extend that for six  
24 months into 2020. We have heard that some contractors  
25 are already withholding wages to pay for their safety

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2 training so they're not paying their employees, this  
3 is reprehensible and should not be allowed to happen.  
4 We can't have the city subsidizing contractors who  
5 don't care enough to pay for the life safety training  
6 for their workers. We ask that you continue to ask  
7 questions about why 69... I'm sorry, 64 million dollars  
8 will be allocated over the next four years and why  
9 SBS and the city feels that they should hire 44 staff  
10 members associated with this for four years when the  
11 bill sunsets in two. I have 15 seconds, thank you.

12 CHAIRPERSON GJONAJ: Those are some great  
13 questions and I promise you that we'll follow up with  
14 them and I have your written testimony so thank you.

15 DONALD RANSHTTE: Thank you Councilman.

16 JESSE LAYMON: I think I'm next. Hi, my  
17 name is Jessie Laymon, I am the... I am the Director of  
18 Policy at the New York City Employment and Training  
19 Coalition. The coalition represents all of the groups  
20 in New York City that provide job placement or job  
21 training, workforce development services to New  
22 Yorkers and that's a broad coalition that includes  
23 community colleges, labor management organizations,  
24 and a wide array of community based organizations,  
25 local CBOs that provide job placement services for

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2 people in the neighborhood, there are 180 members of  
3 the coalition and our members primarily serve New  
4 Yorkers with higher needs of job training in order to  
5 get good quality jobs, they're not people by and  
6 large that are ready for work today but that need  
7 either literacy, numeracy, or English language  
8 assistance or other basic job skills to be able to  
9 get a good job and so we want to advocate for a city  
10 program, city services in general through SBS that  
11 support workforce development aimed at the people  
12 with the greatest need. And the good news is that the  
13 Mayor's Career Pathways Plan recognized the need for  
14 this. Four years ago, Career Pathways became the  
15 blueprint for workforce development services in New  
16 York City and was aimed at providing services for  
17 people with greater need. However, it is woefully  
18 underfunded and SBS as an agency that should be  
19 taking the lead in driving some of the priorities of  
20 Career Pathways has not done enough. We have two  
21 areas of concern in particular that we wanted to  
22 raise today with SBS related to Career Pathways.  
23 First and, and top is the budgetary concern related  
24 to the preliminary budget here. The Career Pathways  
25 Plan promised one... promised 60 million dollars, six

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2 zero million annually by 2020 for bridge programs, I  
3 won't go into the long definition of bridge programs,  
4 but they are programs that help people who need basic  
5 skills. As of the current budget the city is only  
6 spending less than 10 million dollars on bridge  
7 programing. We need to know how much SBS is going to  
8 contribute to this 60-million-dollar goal by next  
9 year and if they're not contributing all 60 million  
10 and I don't think they will be, what other agencies  
11 they're expecting to refer people to, to get this  
12 basic training. And then the other question area that  
13 we would love to see this committee follow up and do  
14 oversight on and I want to thank your colleague  
15 who's, who's no longer here, Councilwoman Rivera  
16 raised this question earlier in, in the testimony by  
17 SBS which is who is receiving SBS Workforce One  
18 services now. We really don't have a good answer to  
19 whether or not the Workforce One system is serving  
20 people who have barriers to employment, the formally  
21 incarcerated, recent immigrants, people with  
22 disabilities, the long term unemployed and so on. We  
23 don't think that they are serving those people  
24 certainly not well enough and with enough services  
25 and we think that this committee could force them to

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2 report on that. There was a bill last year, Intro  
3 1736 that has not been reintroduced yet and that's  
4 something that this committee could look into. Those  
5 are the two areas and of course I'd be happy to  
6 answer questions and you have my, my written  
7 testimony.

8 CHAIRPERSON GJONAJ: I have it and I want  
9 to thank you for your time and I promise you we'll be  
10 looking into Intro 1736, correct... [cross-talk]

11 JESSE LAYMON: Last, last year, yeah.

12 CHAIRPERSON GJONAJ: Thank you.

13 ERIC KIM: Thank you to the City  
14 Council's Committee on Small Business and Chair  
15 Gjonaj for providing us the opportunity to submit  
16 this testimony. My name is Eric Kim and I am the  
17 Small Business Project Manager at the Asian American  
18 Federation. Asian, Asian American Federation's  
19 mission is to raise the influence and wellbeing of  
20 the pan-Asian American community to research policy,  
21 advocacy, public awareness and organizational  
22 development. We also continue today representing our  
23 network over 60-member organizations supporting our  
24 community with their work in health and human  
25 services education, economic development, civic



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2 participation and social justice. Asian owned small  
3 businesses are a vibrant and essential part of the  
4 city's economy accounting for about, about half of  
5 net new economic activity and half of net new paid  
6 employment from 2002 to 2012 in New York City. Many  
7 of these businesses are important sources of jobs for  
8 new Asian immigrants despite the impressive  
9 statistics many of these entrepreneur's face  
10 challenges due to language barriers, confusing  
11 regulations and programming to address their specific  
12 needs. While their economic output is celebrated the  
13 city's, Asian entrepreneurs have difficulty finding  
14 the support and resources they need to truly thrive.  
15 Asian American Federation is developing programing  
16 out of our new EDC funded office in Flushing where we  
17 are focused on the small businesses on Union Street  
18 who were negatively impacted by the construction of  
19 Flushing Commons. This support includes the  
20 following; marketing... we are currently providing  
21 marketing assistance, social media, education,  
22 community engagement and beautification projects,  
23 media coverage and we also urge the city to consider  
24 creating workforce development programs that focus on  
25 the needs of small businesses in the immigrant labor

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force. With half of Asian New Yorkers struggling with LEP and one in four living in poverty we need to provide programs that address their diverse needs and help them climb the economic ladder, ladder instead funding, funding, language training for non-English speakers has lagged in the face of increasing demand for services in the Asian community. In addition to the workforce development programs at our member agencies Asian American Federation also has worked with state to conduct health and safety trainings in the nail salon industry, we re-granted funds to our partner agencies who have been organizing workers in the industry so that they are trusted leaders conducting much needed trainings. To strengthen this important piece of New York City's economic engine we request the committee and city council to consider the following recommendations. We have seven recommendations but I just want to point out one recommendation, the others I'm... I will be more than happy to have a meeting or go over the details as you request. One of the recommendations that I do want to point out is that the fund programs like the capital access program as a way to incentivize loans to small business and, and this is... I, I believe this is one

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2 of the important recommendations that we should look  
3 into and please feel free to ask me any questions if  
4 you have them.

5 CHAIRPERSON GJONAJ: Thank you, I do have  
6 your written testimony and we will be following up  
7 with you... [cross-talk]

8 ERIC KIM: Yes sir... [cross-talk]

9 CHAIRPERSON GJONAJ: ...to go through this  
10 in more detail.

11 ERIC KIM: Thank you...

12 CHAIRPERSON GJONAJ: Thank you for your  
13 testimony and your time.

14 ERIC KIM: Thank you.

15 MICHAEL BRADY: Good afternoon Chair  
16 Gjonaj, Council Member Perkins, thank you for the  
17 opportunity to speak today. A special thank you to  
18 the SBS staff specifically Assistant Commissioner  
19 Goddard who stuck around, it's been a long hearing so  
20 I appreciate that. I'm Michael Brady, Executive  
21 Director of the Third Avenue Business Improvement  
22 District located in the South Bronx. The Third Avenue  
23 bid is the Bronx's oldest bid, has approximately 200-  
24 member businesses that include small, emerging and  
25 micro businesses some locally owned mom and pops,

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others are larger franchises, a healthy mix of destination and convenience retailers and service providers. Our business count is slated to grow to 900 by 2019 and greets over 200,000 visitors daily. We have an assessment driven operating budget of 426,000 dollars. We employ four individuals full time and supervise contracted supplemental maintenance and security services, an additional staff of six. As you may recall on February 28<sup>th</sup> I delivered testimony during the oversight hearing into the New York City Department of Small Business Services. I want to make it very clear that SBS is a partner to the city's business improvement districts, I also want to make it very clear that partners in order to strengthen the fabric of the city should give honest criticism to not just move an agency forward but to move the city as a whole forward. I would like to further clarify for some members of the council the administration and the agency partners that partners do not use the term bite the hand that feeds you, partners are just that, partners and exist symbiotically. There are several career public servants at SBS and I want them to know that they are valued, trusted and respected. During the hearing it

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2 was established that the agency had a fiscal year  
3 budget of roughly 191 million dollars and employed  
4 just over 300 employees. While I realize these  
5 numbers have changed it does not alter the fact that  
6 the agency has programs that seek to enhance the  
7 fabric of micro, emerging and small businesses  
8 throughout the city and that there was a willingness  
9 to partner with the city council to strengthen those  
10 programs and work with on the ground organizations to  
11 provide localized practices to specific communities.  
12 The Third Avenue business improvement district would  
13 recommend the, the following areas of improvement.  
14 Data and staffing, SBS should create a staffing plan  
15 that maximizes existing strengths and seeks to ensure  
16 that high turnover rates and vacancies are minimized.  
17 SBS should utilize specific resources to streamline  
18 data collection processes and CRM so that staffing  
19 may be better utilized for frontline service  
20 provision instead of data interpretation and  
21 collection. These resources should also be made  
22 available to all SBS partners including bids so that  
23 data sets like vacancies, district employment  
24 statistics, number of micro business and workforce  
25 data and district spending and impact can be better

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2 understood. Secondly, SBS should expand the number of  
3 staff members allocated business improvement  
4 districts specifically in the areas, areas of  
5 specific... bid specific intergovernmental relations  
6 and bid capacity building. Several bids were formed  
7 under the past administration that needs significant  
8 assistant to quote, 'write themselves'. The Third  
9 Avenue bid was one of those districts, I'm happy to  
10 report that we're no longer however there are still  
11 eight to ten districts citywide that would benefit  
12 from deeper capacity assistance. Secondly, the fund  
13 for equitable business courses and workshop  
14 offerings, I apologize I'm going slightly over. With  
15 appropriate partnership and resource distribution  
16 these should be offered more equitably in the outer  
17 boroughs. We realize that it may be difficult to  
18 engage with outer borough businesses, but this is  
19 also the very reason more resources should be  
20 distributed particularly to establish businesses that  
21 need enhanced programing to compete with e-commerce,  
22 big box stores and high... and the high impact of  
23 commercial taxes. In reviewing the SBS published  
24 workshop and business course distribution that was  
25 published through their website we found that over

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2 the next two months 37 business courses will be  
3 offered in Manhattan, 19 in Brooklyn, 17 in Queens,  
4 five in the Bronx and zero in Staten Island. We did  
5 not find any marketing materials or translation,  
6 translation offerings for these workshops to address  
7 Council Member Diaz's point at the last hearing.  
8 Thirdly, widespread use of Chamber on the Go, expand  
9 Chamber on the Go services to all businesses not just  
10 businesses outside the purview of business  
11 improvement districts. And lastly, in addition to the  
12 very concrete items I mentioned I would also ask this  
13 council to investigate what the effect the loss of  
14 federal CDBG funding would have on SBS programs and  
15 what safeguards are in place to address that. These  
16 programs are vital to on the ground partner executed  
17 services and comply... comprise roughly 30 percent of  
18 SBS program budgets. Furthermore, given SBS's  
19 experience and general trends in New York City I  
20 would like to have this council see how funding may  
21 be reallocated to address commercial warehousing,  
22 commercial tax reductions and enhancing tools and  
23 funding to the seven designed chambers and 75 bids to  
24 assist with the marketing participation in Chamber on  
25 the Go. I know that many individuals, organizations

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and groups have strong opinions on the role of business improvement districts including the opinions of this administration that bids lead to gentrification. Some people welcome business improvement districts, others do not however I traditionally don't weigh in either... on either side of the argument because the Bronx and most outer boroughs represent a different model to typical bids, you see in my district we don't have the luxury of completing major capital projects traveling abroad to scout out the latest trends in bus shelter development or elaborate streetscaped programs largely because our programs are making up for over five decades of community disinvestment. Many bids and historically under, underserved and under resourced communities are doing similar work, our communities have never had a real seat at the table and have slowly developed a bid framework that works for us and works for the communities that we serve, a framework that protects our communities and by communities I mean all members; our businesses, our property owners, our residents, our homeless, our developers, and the individuals from suffering from mental ill, illness and substance abuse, all are part



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2 of our community fabric, all deserve a voice and all  
3 are representative of this conversation. It's my hope  
4 that this brief conversation today can provide the  
5 tools to provide a clearer course for business  
6 development in New York City. Thank you.

7 CHAIRPERSON GJONAJ: Thank you for your  
8 testimony, thank you for your time. For those of you  
9 who don't have it, I'll give you my card for a follow  
10 up. Omar Freilla, Osman Ahmed, Ruth Lopez, Saduf  
11 Syal.

12 SADUF SYAL: Good afternoon Chairperson  
13 Gjonaj and members of the Small Business Committee.  
14 Thank you for the opportunity to testify today. My  
15 name is Saduf Syal, I'm with the New York City  
16 Network of Worker Cooperatives, also known as NYC  
17 NOWC and on behalf of NYC NOWC and the 13  
18 organizations that make up the Worker Cooperative  
19 Business Development initiative. We would like to  
20 just be here today to speak a little bit about the  
21 successes of that initiative thus far and the  
22 benefits that Worker Cooperatives offer to low income  
23 communities across the city. And so you may know that  
24 Worker Cooperatives are businesses that are owned and  
25 controlled by those that work in them because of that

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2 and because they are set up that way they offer real  
3 opportunity for economic advancement, they offer  
4 workers the opportunity to share in the benefits of  
5 the business, share profits, to control their working  
6 conditions and to have a say in the day to day of  
7 their... of their business. And it is really a, a model  
8 that has proven to be effective for creating and  
9 maintaining stable and dignified jobs, generating  
10 wealth, improving the quality of life of workers and  
11 promoting community and local economic development  
12 particularly for people who lack access to business  
13 ownership or sustainable work options. And so, under  
14 the initiative the Worker Cooperative Business  
15 Development initiative in the first three completed  
16 fiscal years of it, it has led to the creation of 84  
17 cooperatives across New York City and, and also over  
18 500 worker owner positions. It has also provided over  
19 3,000 technical assistant services to those  
20 businesses and more and in addition it... many of the  
21 partners work to, to do a lot of education and  
22 outreach across different communities to different  
23 allied organizations to entrepreneurs that are also  
24 interested in forming worker cooperatives to provide  
25 them with support and information on how to do that.

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And so this, this current fiscal year we are requesting a slight increase, the last fiscal year the initiative received about three million, a bit over three million dollars in funding and we are hoping in the next fiscal year for 3.95 million and this is to, you know continue to grow Worker Cooperative businesses in the city, create even more new worker owner positions and bring in some new organizations into the initiative that have been doing this work and are interested in doing this work because that interest has really grown amongst organizations, unions, academic institutions and so we're, we're hoping to support some of that. And, and just to say that we have worked very closely with SBS for that initiative over the past three years with successes in terms of in... them integrating Worker Cooperatives into the services that they, they offer and provide. There's more room to grow there and we hope to continue to build on that relationship with SBS but yes, so with the continued support of city council and the support of SBS we, we hope that these businesses will continue to grow and that we witness more individuals and families achieving the financial stability that will ultimately improve not only their

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2 lives but the broader community as well. And so, we  
3 hope that you consider our budget priorities and  
4 recommendations during this year's budget process and  
5 thank you.

6 CHAIRPERSON GJONAJ: Thank you for your  
7 time, thank you for your testimony.

8 OMAR FREILLA: Good afternoon Chairman  
9 Gjonaj, Councilman Perkins, good to see you back. My  
10 name is Omar Freilla, I'm the Founder and Coordinator  
11 of Green Worker Cooperatives. We are an organization  
12 based in the Bronx dedicated to the creation of  
13 worker cooperatives, most of our... about half of our  
14 participants, people who go through our programs,  
15 aspiring entrepreneurs are coming from the Bronx,  
16 other, others are coming from other parts of the  
17 city, all over the city. We along with the partners,  
18 our partners in the initiative are here to, to  
19 request an enhancement to the worker cooperative  
20 business development initiative, it has been  
21 incredibly successful. We have worked tirelessly to  
22 really create opportunities for people who have ideas  
23 for businesses to turn those ideas into realities.  
24 The, the fact that they are coming together as worker  
25 cooperatives is in the face of a climate that really

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is completely ambivalent and, and uninformed about the existence of this business structure which creates opportunities that were just outlined but really create a way for people to pull their resources and create businesses where there weren't before and that is something that for our members and our participants people who are coming to us they are really able to put in the work. We run a business... a five-month long business academy and it's something that has allowed people to really come together and create their ideas. So, they're coming together in spite of the fact that there aren't many resources for people so when people ask why aren't there more of these, these cooperatives if these are such great ideas, why isn't everyone running a worker coop the simple fact that the money is not... does not go in that direction so if you are an investor looking to put money into a business you wouldn't put it into a worker cooperative because you're looking to extract as much... you're looking to get as much profit as you can from the business and its also... that means that it's not something that's talked about which is really the biggest factor, it's not something that you learn in business school, it's not something

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2 that's taught, it's not something that business  
3 entrepreneurship programs engage in so the fact that  
4 our organizations, those that are part of this  
5 initiative are promoting this is in the face of all  
6 of that and what we've seen is that just in the past  
7 three years of the initiative we've been able to have  
8 incredible results to the point that now we have more  
9 and more people aspiring entrepreneurs who are  
10 reaching out, community organizations from all over  
11 the city saying that they want... they want this, they  
12 want to be a partner and they want to engage in this  
13 and what we hear is to say that this is has been  
14 incredibly successful, we see it growing and this is  
15 an opportunity to build the capacity so that we can  
16 see even more of these kinds of cooperatives. Thank  
17 you.

18 CHAIRPERSON GJONAJ: Thank you so much  
19 for your time and your testimony.

20 TRANSLATOR: And I'm just going to  
21 translate for Ruth at the end of her testimony  
22 because she'll be speaking in Spanish.

23 RUTH LOPEZ: [Spanish dialogue]

24 CHAIRPERSON GJONAJ: Gracias senorita  
25 Lopez, do you want to translate for that?

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2 TRANSLATOR FOR RUTH LOPEZ: Yeah, it's

3 not going to be as good but... okay, my name is Ruth

4 Lopez, I am one of the worker owners of Pa'lante

5 Green Cleaning Cooperative. I am an immigrant who has

6 been in this country for 12 years. Initially living

7 in this country was very difficult to obtain a

8 dignified job with a fair wage was very difficult for

9 me and my colleagues at the cooperative. We have some

10 folks who just three years ago were making three to

11 five dollars an hour, it was very difficult to live

12 with those wages in New York before we found our

13 dream called Pa'lante. We started the Pa'lante

14 Cooperative around three years ago and we have been

15 able to totally change our lives. Firstly, we have

16 our own company, ours, where we can count on respect

17 among fellow workers and where we earn fair wages

18 which allow us to live with dignity in New York and

19 help our families. The organizations that are helping

20 us in this process of starting our own cooperative

21 like the Center for Family Life, Urban Justice Center

22 and NYC NOWC have helped us not only in our work but

23 also as individuals building our capacities around

24 legal and managerial aspects of the business and

25 helping us feel proud of what we've achieved with our

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2 cooperative. Without fail still more is needed, we  
3 have identified things like space is something that  
4 we need, a place where we can conduct our business  
5 better more efficiently. To contract with city  
6 agencies is also a dream of ours that we aim to  
7 reach, this is why I'm here first to thank you for  
8 the support that has helped us to get where we are  
9 and secondly so that you remember us and continue to  
10 support the needs we still have. We hope to connect  
11 with you all to maximize our dream called Pa'lante  
12 and to help other immigrants and small business  
13 owners.

14 CHAIRPERSON GJONAJ: Thank you, your  
15 testimony's been heard, and I will be following up  
16 with you, I have cards for you as a follow up as  
17 well. Robin Vitale and Humberto Restrepo.

18 HUMBERTO RESTREPO: Thank you Chair  
19 Gjonaj. My name is Humberto Restrepo, I'm  
20 representing the Joint Industry Board of the  
21 Electrical Industry. The JIB's is a labor management  
22 organization founded in 1943, it is comprised of  
23 Local Union number three of International Brotherhood  
24 of Electrical Workers. The New York chapter of the  
25 national electrical contract and association and the



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2 Association of Electrical Contractors Inc. The JIB,  
3 the original administrator for family of multi-  
4 employer benefits plan serving Local, Local three and  
5 its affiliated contractors in the greater New York  
6 City area. Local three has over 28,000 members of  
7 which 1,200 works as electricians for over 300  
8 employees. For 75 years the JIB has provided  
9 thousands of New York City residents the opportunity  
10 to develop the skills needed to become New York State  
11 certified electricians. The JIB supported the  
12 enactment... the enactment of Local Law 196 of 2017  
13 that calls for more stringent construction safety  
14 training requirements. The law goes a long way in  
15 reversing the rise of construction site deaths and  
16 severe accidents, it will help provide better  
17 protection for the public at large and construction  
18 workers whose jobs by nature are hazardous. The JIB  
19 is proud of its long and rich history of providing  
20 leading electrical industry training through our  
21 apprenticeship program and continuing skills and  
22 safety enhancement courses. Our, our industry's  
23 commitment to skill and safety training is a  
24 significant financial obligation born by our  
25 signatory contractors as part of their collective

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bargaining agreement with Local three. The biggest issue that we have Chair, Chairman is that Local three and the contractors they've always been at the forefront of safety on the construction site. When this bill was introduced we didn't have a problem with some seed money to help some not-for-profit and certain community organizations help with certain individuals that don't have access to this kind of training but the... under the SBS budget they're allocating over 60 million dollars we feel to train our competition. Our contractors spend tens of thousands of dollars to educate our membership and I don't know... or we don't understand why they need 44 new hires when in the fiscal impact statement when this Local Law was first introduced the city estimated maybe 4,000 workers would fall under, under this kind of access requirement now we're up to according to, to the Commissioner's testimony this morning or, or this afternoon, 40 to 50,000 workers, we see that as a direct undermining of, of what we do as an industry and makes... it makes it a lot more difficult for our contractors to be competitive when our competitors they're being subsidized by city money to train a workforce that it's their workforce.

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2 This Law was, was enacted to ensure that employees  
3 are responsible in training its workforce on their  
4 construction job site. The city should not lay the  
5 money out to pay for them to train their members.

6 Thank you, Mr. Chair, I appreciate the opportunity to  
7 testify in this hearing.

8 CHAIRPERSON GJONAJ: I want to thank you  
9 for time and your patience, your testimonies here and  
10 we will be following up, thank you.

11 HUMBERTO RESTREPO: Thank you, it was a  
12 pleasure.

13 CHAIRPERSON GJONAJ: The hearings  
14 adjourned.

15 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 27, 2018