

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 6, 2020

Start: 2:12 PM

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HELD AT: Council Chambers - City Hall

B E F O R E: MARK GJONAJ
Chairperson

COUNCIL MEMBERS: Stephen T. Levin
Bill Perkins
Ydanis A. Rodriguez
Helen K. Rosenthal

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

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

Jackie Mallon First Deputy Commissioner
Department of Small Business Services

Sylvia Morris, Cooperative Development
Program, Center for Family Life, or CFL

Emily Marie Ramos, Native New Yorker

Julian McKinley, Senior Communications
Director of Democracy at Work Institute,
DOWI

Andrea Bowen, Principal, Public Affairs
Consulting

Ahyoung Kim, Small Business Project
Manager, Asian-American Federation

(sound check) (gavel) (background
comments) (gavel)

CHAIRPERSON GJONAJ: Good afternoon
everyone. Welcome to today's budget hearing. My
name is Council Member Mark Gjonaj and I'm Chair of
the Council's Committee on Small Business Service.
Today we will be hearing from the Department of Small
Business Service on their Fiscal 2021 Preliminary
Budget, which totals \$162.5 million. The City's
Fiscal 2021 Preliminary Budget was released with a
big question mark as it pertains to the State Budget.
This year the Executive State Budget presents an
unprecedented risk to the city's budget. We will
examine if this will impact SBS's budget and programs
over the course of the next few months.
Additionally, late last week the Governor announced
that he was sending an emergency appropriations bill
to the Legislature asking for \$40 Million to fight
the Coronavirus-virus in New York. In addition, the
city of San Francisco declared a state of emergency.
We want to learn about the measures SBS is taking to
assist and guide city's small businesses with
guidance manner. Additionally, we would like to hear
from SBS is it tracking or monitoring the impact of

the virus on small business in particular the Asian owned businesses and communities as well as price gouging complaints that they were recently hearing from. SBS's budget is spread across nine program areas some which are related to services that SBS provides while others represent the expense budget of some of the Mayoral office and non-city agencies which makes SBS as a conduit with just a simple password. It is the Council's responsibility to ensure that the city's budget is fair, transparent, and accountable to New Yorkers. Hence, as Chair of the Small Business Service I will continue to push for accountability and accuracy and ensure that the budget reflects the needs and interest of the city. As I mentioned, the Department of Small Business Services' Fiscal 2021 Preliminary Budget totals \$162.5 million, which is \$73.7 million or 31.2% less than the Fiscal 2020 Adopted Budget of \$236.2 million. I'd like the Commissioner to provide the reasons for the decrease in the baselined budget and how the programs may be impacted due to this decrease. Additionally, I'd like the Commissioner to explain the impeded increases that we may see in the Mayor's Executive Budget in May of 2020. The Fiscal

2021 Preliminary Budget also includes funding for new needs such as the maritime inspections on Governor's Island and the disparity study to review the availability and contract utilization of BERMS by industry classification and minority group. I'd like to hear more from SBS and both of these initiatives. I the department's Fiscal 2021 Preliminary Budget of \$162.5 million, \$27.9 million or 17% is allocated for personnel services to support 301 full-time employees across all divisions, which is 22 positions or approximately 7% less than the headcount of the Fiscal 2020 Adopted Budget. I'd like the Commissioner to provide a breakdown with changes and headcount by programs and the reasons for it, and remind the Commissioner that currently the SBS website show 41 job openings are available as of today. At Fiscal 2020 Adoption, the City Council added \$24.4 million to SBB's Fiscal 2020 Budget for the Council's Small Business Services and Workforce Development initiatives. I'd like the Commissioner to update us on the status and the impact of the these initiatives. It is essential that the Budget that we adopt this year is transparent, accountable and reflective of the priorities and the interest of the

Council and the people we represent. This hearing is a vital part of this process, and we expect that SBS will be responsive to the questions or concerns of the Council Members. I look forward to an active engagement with the Administration over the next few months to ensure the Fiscal 2021 Adopted Budget meets the goals of the—the Council has set out. I'd like to thank Commission Bishop for coming here today and testifying. I'd like to thank SBS staff in particular Ryan Gardner who have consistently been responsive to our many needs and requests. We would not be able to analyze the city's budget at such a detailed level with your cooperation. So thank you. I also want to thank both my staff and the staff of the Finance Division for their help in preparing for this hearing, my Chief of Staff Reggie Johnson, Alia Ali, Stephanie Jones and Noah Mixler. Thank you.

COMMISSIONER BISHOP: Thank you.

LEGAL COUNSEL: Before we begin, will those who are testifying please raise your right hand. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this committee, and to respond honestly to Council Member questions?

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2 COMMISSIONER BISHOP: I do.

3 FEMALE SPEAKER: I do.

4 LEGAL COUNSEL: Thank you.

5 COMMISSIONER BISHOP: Good afternoon

6 Chair Gjonaj and members of the Committee on Small

7 Business. My name is Greg Bishop and I'm the

8 Commissioner of the New York City Department of Small

9 Business Services. I'm joined by SBS First Deputy

10 Commissioner Jackie Mallon and my Senior Leadership

11 Team. SBS' Fiscal Year 21 Budget is \$162.5 million

12 with a headcount of 301 employees. The Preliminary

13 Budget includes past-through funding that is not

14 spent or managed by SBS. We serve as a conduit for

15 funding allocated for other city entities. Of the

16 \$162.5 million, 39% or \$64 million is pass-through

17 funding, which includes \$27.6 million for the New

18 York City Economic Development Corporation; \$21.1

19 million for NYC & Company and \$15.1 million for

20 Governor's Island. The remaining \$98.5 million of

21 61% of the Fiscal Year 21 Preliminary Budget is

22 allocated for SBS' programs. This funding supports

23 SBS' mission of economically empowering New Yorkers

24 through our employment, business and neighborhood

25 services. At SBS we aim to unlock economic potential

for all New Yorkers by connecting New Yorkers with quality jobs, building stronger businesses and fostering thriving neighborhoods across the five boroughs. During my tenure as commissioner I have encouraged the agency to work towards its mission while focusing on the idea of equity of opportunity. SBS strives to reach New Yorkers with limited access to economic opportunities, clear their path of systemic barriers to success and offer tailored services to address the specific needs of our unique and diverse communities. SBS's goal is to not only provide high quality services, but also to focus on changing systems and achieving long-term impacts so that our city can provide opportunities for all New Yorkers. During this year's State of the City Address Mayor de Blasio confronted the major issue facing our city, including the challenges facing our Small Business Committee. New York City is home to 230,000 small businesses and it is crucial that we continue to listen and adapt our offerings based on their needs. The Mayor is committed to supporting the city's small business, and under his leadership SBS will be—will be continuing Love Your Local to reach more longstanding businesses, expanding our

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2 compliance advisor and small business advocate teams
3 to provide regulatory assistance and expanding our
4 Commercial Lease Assistance Program to help small
5 businesses deal with lease related challenges. We
6 are also excited that the Mayor has committed to
7 expanding fine relief for small businesses including
8 eliminating fines for first time violations and
9 expanding the universe of violations that will have
10 cure periods. These initiatives will further enable
11 SBS to help business owners start, operate and grown
12 in New York City. SBS served over 20,000 new
13 customers and businesses in Fiscal Year 2019 through
14 our network of seven NYC Business Solution Centers
15 and nine industrial business service providers and
16 more than 50 free and low cost business programs and
17 services. These offerings include business plan and
18 courses, legal assistance, recruitment and workforce
19 training services, information on selling to
20 government, Minority and Women Owned Business
21 Enterprise Certification and financing assistance. In
22 the school year of 2019, SBS helped 977 unique
23 businesses receive financing awards valued at \$76.2
24 million. SBS services are available to businesses in
25 their neighborhoods at their doorsteps and online.

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Annually SBS offers approximately 700 business educational workshops across the five boroughs. Along with updating the content and offering these courses in multiple languages this year SBS also launched a series of new online business courses. entrepreneurs can now apply to be connected to upcoming courses on topics including business operations, human resources and marketing. SBS is also helping small business owners navigate the regulatory environment using our web based NYC Business Portal, business owners can look up which licenses and permits their specific business needs, view their directions to the city and learn how to avoid common business violations. Since launching in 2018 more than 44,000 accounts have been created on this portal. We also bring regulatory assistance directly to small businesses throughout comprised advisories who provide onsite consultations to help new and operating business owners understand how to comply with regulatory requirements. Since launching in 2016, compliance advisors have served more than 8,000 small businesses, educating business owners on common violations and helping them avoid more than \$100 million in potential fines. By deploying both

in-person and online tools, SBS aims to provide accessible services so that more New Yorkers can build and grown their small businesses at their convenience. SBS also develops target programs to address challenges faced by New Yorkers who have historically faced barriers to economic security. Building on previous business pathways program iterations this year SBS, NYCHA and City Community Development launched career--Catering Business Pathways, a new initiative to provide NYCHA and Section 8 residential customized training and resources to start their own catering businesses. Over the course of 10 weeks Catering Business Pathways provides participants with a professional catering business education curriculum, mentorship and professional coaching opportunity, supporting obtaining the license needed to grow their business and assistance securing commercial kitchen space.

COMMISSIONER BISHOP: We will celebrate the graduation of the program's first cohort later this month and SBS is currently recruiting for the second cohort. We greatly appreciate the assistance of Council in spreading the word about this opportunity to NYCHA residents in your districts.

The agency's commitment to equity of opportunity. Extends to government procurement. SBS plays a key role in the stated Minority and Women Owned Business enterprise program which supports the growth of Minority and Women Owned Businesses through the city procurement and ensures that our vendors reflect the diversity of our city. SBS certifies MWBEs and provides capacity building services that help firms strengthen their ability to win contracts. In 2016, Mayor de Blasio set the ambitious goal of doubling the city's pool of certified firms in three years. Shortly after last year's budget hearing in June 2019, SBS achieved this goal and has now certified over 9,000 MWBEs. This represents an increase of over 150,000 certified firms since the start of the Administration. Beyond certification, SBS is working to provide MWBEs with the resources they need to successfully compete for city contracts. SBS's services for MWBEs include capacity building, cohort programs, mentorship programs, targeted workshops and one-on-one technical assistance. In Fiscal Year 2019, SBS provided one-on-one technical assistance to over 1,500 MWBEs and small firms and served an additional 1,300 participants through workshops. In

response to capital challenge faced by certified firms working on city project, the Administration created the Contract Financing Loan Fund. This \$10 million revolving fund let small businesses borrow up to a million dollars capped at a 3% interest rate. From the fund's launch in 2017 through January 2020 we have awarded 96 loans in the amount of \$20.7 million opening the door to more than \$92 million in contracts for small businesses. These resources are helping level the playing field for MWBEs in procurement. In Fiscal Year 2019 over \$715 million in prime contracts and over \$319 million in subcontracts awarded by city agencies were won by certified MWBEs. This represents a combined utilization of 26.6% putting the city on track to achieve the Mayor's goal of at least 30% utilization by 2021. This year, alongside advocates, our agency partners and allies in the State Legislature, we successfully advocated for the state to increase the city's authority to make discretionary awards to MWBEs again from \$150,000 to now \$500,000. This higher discretionary threshold will increase MWBEs' access to more city projects that are larger in scale and higher in contract value creating even more

opportunities for certified MWBEs. SBS provides support for New Yorkers to gain new skills and connect to living wage jobs. Our agency focus on preparing New Yorkers to seize opportunities growing sectors of our economy. SBS assists job seekers with a wide range or skill levels through an inclusive growth strategy the ensures Community Members, employers and education institutions are all aligned to increase the number of local residents prepared for and getting good jobs. Through our network of 18 Workforce 1 Career Centers SBS connects job seekers with employment opportunities, industry informed trainings and a variety of candidate development services such as revenue support, interview preparation and job search workshops. In Fiscal Year 2019 we connected more than 27,000 New Yorkers to employment and enrolled more than 2,000 New Yorkers with the training needed to advance their careers. This year SBS launched construction site safety training for workers who need it the most. The training opportunity is currently available in English and Spanish at SBS's Workforce 1 Career Centers and through organizations across the five boroughs that serve day laborers. In the coming

months the course will be made available in Mandarin, Cantonese, Polish and Russian. We also developed the Small Business Reimbursement Grant to help small business owners keep their workers safe on the job. Through our industry partnerships, SBS works collaboratively with the industry to invest in local talent in sectors including food service, industrial, construction, healthcare and technology. Industry partnership initiatives that are supported by our budget include job quality programs in home healthcare, and efforts to double the number of tech bachelors degrees awarded from CUNY by 2022 through CUNY 2X Tech, CUNY 2X Tech is investing over \$6 million in eight CUNY institutions to update instruction, bring top tech talent-teaching talent to CUNY, offer tech specific career advising and provide on-the-job experience for students. Last fall the city expanded CUNY 2X to five additional colleges including Brooklyn College, the College of Staten Island John Jay College of Criminal Justice, Medgar Evers college and Queens College. These investments will ensure that a more diverse array of New Yorkers have the knowledge, skills and networks they need to enter and succeed in New York City's growing tech

ecosystem. In addition, employers from the industry partnerships are leading the charge on a new way to hire local talent. Through Apprentice NYC employer partners have hired New Yorkers in positions such as diverse as nurses, computer numerical control machinists and line cooks and have provided them with the training and mentoring needed to succeed. SBS budgets enable our agency to help spread and scale this new apprenticeship model of identifying and onboarding talent across New York City. For example our budget has supported the expansion of our citywide nurse residency to 28 hospitals—local hospitals, providing over a thousand nurses with year long residencies that includes specialized trainings to bridge the gap between education and practice. The Citywide Nurse Residency Program is serving as a national model for bringing together hospitals to support the systemic—systematic change that puts nurses on track to succeed. Using the industry knowledge gained from our employers, SBS works with provider partners including tech boot camps, and community based Organizations to create industry informed trainings across multiple career pathway. From bridge trainings to fellowships SBS provides a

variety of entry points and advancement opportunities for New Yorkers with different levels of experience. We work closely with neighborhood community groups to recruit for all our trainings at this office across the many sectors we focus on since your local residents can easily access these opportunities. In addition to providing high quality training opportunities SBS is working to ensure our trainings succeed in connecting New Yorkers to career pathways. In Fiscal Year 2019, the average annual wage for individuals connected to jobs after training was more than \$57,000, which is an increase of more than \$10,000 on average from the previous years. In order to address the unique challenges faced by New York City's diverse neighborhoods and business communities SBS relies on the expertise of local on-the-ground partners. SBS oversees the largest network of business improvement districts in the country. In Fiscal Year 2019 New York City 76 bids served over 93,000 local businesses and invested \$167 million in services in neighborhoods across the five boroughs. Our agency provides the BID Network at other Community Development organizations with technical assistance, grant opportunities and

capacity building services that support local initiative and strengthen the connection between our agency and New York City's small businesses. SBS works directly community partners to define the needs of local commercial districts, and plan targeted tuitions through Commercial District Needs Assessments or CDNA. CDNAs identify the strength, challenges and opportunities within a commercial corridor to better inform subsequent investment. Through our Neighborhoods 360 and NYC Grant Programs SBS has worked with community partners to publish 20 CDNAs to date. These grants provide long-term opportunities for awardees to evaluate community needs, hire a full-time program manager and implement programming base on the CDNA findings. To date, Neighborhood 360 Program has awarded—the Neighborhood 360 Program has awarded \$10 million in grants to 13 community organizations in neighborhoods across every borough. This year SBS has made an additional \$4.5 million in Neighborhood 360 funding available to organizations serving Brownsville, Coney Island, Corona, Flatbush Business Park, and Norwood and Bedford Park. For other qualifying low to moderate income neighborhoods applications are now open for

our ABBY NYC Grant Program. We would appreciate the Council's assistance in ensuring their local community organizations aware of this opportunity.

SBS is committed to serving business owners and job seekers no matter where in the city they are from.

To expand SBS reach beach beyond our sensors and network of community partners, our agency conducts outreach throughout the five boroughs. Through the

support of Council our Train (sic) on the Go

initiative allows us to send trained business

specialists to canvass commercial corridors and

connect with business owners. Since launching in

December 2015, Train On the Go has reached more than

18,000 businesses directly at their doorstep. In

2017, SBS launched an additional outreach to our

Mobile Outreach Unit to increase our ability to bring

SBS services directly to New Yorkers in need.

Equipped with classroom space and computers SBS staff

use Mobile Outreach Unit to provide on-site referrals

to our free business services, one-on-one technical

assistance with MW certification applications,

resources during an emergency and recruitment events

to connect job seekers with employment opportunity.

I'm always eager to share the work we do here at SBS

and to hear directly from you about the daily realities faced by your constituents. I look forward to the continued partnership of the committee as we work to build a more vibrant and inclusive economy. Thank you and I would be happy to take your questions.

CHAIRPERSON GJONAJ: Thank you, Commissioner. We've been joined by Council Member Rodriguez. One of the—you note the opening pass-through funding. Can you elaborate more on the pass-through the conduit that SBS acts, the percentage or I believe it's about 40% with pass-throughs.

COMMISSIONER BISHOP: Sure. So as—as I mentioned in—in the testimony, our Preliminary Budget is \$162.5 million, but 17% of that or \$27.6 million is a pass-through to EDC. About 13% of that or \$21.4 million is a pass-through to NYC and Company, and 9% of that or \$15.1 million is a pass-through for Governor's Island.

CHAIRPERSON GJONAJ: And as a conduit is there any responsibility by your department to oversee and gauge the use of the money, how effective it was with any of these programs, are working or not, where there could be improvement?

DEPUTY COMMISSIONER MALLON: So-so our-
our responsibility is really to serve as a conduit.
The oversight of the effective use of those dollars
rests on the Deputy Mayor of Economic Development.
We also for some of these agencies for example EDC
they also are paid-oversight is actually with counsel
and I believe EDC has a hearing next week.

CHAIRPERSON GJONAJ: Okay, and now we've
gone through this so many times, and when we ask some
of these agencies or the fund and the pass-through,
they always refer back to you. So, which as the ask
when they say about the bus program, they speak to Ed
or the Board of Ed, they say well ask as the ask, and
it seems to go back and forth, and it's kind of hard
to hit it right in the middle so we can get an answer
as to who's responsible for the oversight?

DEPUTY COMMISSIONER MALLON: So, I could
clear that up really quickly.

CHAIRPERSON GJONAJ: Okay.

DEPUTY COMMISSIONER MALLON: So, for the
Bus Program, we are the financial entity that awards
the grants to participants. So, if there's questions
about dollars dispersed to the buses, the bus
companies that are participating in the program, we

can answer those questions. If there's any other questions about policy, then we would have to defer to the Office of Labor Relations, and the Department of Education.

CHAIRPERSON GJONAJ: So, then let's continue with the Bus Program. A New York City School Bus Grant Program, right? it's Employee Protection Provision. In this Fiscal 2021 Preliminary Budget Plan, it allocates \$18.5 million in the city's fund for Fiscal 2020 to support the employment of experienced school bus workers impacted by changes in the Department of Education's Contracts for School Bus Transportation. Why did the Preliminary Budget only have partial funding for the Buses Program? This is a roughly \$40 million year-over-year, \$40 million grant, and in this budget we only see \$18.5 million being allocated.

DEPUTY COMMISSIONER MALLON: So the numbers that you're seeing is reflective of the fact that this is a reimbursable program. So, the dollars that you're seeing is to cover the months that the school buses of the school bus companies have operated. Obviously, we have and we will continue to work with the Administration and the Budget Office

for-to focus on the future. As you know, the Governor vetoed the bill that would have made this program obsolete. So, therefore, we're working with the Office Labor Relations to find other solutions, but in the meantime we still have to continue to administer the program.

CHAIRPERSON GJONAJ: But correct me if I'm wrong, last year it was \$41.8 million in Fiscal 2019 for the School Bus Program?

DEPUTY COMMISSIONER MALLON: No, that is incorrect. So, last year for the school year, it was \$36.1 million. In total from the beginning of the program the first year was \$28 million, the second year was \$32 million, about \$32 million, the third year was \$36 and it has stabilized at \$36 for the past three years.

CHAIRPERSON GJONAJ: So, if it stabilized at 36 for the past three years, then number that we're looking in this Preliminary Budget is \$18.5.

DEPUTY COMMISSIONER MALLON: And as I said--

CHAIRPERSON GJONAJ: Did it change? Did the program end?

DEPUTY COMMISSIONER MALLON: No, as I said, the—the numbers, the dollars that we have is to cover the existing, the fact that the—the program starts at the beginning of the school year and it's reimbursable. So, the—the process is that the Department of Education works with the school bus company to make sure that the companies, the individuals that we're reimbursing are actually eligible for the program. The Department of Education will then tell us what and who we can—and the number of employees that we can reimburse. So, therefore the numbers that you're seeing is based on the start of the school year up to March 2020.

CHAIRPERSON GJONAJ: So between March 2020 and the final Executive Budget I'm going to expect a change in numbers just based on the last three executive budgets.

DEPUTY COMMISSIONER MALLON: Based on the fact that the Governor vetoed the bill that would have made this program obsolete, I would expect to see additional funding allocated for this program.

CHAIRPERSON GJONAJ: So, why not put it in from the very beginning? We did it last year.

DEPUTY COMMISSIONER MALLON: So, again, the expectation of this bill that the Governor vetoed would have made this program obsolete. So, now we're working with the Office of Labor Relations to come up with other solutions. Remember the--the intent of this program is to ensure that we have experienced drivers that are handling our kids. I think--and we've had a number of hearings, budget hearings where I've talked about this, and we've had other drivers, et cetera come and talk about this program. We want to make sure that the individual behind the wheel of our--our school bus is experienced because they are transporting the most precious cargo and, of course, you know our job is to ensure that we issue reimbursements as quickly as possible to the companies that are participating.

CHAIRPERSON GJONAJ: Thank you Commissioner. I just want to remind you that it's only one company that's benefitting from this grant and there are several companies out there that we hold to the same standard that we want to make sure that they are qualified to drive our most valuable treasured citizens, our future.

2 DEPUTY COMMISSIONER MALLON: I would say
3 that there's one company that chose to participate in
4 the program.

5 CHAIRPERSON GJONAJ: Okay, than, you. I'm
6 sure that the other companies are going to love to
7 hear that, and they'll be applying for those grants
8 should the funding be available, but that--

9 DEPUTY COMMISSIONER MALLON:
10 (interposing) And we welcome them to apply as well.

11 CHAIRPERSON GJONAJ: --that won't be the
12 case. We've been joined by Council Member Rosenthal.
13 Commissioner, the Governor's proposed 2021 Executive
14 Budget includes several proposals that would--that--
15 that should mentally impact the city's budget. Does
16 SBS expect a cut in the budget, and does the agency
17 have a contingency plan if the potential state budget
18 cuts--leaves the decrease in the SAGE funding for this
19 agency?

20 COMMISSIONER BISHOP: So, the first
21 guiding principle is that we always want to maintain
22 the same level of service delivery for our
23 constituents. We are working with the Budget Office.
24 I believe we have some budget targets of--a budget
25 reduction of 1%, which we are working with OMB to

ensure the continuity of services, but also meeting those targets.

CHAIRPERSON GJONAJ: Thank you. As you heard with the Coronavirus last week the Governor announced that he would send the Emergency Appropriations Bill to the Legislator. What measures do we the agency have in place, and there either dollar figure associated with the preparedness efforts?

COMMISSIONER BISHOP: So, the Coronavirus, as you—and you know we have been—I have actually been working with a lot of these small businesses since the beginning of February where we first started hearing from our local partners that businesses especially in the Chinatown area we're seeing sales decreases of 40 to 60%. We have mobilized not only our agency, but several agencies in terms of ensuring New Yorkers that they could continue to support those businesses. The mayor was out in Flushing as a show of support. Our local Business Improvement Districts not only in Flushing but Chinatown also mobilized and created enhanced marketing services to attract more customers. Just yesterday released Guidance to over 160,000

businesses of individuals who are thinking about starting a business to help them understand how to adapt to the changing customer consumer behavior based on COVID-19, and we are continuing additional conversations not only with our local partners, we had a consultation today to figure out what we can do to provide additional relief, but we're also looking at our federal partners because there has been legislation that was passed on the federal level that will provide additional support through low-interest or zero interest loans for an extended period of time. So, that--that legislation was recently passed. I believe the president signed off on it yesterday, and similar to the playbook that we had with Hurricane Sandy, we will work with our federal partners to ensure that we can move as quickly as possible to help those small businesses who are in--are experiencing some degree of economic impact from this virus.

CHAIRPERSON GJONAJ: This could be devastating to our small businesses if New Yorkers stop patronizing our brick and mortar establishments from one fear or another in particular the Asian community, which is being hit strongest by this fear.

You mentioned the decrease in business is how much in Chinatown?

COMMISSIONER BISHOP: So, what we are hearing anecdotally because again we need to--what we depend on is our local partners, and Chinatown has been 40 to 60%. In Flushing we've heard as high as 80%. It all depends on the type of business. So large catering halls what we're finding is individuals are avoiding any area where they're--they're congregating. So there have been a lot of cancellations for large scale events. We've heard from our partner in Chinatown that after we did a show of support and the Mayor went out. There was stabilization, but they're still seeing for example catering cancellations, you know, banquet cancellations. So, again what we want is number one send message that, you know, New Yorkers should, you know, stay calm, and I think you've seen the Mayor and that Governor out on a daily basis being transparent about what impact has happened. Everyone has said that this virus, you know 80% of individuals who if you have contracted the virus, it's--it's mild symptoms and you will recover. So, we want to make sure that there isn't the atmosphere of fear, but we

do understand that there are some people who will change their—their behavior, and may not go out and patronize, you know, our restaurants or maybe our bars, et cetera. So we are looking at different ways—we've—in the Advisory. We have encouraged those restaurants to consider other ways of—if an individual not coming how can you actually reach our to customers or whether you have an online presence or you want to increase you ability to deliver, and we are also looking at different ways we can actually help them reduce or recover from this period of time.

CHAIRPERSON GJONAJ: So when you say stabilized, that means they don't see the loss of business continuing. They've stabilized anywhere between 40 and 60% respectively and 80%. So have you—have you see any rebound after that because when you say stabilized—

COMMISSIONER BISHOP: No. So when I say stabilized meaning it has not continued to drop, but it is not anywhere at the levels that they have normally seen. It is especially I think impactful on our Asian owned businesses because it was around the Lunar New Year, and similar to what we have seen with, you know, around the holidays where 20 or 30%

of your revenues come from like Christmas, Thanksgiving, et cetera, in the Asian community the Lunar New Year is where it's almost like a Super Bowl after those companies. So we are especially concerned that if this, you know, if there's not an increase in sales that those businesses may have to furlough workers. There may be other challenges. So, again, we want to continue sending the message of, you know, telling New Yorkers to keep calm and support our small businesses, but we also are working with not only our local--with the Mayor's Office and with our other agencies, but also with our federal partners to come up with different ways that we can help these small businesses. It's--it's a very fluid situation. I would not be able to tell you exactly what we're thinking about, but we do have some ideas on some financial things that we can do and some regulatory things that we can do.

CHAIRPERSON GJONAJ: That's great and I just want to extend an offer to the Commission. Maybe we can continue sending that message of positive to the rest of New York by patronizing local restaurants and I would be more than happy to go on tour with you as we--

2 COMMISSIONER BISHOP: Are you inviting me
3 to dinner?

4 CHAIRPERSON GJONAJ: As long as you're
5 paying. (laughter) I would be more than happy to
6 join you if you're paying for it. If not, you know,
7 all that wine. (laughter) Yes

8 COMMISSIONER BISHOP: I'd be happy to do
9 that, then.

10 CHAIRPERSON GJONAJ: That's my pleasure
11 to do--actually go out there and reassure New Yorkers
12 that it is safe, that we should continue life as
13 normal, and the 301 staff members that SBS has could
14 possibly join us as we hold events at those catering
15 halls that are seeing such a decrease of business.

16 COMMISSIONER BISHOP: Yes.

17 CHAIRPERSON GJONAJ: Looking forward to
18 figuring that plan with you.

19 COMMISSIONER BISHOP: Happy to--to go out
20 there in the community with you.

21 CHAIRPERSON GJONAJ: Council Member
22 Rosenthal, did you have a question?

23 COUNCIL MEMBER ROSENTHAL: Thank you so
24 much. A couple of really quick questions. It's
25 great to see you, Commissioner.

2 COMMISSIONER BISHOP: It's good to see
3 you, Council Member.

4 COUNCIL MEMBER ROSENTHAL: I've gone on a
5 couple of these restaurant halls both in Sunset Park
6 and in Chinatown and, you know, it's great. No one
7 is there. You get great service, the food is
8 delicious, but we need more people coming out to
9 these restaurants--

10 COMMISSIONER BISHOP: Absolutely.

11 COUNCIL MEMBER ROSENTHAL: --and we need
12 to keep leading the way to let people know that
13 there's no reason that people shouldn't be eating
14 out. So I appreciate your efforts on that as well. I
15 wanted to ask about the Bridge to Jobs Program. Do
16 you--are you getting funding for that--for that? That
17 was the \$60 million that the Mayor promised, the
18 Bridge Program.

19 COMMISSIONER BISHOP: So, I'm going to
20 let First Deputy Jackie Mallon

21 DEPUTY COMMISSIONER MALLON: You're--
22 specifically you're talking about Career Pathways.

23 COUNCIL MEMBER ROSENTHAL: Yes.

24 DEPUTY COMMISSIONER MALLON: Funding for
25 bridge training?

COUNCIL MEMBER ROSENTHAL: Yes.

DEPUTY COMMISSIONER MALLON: We—we get—we have gotten the Career Pathways for occupational skills training and we have developed bridge training with—with—with that funding, but I think it's probably categorized differently in the Career Pathways Report, if that's what you're referring to.

COUNCIL MEMBER ROSENTHAL: And how much money do you get for that?

DEPUTY COMMISSIONER MALLON: We have about \$7 million from \$16.

COUNCIL MEMBER ROSENTHAL: \$7 million has been allocated?

DEPUTY COMMISSIONER MALLON: Yes. No over—no each year annually since 2016.

COUNCIL MEMBER ROSENTHAL: So that one more time?

DEPUTY COMMISSIONER MALLON: About \$7 million annually since 2016. '16, right? Yes.

COUNCIL MEMBER ROSENTHAL: Okay and Career Pathways?

DEPUTY COMMISSIONER MALLON: That is—that's what I'm talking about, \$7 million for Career Pathways?

2 COUNCIL MEMBER ROSENTHAL: Which was the
3 other one you were talking about?

4 DEPUTY COMMISSIONER MALLON: I think—I
5 think—I think if I'm guessing--

6 COUNCIL MEMBER ROSENTHAL: Okay.

7 DEPUTY COMMISSIONER MALLON: I mean both
8 of them that you are referring to are from the Career
9 Pathways strategy that the Mayor put out in 2016.

10 COUNCIL MEMBER ROSENTHAL: Right.

11 DEPUTY COMMISSIONER MALLON: There are
12 two things and I'm not going to remember everything
13 but X number of dollars increase in Occupational
14 Skills Training.

15 COUNCIL MEMBER ROSENTHAL: Oh, I see.

16 DEPUTY COMMISSIONER MALLON: That's us
17 and X number of--of dollars for Bridge Training.

18 COUNCIL MEMBER ROSENTHAL: Got it and is
19 that stable? Is there any sense that will come down
20 or there a possibility it will go up?

21 DEPUTY COMMISSIONER MALLON: Up, yes.

22 COMMISSIONER BISHOP: Yes.

23 DEPUTY COMMISSIONER MALLON: Yes.

24 COMMISSIONER BISHOP: Yeah for Career
25 Pathways we're--we are continuing conversations with

2 OMB. In our Preliminary Budget it is not funded for
3 the next fiscal year.

4 COUNCIL MEMBER ROSENTHAL: I'm sorry it's
5 zeroed out that \$7 million is zeroed out?

6 COMMISSIONER BISHOP: Correct, but last
7 year it—it we were in the same situation, and it was
8 funded. So, we're optimistic that we will continue
9 the conversation with our Budget Office.

10 COUNCIL MEMBER ROSENTHAL: So, it was
11 only put back in because the City Council made it
12 part of the funding deal, but only one year? Like
13 why wouldn't the—why wouldn't—has that program been
14 successful?

15 COMMISSIONER BISHOP: The program has
16 absolutely been successful. I think—I don't know if
17 you were here when I was reading my testimony--

18 COUNCIL MEMBER ROSENTHAL: My apologies.

19 COMMISSIONER BISHOP: --but our, the
20 trainings that are funded by Career Pathways whether
21 it's our Nurse and Residency Program our Computer
22 Numerical Control, this is for industrial and
23 manufacturing businesses or even our line cuts, we've
24 seen—or even our tech training, we've seen the
25 average wage increase by \$10,000 to \$57,000.

2 COUNCIL MEMBER ROSENTHAL: Wow.

3 COMMISSIONER BISHOP: So individuals
4 going through these programs are—are coming out with
5 decent wages. So, they have absolutely been
6 successful. I don't know about the deal that you
7 were talking about. I think Jackie may have worked
8 with that.

9 COUNCIL MEMBER ROSENTHAL: Well, I mean
10 fundamentally I'm just curious. That sounds like a
11 path to submit a plot. (sic)

12 COMMISSIONER BISHOP: Yes.

13 COUNCIL MEMBER ROSENTHAL: So, given this
14 Mayor is all about, you know, the Tale of Two Cities
15 and trying lift up lower-income people, I don't
16 understand why it wouldn't be baselined if it's had
17 such great success.

18 DEPUTY COMMISSIONER MALLON: Uh-hm.

19 CHAIRPERSON ROSENTHAL: I mean if you
20 were going to say, you know that is really a mess,
21 that's one thing, but you're saying it's very
22 successful. Why wouldn't it be in the budget
23 baselined.

24 DEPUTY COMMISSIONER MALLON: Uh-hm. As—
25 as the Commissioner we continue to talk with OMB. To

answer you had to like why? This was originally planned to be a three-year thing, and--and then because it was so successful, it was extended last year and we expect the same this year as well.

CHAIRPERSON ROSENTHAL: Why wouldn't it be baselined? Is it something that you expect would only be successful for a year or two or I mean why wouldn't this fundamentally be a program you would--

DEPUTY COMMISSIONER MALLON: [off mic]
But we're talking about this.

COMMISSIONER BISHOP: So, we're--we're talking to the Budget Office.

COMMISSIONER BISHOP: But we're--we're talking to the Budget Office about that, but then also remember that we're just part of the overall strategy, workload strategy for the city. So, one of the conversations we're having is just overall, you know, working with the Office of Workforce Development and working with our Budget Office is what's the right strategy for not only SBS, but all the other workforce--all the other agencies

CHAIRPERSON ROSENTHAL: Sure.

COMMISSIONER BISHOP: --that have a workforce component to it.

CHAIRPERSON ROSENTHAL: Are some of the other agencies more successful than your program? I'm not—I mean--

COMMISSIONER BISHOP: I don't have that impression.

CHAIRPERSON ROSENTHAL: --even if the Mayor wanted to carve out this piece and say let's just make sure, you know, we're checking on all the different Bridge Programs, Workforce Development programs some are better than others. Is this—are your programs just sort of not, or are they great and should continue?

COMMISSIONER BISHOP: I would say they're great and they should continue, and that's the conversations that we're having right now with the Budget Office.

CHAIRPERSON ROSENTHAL: Why would it be a budget decision and not a policy decision?

COMMISSIONER BISHOP: Um, I mean that's a—it's part of again, you know when—when we started this we had a 3-year runway to actually provide the success. We've proven the success. You know last year we were able to—to get the program funded, and this year the conversation will be I think along the

2 lines of what you were talking about that we've
3 demonstrated the success of the program. So,
4 therefore, because we've shown that wages have
5 increased, we think that there is going to be an
6 appetite to—to figure out a way to continue this
7 going forward.

8 CHAIRPERSON ROSENTHAL: Into perpetuity
9 or just, it's going to be a one-year every time?

10 COMMISSIONER BISHOP: It's our hope that
11 it will be in perpetuity.

12 CHAIRPERSON ROSENTHAL: So, baselined?

13 COMMISSIONER BISHOP: Correct.

14 CHAIRPERSON ROSENTHAL: Okay, great. So
15 that's something the Administration wants?

16 COMMISSIONER BISHOP: It's something that
17 we will continue to talk to the Budget Office about.

18 CHAIRPERSON ROSENTHAL: Sorry to bust your
19 chops. (laughter) It's just such a great program. I
20 would—I'm just surprised the Mayor hasn't baselined
21 it. And then I want to look at some of your headcount
22 changes. I'm noticing a drop of about 22 positions.
23 In fact, 13 are from Career Pathway or is that just
24 because the programs over? I see.

25 COMMISSIONER BISHOP: It's because it's--

CHAIRPERSON ROSENTHAL: Actually, it's not funded for next year.

COMMISSIONER BISHOP: Correct.

CHAIRPERSON ROSENTHAL: It's 13 people.

COMMISSIONER BISHOP: Correct.

CHAIRPERSON ROSENTHAL: Have been pink slipped? Have they been let go?

COMMISSIONER BISHOP: No, we have funding up until June 30th.

CHAIRPERSON ROSENTHAL: Uh-hm. Okay. Green Jobs Corp is that the same thing waiting to see if that will be funded again? I see two positions down.

COMMISSIONER BISHOP: Yes that's correct.

CHAIRPERSON ROSENTHAL: CUNY 2 X TECH, 100-K JOBS Program same thing? Solar for Economic Opportunity Initiative, two staff people.

COMMISSIONER BISHOP: On the—the CUNY 2X, that's how we planned it, and—and I so, we're good there. Center for Economic Opportunity this is how it works every year. They—their funding comes in at adoption. So, whatever reason. So and we expect it again to happen this year because it does every year.

2 CHAIRPERSON ROSENTHAL: It happens—I mean
3 again okay. I'll—the point stands. If it happens
4 every year I don't understand why it's not baselined.
5 You know the Mayor has a chance to put in November or
6 January. Is it not successful?

7 COMMISSIONER BISHOP: It—it is--

8 CHAIRPERSON ROSENTHAL: The CEO
9 Initiatives?

10 DEPUTY COMMISSIONER MALLON: Yes, it
11 would.

12 CHAIRPERSON ROSENTHAL: Is it not such a
13 much or is it a great one?

14 DEPUTY COMMISSIONER MALLON: It's a great
15 one.

16 CHAIRPERSON ROSENTHAL: Okay, and where
17 are you on the Worker Collect Staff? Is that—how is
18 that going on?

19 COMMISSIONER BISHOP: So we have—

20 CHAIRPERSON ROSENTHAL: Do you have a
21 staffer for that?

22 COMMISSIONER BISHOP: We a staffer for
23 that. She had a really good conversation with her
24 actually this week about, you know, economic justice
25 and again, we—we continue to manage these programs

and--and we've seen the--the gains from the Council's investment.

CHAIRPERSON ROSENTHAL: You know about how many jobs? Do you have that? Jobs created through the training programs?

COMMISSIONER BISHOP: So, in total job support has been since the start of the funding it's been 775 jobs and 189 cooperatives were created--

CHAIRPERSON ROSENTHAL: Wow.

COMMISSIONER BISHOP: --and we've created--and we have--we and when I say we meaning the organizations that have funded through the Council's investment have provided over 6,000 technical assistant services and over 7,000 individuals have been educated on the cooperatives.

CHAIRPERSON ROSENTHAL: And is that a successful program?

DEPUTY COMMISSIONER MALLON: So, I mean there's--there's a lot of organizations that has started it. I think, you know, we've seen over five years a number of cooperatives start. The average lifespan of a--of a business, you know, I think it's time for us to look back at maybe FY15 and see those businesses that were started the, see where they are

now because if they are still operating then I could say then that's a sign of success because the first five years are the most crucial for any new business whether it's a worker cooperative or what have you. SO, I think, you know, from this coming fiscal year we should probably take a step back and look at, you know, the companies that were started and, you know, what are some of the barriers to success or what are some the success? We've had a lot of good conversations with the Center for Family Life because they have a great model in terms of a franchise--

CHAIRPERSON ROSENTHAL: Yeah.

COMMISSIONER BISHOP: --which I really like and the Deputy Mayor--Deputy Mayor Phil Thompson has talked about looking at worker cooperative as a model because we have a lot of industrial manufacturing companies that employ a lot of people-- people of color.

DEPUTY COMMISSIONER MALLON: Yes.

COMMISSIONER BISHOP: Whether or not we can focus a lot on instead of creating new companies, you know, focus on conversion.

CHAIRPERSON ROSENTHAL: Oh, wow.

2 COMMISSIONER BISHOP: Literally as
3 individuals think about selling those businesses they
4 sell them to the employees.

5 CHAIRPERSON ROSENTHAL: So will that be
6 part of your report this year both to look back and
7 then trying this other model?

8 COMMISSIONER BISHOP: I believe in-in
9 this-this-the report that we released in December
10 that was sort of like a mini look back, but we could
11 certainly with you and-and Council to figure out what
12 would be the best strategy for the next report that
13 we have deliver in December.

14 CHAIRPERSON ROSENTHAL: That's great.
15 That's great. Thank you and then lastly I just wanted
16 to ask about your MWBE certifications.

17 COMMISSIONER BISHOP: Sure.

18 CHAIRPERSON ROSENTHAL: It's amazing how
19 they've gone up. Congratulations. That's all your
20 dedication right there and those leaps are huge. I'm
21 wondering do you also track how many of those
22 certified get a contract with the city?

23 COMMISSIONER BISHOP: Yes, we do and I
24 just want to take a moment to-to thank Deputy
25 Commissioner Dynishal Gross and-and the whole

Deerfield team Assistant Commissioner Hal Wilson and who am I missing? This whole team that's here they worked really hard to actually get us to that number and--and for sure the--the best indication of success is the fact that, you know, and you I've been at the agency for some time. When I first joined the agency in 2008, we were at a 3% utilization. When the previous administration left they were at an 8% utilization over that six years. In the same six-year period when Mayor de Blasio we were at 8% utilization and now we're at 23.6%.

CHAIRPERSON ROSENTHAL: What does utilization mean?

COMMISSIONER BISHOP: That is the use of MWBEs, and the Mayor in terms of the spend, and--

CHAIRPERSON ROSENTHAL: Right.

COMMISSIONER BISHOP: --and that is--there are two goals that the Mayor set, and very ambitious goals, which we actually, you know, we--we--we met them, and we still have one more to meet. One was double the amount of certified firms in three years and the other was by the next fiscal year 2021 we will be as a city at a 30% utilization.

CHAIRPERSON ROSENTHAL: Right.

COMMISSIONER BISHOP: There is positive sighs. The first quarter we were at 28% utilization but as you know, we have to look at every quarter and then we come up the final year, but a lot of that has been based on the fact that we've introduced new tools. We are holding agencies accountable and when I say we, it is not just SBS but it's the Mayor's Office of Contract Services and for sure the Office of MWBE has played a huge role under the direction of General Doris. So, to answer your question now, most and on average about 25 or 28%, it depends on the year of our total base wins contracts. So, if you do the math in terms of like how many--what's 28% of--of 9,000, but the--you're asking a great point, which is we will continue to certify companies, but we have now pivoted all our resources to focus now on increasing that percentage of companies that win contracts. We do have great statistics where individuals who have used any of our services whether it's technical assistance, whether it's Bond Readiness Program, whether it's just even connecting with our staff and DEFO, two-thirds of the winners of contracts have used one of our services.

CHAIRPERSON ROSENTHAL: Oh, wow, that's great.

COMMISSIONER BISHOP: So, we're very proud of that, and we will--and then, you know, I'm thankful because the Mayor has put in a lot of resources for us to get to this point and we will continue to focus on building the capacity. How do we get more for example black women own companies not only certified but getting them the capacity to win on city contracts? How do we focus on the disparity within the disparity?

CHAIRPERSON ROSENTHAL: Yes.

COMMISSIONER BISHOP: So, there's a lot that we're doing, and happy to follow up with you on just the comprehensive work that we're doing on--on all things MWBE.

CHAIRPERSON ROSENTHAL: That's very exciting. I mean I guess I've been through it too quick. That's very exciting. I guess what I would want to know is as we've seen this increase like it is the same base number of companies that are getting MWBEs--

COMMISSIONER BISHOP: Yep.

2 CHAIRPERSON ROSENTHAL: --getting
3 contracts or can you say of the new ones each year,
4 you know, within three years they get a contract?

5 COMMISSIONER BISHOP: Yes.

6 CHAIRPERSON ROSENTHAL: That's the new
7 level of, you know.

8 COMMISSIONER BISHOP: Yes that's a great
9 question and that is something that we are--are
10 monitoring--

11 CHAIRPERSON ROSENTHAL: Okay.

12 COMMISSIONER BISHOP: Because we do see
13 some of the same repeat companies. One of the
14 challenges as well is that if you think about the
15 fact that companies that have the capacity to bid on
16 city contracts they're in demand. So, not only are
17 they in demand by the city of New York but they are
18 in demand by the Port Authority for all the work
19 that's happening in, you know JFK and La Guardia.
20 They're in demand by the School Construction
21 Authority. They're in demand by the State of New
22 York. So we need to build a larger portfolio of
23 companies that not only have the capacity, but can do
24 that work. So, we have a strategy to get and attract
25 more companies into--into the portfolio that could

actually work on those city contracts. I will tell you that the fact that we have and agencies have discretion and that is actually the State Legislative-legislation that was passed. We are seeing new companies that are benefitting from that because now agencies have the ability to try companies that may not have been able to, you know, be responsive before, and we're hearing a lot from some of the agencies that this method is actually allowing them to-to find new companies to-to-procurement.

CHAIRPERSON ROSENTHAL: Mazel Tov. I guess I would just-the last thing just sort of wonder if there's-if you like whatever the dollar investment is in-in the MWBE Program if you compare that to the dollar investment in Career Pathways, and sort of think about, you know, holistically how we both get these companies, you know, more business, but also make sure that we're helping, too, its wages. I don't know if you can do that sort of side-by-side analysis or encourage your MWBEs to be hiring people through the Career.

COMMISSIONER BISHOP: Absolutely.

2 CHAIRPERSON ROSENTHAL: You know, some
3 sort of connection.

4 COMMISSIONER BISHOP: Yep.

5 CHAIRPERSON ROSENTHAL: It strikes me
6 that they are equally valuable and important programs
7 and, you know, I think we need to not take our eye
8 off the ball on that.

9 COMMISSIONER BISHOP: Yes, you're—you're
10 making an excellent point and, you know, for the
11 record most Minority Owned and Women owned businesses
12 when they hire, they hire within their communities.
13 So, they're the largest hiring of people of color for
14 women, et cetera. So, the Department of Defense
15 actually has a formula that we've seen where because
16 we also run a Procurement Technical Assistance Center
17 for Federal Government to help businesses understand
18 how to sell it to the federal government, and using
19 that formula based on the dollar value of contracts
20 they can predict the amount of jobs created, which is
21 why it's so important for us to continue investing in
22 the MWBE program, and is—and is why it makes sense
23 for—in terms of economic development strategy that we
24 use a certain percentage of the city's spend to
25 invest in our—our Minority Owned Businesses.

CHAIRPERSON ROSENTHAL: I mean I--what I'm trying to say I really do thousands with that. My guess is in the Career Pathways Program--

COMMISSIONER BISHOP: Yep, I got it.

CHAIRPERSON ROSENTHAL: --we're talking about a similar population--

COMMISSIONER BISHOP: Yes.

CHAIRPERSON ROSENTHAL: --similar demographics.

COMMISSIONER BISHOP: Yep.

CHAIRPERSON ROSENTHAL: We want to make sure we're looking at both regardless of the--

COMMISSIONER BISHOP: Absolutely.

CHAIRPERSON ROSENTHAL: --venue.

COMMISSIONER BISHOP: Absolutely.

CHAIRPERSON ROSENTHAL: Thank you so much Commissioner and to your staff, you know, a great department.

COMMISSIONER BISHOP: Thank you.

CHAIRPERSON ROSENTHAL: Thank you for everything.

CHAIRPERSON GJONAJ: Thank you, Councilwoman. Just to piggyback on some of the questions the Council Member asked, on the 100-K jobs

planned for CUNY 2X Tech, can you be more specific as to what the goals were and where we've come and why are we continuing this program if we haven't achieved those goals?

COMMISSIONER BISHOP: So, I'm not sure that we haven't achieved those goals. As you know, the 100K Jobs Plan is a comprehensive plan that the Mayor announced. We are partly one of the agencies, one of the multiple agencies that contribute into that. So the work that I talked about in terms of what SBS is responsible for the Apprentice NYC Work, you know, the thousand nurses who have gone through our apprenticeship program, individuals who have gone through our tech training program, our food and beverage training program, they all feed into the 100K Jobs goal. So, for CUNY 2X, our job is and our focus in the investments is really to double the amount of career science graduates coming out of CUNY, and into jobs. So those dollar values that you're seeing is really to focus on building the infrastructure of—of CUNY. So for example, and the way we—we got to that was the tech companies we brought them together with our academic presidents. So these are the presidential universities, and the

tech companies were able to describe why and CUNY students were not being hired, and the academic institutions were able to tell us what some of the deficiencies were. So, some of those dollars go into not only getting staff who are more knowledgeable with the current tech training, but also to help with, you know, internships, et cetera. I can—Jackie Mallon can continue elaborating on CUNY TO US.(sic)

DEPUTY COMMISSIONER MALLON: I just want to clarify your question. I think because I think you said if it's over—if in work it's not over actually. We're only in Year 3. It's a—it's a five-year initiative. So, the—the staff that we have dedicated, we—we need more staff to get it started, and now we planned it so that once it was up, we didn't—we didn't the staffing conditions if that's—if that's what you're asking about.

CHAIRPERSON GJONAJ: A little bit about that.

DEPUTY COMMISSIONER MALLON: Okay.

CHAIRPERSON GJONAJ: A quick update where we are—what was the goal.

DEPUTY COMMISSIONER MALLON: Okay.

CHAIRPERSON GJONAJ: Because I'm getting conflicting information in that I have that in March of 2019 the Mayor responded with along the lines of it's impractical for the city to track specific jobs created. So, if there was a--the estimate is more the guess work and actually be able to track these jobs within intent of one of a thousand new tech jobs and you mentioned some sectors there, but I don't know if that was part of the program. Food? I thought the whole initiative was tech heavy.

DEPUTY COMMISSIONER MALLON: It's-it's a combination.

CHAIRPERSON GJONAJ: Yes.

DEPUTY COMMISSIONER MALLON: But let me answer your question on CUNY 2X first for a second. The initiative was literally the double of the number of--as the Commissioner said or computer science students from CUNY into tech jobs. Where are we? So, it's-it's an initiative that involves I think it's eight schools, eight colleges so far with different phases. So, to date only--we're wrapping year three I think for two of the schools, and so far so many are just starting. So far we've seen about an 18% increase in--in completion, graduation, about

an 18% or 19 rather percent increase in terms of the -the number of people connecting to job and jobs afterwards, tech jobs and a 20% increase in the-in the salaries that are attained. I think the average is \$72,000. So we're-it's early still, but we are on track, and we-we, you know, are very excited about more of it.

COMMISSIONER BISHOP: And for the 100-K jobs, the-the Mayor, what the Mayor announced was connecting New Yorkers to good paying jobs over \$50,000. There wasn't in this sector a specific strategy. There was definitely a focus on the actual income, and as you-the-the parts that we are responsible for as you heard in my testimony, you know, just looking back year average wages are-are about \$57,000. So, we're exceeding the goals that the Mayor set for the 100K Jobs Program.

CHAIRPERSON GJONAJ: I'm looking forward to following up on that as the progress is being made and I hope we can hit those goals of-that were measured. SB-1 is there a line item in this Preliminary Budget for Small Business First?

DEPUTY COMMISSIONER MALLON: No we don't. So, no.

2 COMMISSIONER BISHOP: No. So, the-so the
3 S-sorry.

4 CHAIRPERSON GJONAJ: So there is no line
5 item then. So the objective of SB1 is complete?

6 COMMISSIONER BISHOP: So the focus for
7 SBS1, which is probably this first, which started at
8 the beginning of the Administration had 30 goals that
9 we accomplished. The largest-the initiative was the
10 Portal. So, as you know, and I've mentioned many
11 times in my testimony if you go to NYC-if you go to
12 nyc.gov/business you will now see the SB1 Portal. We
13 called it the Business Portal, and that was a large
14 body of work where we worked with a number of
15 different agencies and the goal is that when-when a
16 business owner logs in and creates an account, they
17 can see a holistic view of not only their in-their
18 activities with for example Consumer Affairs, but
19 with the other participating agencies such as FDNY et
20 cetera. So the Portal was the-the largest part of
21 that, but there were other things including, you
22 know, reducing and-and focus on like legislative
23 fixes. So, for example, with range hoods we were
24 able to and we worked with Council to introduce
25 legislation to eliminate the back and forth between

Fire and DOB. So, now business only just has to go through one agency. We were able to focus on additional training getting hand-holds for specific agencies to ensure that they were able to, you know, provide better customer service to our small businesses, and part of that was to actually look at additional regulatory burdens. Part of that work resulted in what we announced, and that you are a part of in terms of looking the different regulations and different areas where we can actually either introduce to your periods of come up with a way to reduce redundancies.

CHAIRPERSON GJONAJ: Commissioner and I am not sure—I thought S-B—Small Business First and the initiative was to get rid of all our data rules and regulations make it less, take the bureaucracy out of navigation. We've gone through this so many times, and recently I—we did announce along side of the Mayor. We're looking at certain violations that will not—will come with a cure period rather than a fine.

COMMISSIONER BISHOP: Uh-hm.

CHAIRPERSON GJONAJ: We were into SB First for three years. Spent a lot of money at that

time at the end of program. There was no regulations that were removed from the books. WE had 80 that were modified and not a single rule or regulation of up to 6,000 were ever removed.

COMMISSIONER BISHOP: I think you--so--so just to correct the record, you know, the--there--if--if you're talking about the entire universe of regulations, each reg--every business, every type of business has a piece of that. So, if you're opening up a pizza shop you have a certain amount of regulations that you have to be accountable for versus if you're opening up a tire shop. So, what we have done is to ensure that businesses are in compliance, and part of SB1 was to actually increase the amount of not only outreach that we have to businesses through our compliance advisories, but we are also--we were able to build most common violations to. So, again, our job is to shed transparency, and make it easier for businesses to navigate. I just want to remind you most of these regulations you're talking about are common sense regulations. It's--it's regulations where that governs the temperature of food. There's regulations that governs the fact that shouldn't have vermin in our restaurants, et

cetera, et cetera. So, in those instances we want to make sure that businesses understand what they need to know and make--and make sure that we are transparent about it, but we do and we--we saw that when we made the announcement where there are the regulations where a business owner may not know that not only do you have to clean the front of your--your business, but you have to go 18 inches out into the street. So we have decided that we're going to make--turn that into a curable violation and we continue to look toward--

CHAIRPERSON GJONAJ: Each one of those violations now will be curable? So, if you have a dirty sidewalk will advise you that your sidewalk and 18 inches into the street is dirty? Well it gives--it's not through our period in order to give you a one-time notice moving forward.

COMMISSIONER BISHOP: So, the--the goal is that and if you remember because we still want to make sure that our streets are clean. So, if a business owner is--has a dirty sidewalk they will be issued a violation, but they can clean and demonstrate that they've cured that violation and, therefore, they don't have to pay . So--so we--so we

are--so we are working with the different agencies to figure out the best way to implement because we have a certain number of--of--a certain amount of regulations that we identified that we are now working with the agencies to make sure they are effective, the cure period is effective by--by default. (background comments/pause) Sorry. So--so for the--just to--to correct for SB1--SB1 we do have--the bulk of the money was for what I just talked about. There is about \$60,000 that you'll see and That is for rent. So part of SB1 was to create a one-stop shop. So, we have a center out in Queens. Where not only do you get services from SBS but you also get services from Consumer Affairs, the Health Department, Fire Department, et cetera.

CHAIRPERSON GJONAJ: And do we have--you're going back to the violations with a cure period. So have an idea of how many violations that will apply to?

COMMISSIONER BISHOP: Yesh, we can--I don't have the list in front of me, but it's about 75, and we can follow up with your 5 new violations that we can provide you a list of, and again, we are working right now with the agencies the Law

Department, et cetera to figure out how we can quickly move to the point where it's--there's some type of cure period for those violations, and they're going to look differently. So some of it could be, you know, first--your first violation is--there zero dollars, or there's a--there's a violation, but then if you show that you cured it then you don't have to pay.

CHAIRPERSON GJONAJ: So, that's interesting to me. Now going back to that science--sanitation violation for a dirty sidewalk or a--not 18 inches into the street--

COMMISSIONER BISHOP: Uh-hm.

CHAIRPERSON GJONAJ: --not being maintained. Can you walk me through that? You did receive a violation. There's a cure period.

COMMISSIONER BISHOP: Yes, that's what we do with those.

CHAIRPERSON GJONAJ: You correct, you clean.

DEPUTY COMMISSIONER MALLON: Anything we can, we cure.

COMMISSIONER BISHOP: Right. Yes. So--so Sanitation and then First Deputy, right the noise.

Lie First Deputy Jackie Mallon, Deputy Commission

Jackie Mallon could add a little bit to this, but for sanitation for example if an inspector goes out sees that there's a dirty-dirty sidewalk, that first violation is actually a zero dollar violation.

That's the education period. So, now this owner know that okay you're responsible not only for the front of your business but also 18 inches. That is it.

So, if the inspector comes back again and the business owner has a dirty sidewalk, then it is the typical violations that—that we've seen. But I think and we have talked about this. You know we're changing the way that the city interacts with our small businesses. We want to make sure that we educate before we start fining. So, we think that this is a good model where a business owner will learn about—they may not have known about a particular violation, and so now they know. There's not a financial impact, but now they're educated about that.

COMMISSIONER BISHOP: I was getting too excited, Commissioner. When I heard cure periods I thought this was going to be great that we're going to give our small business a fighting chance to say

yes, you know, you are in violation, Cure it. There will be no fine. That will be great. There isn't a single small business in New York City hat I am aware of that is not aware of the Sanitation Rules. The problem is not the rule. They all know. It's the uncontrollable factors, the wind conditions. You can clean that. By the time you turn your back there can be a piece of paper that the wind blew, and you receive a violation. These are the concerns. So, when we say curable, and I'm thinking more like HPD. Here's a--in an apartment or when a property a--a property owner receives a notice of a violation was given a--a cure date, and the business--as long as it's not hazardous, and sanitation although important, is not detrimental or a near threat to the wellbeing. So if there was a piece of paper on the floor after you cleaned your sidewalk.

COMMISSIONER BISHOP: Well, see, that's what we're saying. I don't--I think you may--

CHAIRPERSON GJONAJ: It's on each and every case. The inspector comes out today sees a piece of paper, gives you a notice to cure. You go cure. Two days later comes back out there. Is it the same approach?

2 DEPUTY COMMISSIONER MALLON: Uh-hm.

3 Maybe a different way to look at it. Like you can't
4 really cure a noise violation or-or a-a garbage
5 violation because there it is. The garbage is there
6 like you are in violation. So, the concept is that
7 you in those cases you'll be issued a violation, but
8 it will have zero dollars associated with it for the
9 first time. In other cases there--there is an
10 opportunity to cure, you know, if--

11 CHAIRPERSON GJONAJ: You have to state
12 that? (sic)

13 DEPUTY COMMISSIONER MALLON: Yes.

14 CHAIRPERSON GJONAJ: So, you received the
15 first Sanitation violation--

16 DEPUTY COMMISSIONER MALLON: Yes.

17 CHAIRPERSON GJONAJ: --with a zero dollar
18 amount.

19 COMMISSIONER BISHOP: Right

20 DEPUTY COMMISSIONER MALLON: Essentially.

21 CHAIRPERSON GJONAJ: Days later or weeks
22 later the same inspector comes back out to that very
23 same small business, sees untamed-unmaintained
24 sidewalk. What happens?
25

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2 DEPUTY COMMISSIONER MALLON: She gets a--
3 they get a violation if they--

4 CHAIRPERSON GJONAJ: With a fine. It was
5 associated with a fine?

6 DEPUTY COMMISSIONER MALLON: Yes,
7 essentially.

8 CHAIRPERSON GJONAJ: They get it so--

9 COMMISSIONER BISHOP: But we educated the
10 business.

11 DEPUTY COMMISSIONER MALLON: We had the
12 means.

13 COMMISSIONER BISHOP: We need clean
14 sidewalks.

15 DEPUTY COMMISSIONER MALLON: We need
16 clean sidewalks, yes.

17 CHAIRPERSON GJONAJ: Commissioner, I want
18 to thank you. I thought that this is was going to be
19 something completely different. When we say cure
20 period because you're--you're in violation and it
21 gives you time to cure each and every time--

22 COMMISSIONER BISHOP: It also--

23 CHAIRPERSON GJONAJ: I understand.

24 COMMISSIONER BISHOP: Yes.
25

2 CHAIRPERSON GJONAJ: I got way excited. I
3 thought maybe--

4 COMMISSIONER BISHOP: We can--

5 CHAIRPERSON GJONAJ: --they'll really be
6 responsive to the needs of small business and I'm-if
7 this is going to be the line of it that each time
8 there is a violation we're going to notify you once.
9 The second time you're paying on issues that we know
10 are repetitive such as sanitation, such as rodents,
11 such as some of the other repeat offences that are
12 normal, and we know that despite how many-how
13 attentive you are to clean sidewalks, it's impossible
14 to be 100% compliant 100% of the time. Small
15 businesses all are aware that sidewalks and 18 inches
16 going into the street are their responsibility.
17 They've learned that the hard way, and they learn it
18 time and time again based on the number of violations
19 that are issued. I just thought it was going to be
20 something completely different. That's it. This may
21 be another smoke and mirrors approach run by--

22 COMMISSIONER BISHOP: I-I-no, I-well, I
23 know that wasn't a question, but I will disagree with
24 the smoke and mirror. I think, you know and again
25 I'm not the Commissioner of Sanitation, but I think

Sanitation has a process in terms of when they go out and inspect. It's not a gotcha. To your point a lot of small business owners know when the inspection is going to happen. We are responding to the fact, and I, you know respectfully disagree with you that every small businesses knows—ever small business owner knows that they need to clean the sidewalk and 18 inches of the curb. What we've heard from small businesses is that they got a violation because the sidewalk was clean, but the curb was not. So, therefore, we're responding to the fact that we do now want to be in a situation where it's a gotcha. We want to be responsive to our small businesses, and we want to educate them before we fine them.

CHAIRPERSON GJONAJ: Thank you, Commissioner. The Sanitation was a big one for me, and I thought this was going to be great given property owners an opportunity—small businesses an opportunity to correct and cure each and every time on something that is no longer nickel and diming them, but really hurting them based on the number of sidewalk violations that are issued for not being maintained. If this is going to be the practice on other areas such as signage, you may not have been

aware and we're going to give you a cure period that there's a regulation, which we help put the Maritime back on. That's great. You may not have been aware that, you know, a specific—your range is not up to date. I'm with you that you may have a cracked sidewalk. Is that one of the possibilities that if your sidewalk I cracked and could be a potential trip/fall that we're not going to give you a violation. We're going to put you on notice with a cure period? These are the ones that make a huge difference. If it's going to be, well, or your signage inside the notices that you need posted on a wall, which are city, state and federal that if you weren't aware that the font changed of the notice has been updated, and we're going to give you a notice today that, you know, the—you—you have to update your signage appropriately, which I would have rather worked with you on using technologies, the means to inform workers of their rights and their responsibilities that the employers have would be the way to go so no one is ever in violation. We can update those forms. You currently need a wall of 8 foot by 10 foot just to post all of the notices, and that's city, state and federal, but on the city end

we can lead by example. If it's just a single notice and I'm moving forward on repeat offenses requiring a fine for a different notice that's where I feel a little deceived.

COMMISSIONER BISHOP: No that's not--and that's not what we're saying. We're saying for certain types of violations, it is a cure period where the first time it's a zero dollar, but we'd be happy to--to talk to you--

CHAIRPERSON GJONAJ: I'm looking.

COMMISSIONER BISHOP: --with about the other, you know, 70 something violations that we can figure out a way to come up with a cure period.

CHAIRPERSON GJONAJ: Thank you. We've been joined by Council Member Perkins, and Council Member Levine has joined us as well and he has a question for you.

COUNCIL MEMBER LEVINE: Thank you, Chair. Commissioner, hello.

COMMISSIONER BISHOP: How you doing?

COUNCIL MEMBER LEVINE: Good. How are you?

COMMISSIONER BISHOP: Good, very good.

COUNCIL MEMBER LEVINE: I want to ask about and this is an issue that you and I have talked about a number of times, and I think it's—it continues to be a big problem for—for—for small businesses that are in retail locations. Now the, um, real estate taxes that are passed through to them that often they —it's very opaque, and we've seen increases as you've heard in my district of something like 70 or \$80,000 over a five or six-year period from about \$20,000 to \$100,000 or somewhere thereabouts, and, you know, in a relatively short period of time. Can you speak to what—how SBS is approaching this issue at large how we're affecting how protected or passed along to commercial tenants, and what options are out there both on the kind of macro level and the—and the micro level?

COMMISSIONER BISHOP: But so, um, an so I think the—the first part is the best defense for, you know, control and costs is the fair lease because the ability for a landlord to pass through whatever cost whether it's real estate taxes of maintenance taxes, et cetera are all spelled out in the lease. So, what we have done and we're really excited that the Mayor during the State of the City announced an expansion

of this was create a commercial lease assistance program. So the—the focus for us is really helping our, you know, small business owners get access to attorneys to help with the negotiations and one of the things that we also were able to talk or the Mayor announced was, you know, doing some type of a lease transparency. So really working with the industry and coming up with a standard lease that will actually be transparent about not only your—your taxes, but other costs. So, for example we've seen business owners who have signed a lease and wanted to do one use in that particular space just to realize that the Certificate of Occupancy said a different use, which now adds additional time to change the use of that space. So there's a number of things that we've heard from small businesses. I would say that on the sort of macro level as you know the Mayor has created a commission for, you know, just to examine property tax in general. We're optimistic about the fact that if once a commission comes out and they're meeting now comes out with recommendations that we'll see some type of balance, and we'll then hopefully see some benefits to our small businesses, but for us the best defense is really your lease, and having—and

having disclosure in your lease about, you know, the expected property tax pass-through because we've see you know the triple net lease is what you're talking about where, you know the property tax just goes right through to your rent. Yeah, and if a business owner has no clue as what-what the property tax now and what it will be, they don't know how to actually, you know, forecast their projects in terms of what revenues they need to have in the outer years. So that is our focus really is to ensure transparency in that particular area.

COUNCIL MEMBER LEVINE: So, the Property Tax Commission is kind of examining this issue in particular of how the-how those taxes are assessed or as a class or-or is that not necessary?

COMMISSIONER BISHOP: You know I think it's-so my understanding is the Commission is looking at just how property taxes are assessed in general.

COUNCIL MEMBER LEVINE: Right.

COMMISSIONER BISHOP: Because as you know, there are some challenges where in certain communities the property tax is higher than in other communities.

COUNCIL MEMBER LEVINE: Yep.

2 COMMISSIONER BISHOP: Et cetera, et
3 cetera. So, that's—that's in general but the trickle
4 down effect would be you, you know, if, I mean
5 whatever the recommendations come out of this, you
6 know, the—the assumption is that if there's a level
7 set of property tax then there's some transparency
8 and then, therefore, again it goes back to our
9 strategy. Business owners will then be better
10 informed about what that triple, what that past due
11 would look like.

12 COUNCIL MEMBER LEVINE: Okay and what is
13 the budget of that—the Assistance Program?

14 COMMISSIONER BISHOP: So, currently we're
15 about \$2.4 million for FY21 or for FY20. So far for
16 FY21.

17 COUNCIL MEMBER LEVINE: 21. Okay great.
18 Okay, thank you Commissioner. Thank you.

19 CHAIRPERSON GJONAJ: Thank you, Council
20 Member. I believe Council Member Perkins has a
21 question.

22 COUNCIL MEMBER PERKINS: Thank you,
23 Chair. I don't—I want to—this idea of small business
24 always sort of confounds me a little. I don't think
25 that such a thing is small business per se. In fact,

they need to act, you in its—in its totality. Small business especially for communities of a certain type and especially for the city is really big business. They incubate, but there is a reason to look at them from the perspective of how much they provide to our neighborhoods, how much they provide collectively in a—in a broader sense of the word. So, sometimes it appears that the small business is just lollipops and candy and other kind of minor stuff, but, in fact, from an economic point of view don't be rich until you got small businesses and what they provide our city and our community.

COMMISSIONER BISHOP: So, I would—so absolutely. We look at small businesses and I've said it a number of times they are the economic engine of the city. So, to your point--

COUNCIL MEMBER PERKINS: Could you repeat that again?

COMMISSIONER BISHOP: They are the economic engine of the city.

COUNCIL MEMBER PERKINS: Thank you.

COMMISSIONER BISHOP: Our small businesses employ over—about 3.9 million New Yorkers and when we—the small businesses that we deal with

are really micro businesses and, you know, Council Member Gjonaj and I have had a number of conversations about the difference, you know, because those businesses that's why they need our services. They tend to have five or less employees. They may not have a retainer at a law firm. They may not have a banker that they can go to and just get a line of credit. So, that's why a number of our resources are—are aimed at those very small businesses to ensure that they have the resources necessary to grow. So, you're absolutely correct, they are, you know, focused on legacy businesses. Those are the businesses that have been around in communities forever. They're the ones that's hiring. They're the ones that's giving back to the Little League. They're the ones that are providing, you know, the—the young people in the community their first internship opportunities, their first job. So, we, and I've said a number of times that we need to support our small businesses. We've talked and Council Member we talked about, you know, what the changing and consumer behavior is doing to our small business, and I just remind New Yorkers all the time that they need to, you know, go out support their

small businesses, purchase from their small businesses, but we also are providing services to help our small businesses adapt to the changing consumer behavior. So, we have courses on how to develop an e-commerce strategy. So, if you're a small business, and you're not online, when someone moves into the neighborhood the first thing they're going to do is search online for a shoemaker, or something like that, and if you're that shoemaker in the--in the community and you don't have an online presence, then you're going to get, you're going to lose customers. So, we are operating on both sides to help our small businesses.

COUNCIL MEMBER PERKINS: In that regard all small businesses becoming more tech savvy so to speak, and engaged in some of the more I guess modernized approaches to doing business--

COMMISSIONER BISHOP: But--

COUNCIL MEMBER PERKINS: --even the that are so called small, but nevertheless profitable and from a community point of view available, you know to the--

COMMISSIONER BISHOP: Yep.

2 COUNCIL MEMBER PERKINS: --to the local
3 neighborhood?

4 COMMISSIONER BISHOP: So, we work closely
5 with. So, the answer to your question is yes. A lot
6 of small businesses have realized that they need to
7 have an online strategy whether it's taking courses
8 that we offer or taking courses that are chambers of
9 commerce offers. So, I know like the--the couple of
10 chambers who have partnerships with tech companies to
11 help those small businesses develop the online
12 profile. So those are the--those are the things that
13 we need to focus on, and continue to focus on because
14 they are slow--they're adapting to the fact that they
15 need to have that all-in presence.

16 COUNCIL MEMBER PERKINS: Thank you, thank
17 you.

18 COMMISSIONER BISHOP: Thank you.

19 CHAIRPERSON GJONAJ: Thank you, Council
20 Member. Commissioner the Fiscal 2020 Adopted Expense
21 Budget was approximately \$92 billion of which the
22 Council portion was only about \$456 million or less
23 than 1% of the total budget. However, in the Fiscal
24 2020 of SBS' \$236 million adopted budget,
25 approximately \$24 million or 10% comprised of Council

funding. Why was Council funding support such a larger percentage of the agency's budget?

COMMISSIONER BISHOP: So, again, so a lot of our agency staff is focused on delivering programs, and we've had these conversations in the past about when Council appropriates discretionary funds there is time and effort in order to actually work with the different organizations to actually ensure that we get the proper paperwork and we are able to actually reimburse those companies. So, those--that time and effort requires manpower, and without that funding we would have to reduce programming to help our small businesses, to help our job seekers in order to meet the--the funding requests that Council in terms of the discretionary that Council places on us.

CHAIRPERSON GJONAJ: Well Council Members have limited dollar amounts available to introduce at their discretion, and these programs, which include and some of the are well worth it. We've seen the effects and impacts that they have from Chamber on the Go, construction site safety, training day labor workers, job placement for veterans, Job Training and Placement Initiative, Made in New York City, WMBE

Leadership Association, and Neighbor Development Grant Initiatives, Worker Cooperative Business Development Initiative, New York City Clean Up and Anti-Poverty, a Speaker Initiative at Borough. It's \$24 million of City Council initiated funding. There are many of these just have to be baselined, put into their budget not only—and I understand that you have the oversight. We have limited funds knowing these programs and how effective they are, and how useful they are to our small business, what they mean to our commercial corridors and they are viable at such vows (sic) of times, is the point I'm making. What can we do to take the—have these programs baselined rather than have Council Members use the limited discretionary funding?

COMMISSIONER BISHOP: I think that's a good—it's a good question and it's a conversation that I think Council should have with the Budget Office. I think there's—there's always, you know, we are in this together. So there are programs that—that we have baselined, and there are programs that—that Council has funded, and—and together we have made, you know, great progress, but I would—I would say that that's a—that's a higher level conversation.

CHAIRPERSON GJONAJ: All conversation is beginning somewhere I guess. Commissioner, the Fiscal 2021 Preliminary Budget includes \$200,000 in Fiscal 2021, \$800,000 in Fiscal 2022 and \$500,000 in Fiscal 2023 for a disparity study.

COMMISSIONER BISHOP: Uh-hm.

CHAIRPERSON GJONAJ: What was some lessons learned from the last disparity study around availability and contract utilization of funds by industry classification and minority use.

COMMISSIONER BISHOP: So, I think--so--so number one, one of the things that we were able to from the last disparity study we were able to focus on Native Americans. So in the past that they were--they were not eligible for the program. So, we were able to add Native Americans to the program. So that was a benefit from the--the last disparity study. We also have seen that, you know, we--we--again as I mentioned earlier, we have a lot of companies that are ready and willing, but they're not able. So, you know folks depend a lot on our Capacity Building programs to really--and this is like the, you know, access to capital. This is the back office support. So, in my testimony where I talked about us expanding

the-the trainings for human, you know, HR for the-to help with the back office, those are some of the things that we learned from the Describe the City that we need to-to help all businesses.

CHAIRPERSON GJONAJ: Obviously these studies are important and the question is a follow-up. Based on the Native Americans-what are the results that have come out and what steps has SBS taken after the results came out, and what can we expect from this particular study?

COMMISSIONER BISHOP: So, just to-just to make sure that we-we give some context. So the Disparity Study is actually the-the-the underpinning of our program. We cannot have a race and gender program, a focus program without showing some type of disparity. So, the study is actually the foundation of the MWBE program. So, we're required to refresh that study over a certain period of time so that's what you're seeing now and the study then dictates what goals we set for each individual group in terms of what percentage, what aspirational goal that we set for each additional group in terms of city procurement. So, the study is really to examine whether or not the MWB program is-is working, and the

goal really is if you think about it is that as we move forward, and as we are seeing increased utilization, then the percentages that we then allocate in terms of aspirational percentages will decline over time to the point where when we eliminate the disparity I mean the goal is really to eliminate the disparity, which is why we have to continue to study.

CHAIRPERSON GJONAJ: Thank you. So, 2020 is an important year for census. Has the agency actively started engaging the public in forms of mass communications whether through our advance mail flyers or media using small businesses as the vehicle to get the word out, the deadline, the importance of federal dollars and what it could mean if someone goes uncounsed to make up for the mistakes that we've had in previous census.

COMMISSIONER BISHOP: Yes, absolutely. So, mentally--so we worked with Census on a number of different areas, but we have worked closely with the Census Office not only to help with like training individuals, but also to educate individuals who are coming to like for example a Workforce 1 Center, why it's important for--to fill out the census our NYC

Business Solution Centers, why it's important to fill out the census. Whenever I have gone to any event regardless of what it is I—I mentioned the fact that, you know, without, you know, the—the fact that the dollars that are at risk individuals do not fill out the census. So, we have worked closely with not only the Census but also with ABNY because they are focused a lot on how the business community can help individuals respond to the census, and we will continue to, you know, amplify that message actually in the next week or two because that's when the—the mailers are actually going to go out.

CHAIRPERSON GJONAJ: Is there a dollar amount that has been associated to a specific project?

COMMISSIONER BISHOP: We have been using our—our existing resources to actually spread the messages. So that's like social media, email and then our centers—our center staff.

CHAIRPERSON GJONAJ: On transparency of headcount, can you give us an indication as to the head count for us for current positions that are open in your portal and why such a big swing from previous years?

COMMISSIONER BISHOP: So, I think you know we--when we first started we had a high vacancy rate. We've been working closely with our Budget Office, and with Council. We have been able to become a little bit more effective. So our--our average vacancy rate is about 8%, which we think is a healthy vacancy rate. It represents about 22, actually about 26 positions that we're in agreement for, and even though online you'll see a little bit more, some of that is because we've made an offer, and we do not take down the job description until we get approval by OMB because in case when the approval comes, you know, the individual decides to find another job we want to make sure that we are able to you know, get someone in as quickly as possible, or we do have non-city funded positions that we do advertise on our website.

CHAIRPERSON GJONAJ: Can you identify the unfilled positions that currently exist today?

COMMISSIONER BISHOP: If--yeah, I--I can certainly follow up with you. I mean we--if you want me to go online and--and read out the positions, but I mean they're--they're scattered across the agency

between Workforce, Neighborhood Development, Depot and even our internal operations.

CHAIRPERSON GJONAJ: And you feel comfortable with the vacancy rates? They're not alarming to the agency?

COMMISSIONER BISHOP: Well, I mean 8%--I mean, you know, we have an unemployment rate of like 3 point--what's it? 4% or something like that. So, in the--in the--it's a job seekers market and, you know, one of the challenges we have seen for example is in our ability to retain staff and tech. You know, individuals can make a lot more in the private sector. So, you know, that's one of the reasons why I'm really proud of this agency because the people who are here they're here because of the commitment to serving the people of New York and, you know, again that's that sell, that's the things that we have to do to recruit individuals into the agency because they can certainly make a lot more money on the--on the outside, but the--the most rewarding part is being a public servant, and that's a message I send all the time.

CHAIRPERSON GJONAJ: So, what happens when there's a line item for PS, and we don't hit the

2 goal. They surplus. Where does that funding go? Can
3 that money be used for something else or does it just
4 get refunded. It goes back into the General Fund?

5 COMMISSIONER BISHOP: No, it cannot be
6 used for anything else. Are you—are you saying that
7 so we have not been able to fill a position by—by a
8 particular period of time?

9 CHAIRPERSON GJONAJ: Yes.

10 COMMISSIONER BISHOP: No, it's--

11 CHAIRPERSON GJONAJ: So, your projects
12 ends, a new one begins with that surplus?

13 COMMISSIONER BISHOP: So that just
14 represents savings to the overall general budget, but
15 we will—obviously our goal is always to fill these
16 positions as quickly as possible.

17 CHAIRPERSON GJONAJ: So, we can't
18 allocate that towards anything else or just--

19 COMMISSIONER BISHOP: No. I mean we have
20 to talk to OMB but no.

21 CHAIRPERSON GJONAJ: Yes, Council. The
22 Council Member wants to follow up.

23 COUNCIL MEMBER PERKINS: Recognizing that
24 you—that you can't do anything with that money what
25 happens to that surplus?

2 COMMISSIONER BISHOP: so, again, the-the-
3 from my-so again this is more the larger city budget.
4 Any agency that has savings in PS is-is recognized by
5 OMB as savings but we-we continue to push to hire as
6 quickly as possible.

7 COUNCIL MEMBER PERKINS: But even at
8 these savings what-you're pushing to hire, which is
9 nearly impossible but the savings what-what happens
10 with that?

11 COMMISSIONER BISHOP: I think that's a-
12 that's a question for the Budget Office. I'm not
13 sure what-what happens to that savings.

14 COUNCIL MEMBER PERKINS: Okay, thank you.

15 CHAIRPERSON GJONAJ: Thank you, Council
16 Member.

17 COUNCIL MEMBER PERKINS: Thank you.

18 CHAIRPERSON GJONAJ: Commissioner, can
19 you-Commissioner, can you please continue explaining
20 some of the new programs that we have in this fiscal
21 budget including maritime inspections, funding for
22 indirect cross-road issue, brick village demolition
23 and the NYC Young Men's Initiative?

24 COMMISSIONER BISHOP: Sorry. Can you
25 repeat that question again?

2 CHAIRPERSON GJONAJ: The question is in
3 and around the new initiatives that have been
4 introduced at this budget from Maritime inspections
5 to funding for the Indirect Cost Rate Initiative,
6 Brick Village demolition, the NYC Young Men's
7 Initiative and the Construction Safety Training.

8 COMMISSIONER BISHOP: Right for some of
9 those initiatives they are related to work that's
10 operating with Governor's Island, and for the other
11 initiatives like the Young Men's Initiative those are
12 all funding that we got for our training, and again,
13 our focus is really on connecting New Yorkers to good
14 jobs.

15 CHAIRPERSON GJONAJ: I know time is a
16 concern for you, and I promised not to keep you here
17 longer than I have to. (background comments/pause)
18 The Administrator set a goal to have 30% of the
19 dollar amounts of it, and you elaborated on this and
20 you feel comfortable where we are. Is there a—under
21 the new WMBEs, is there a decrease on the renewals?

22 COMMISSIONER BISHOP: You're talking
23 about recertification?

24 CHAIRPERSON GJONAJ: Yes.
25

COMMISSIONER BISHOP: So last year, we were about I think 101% based on the fact that we were hitting where folks are increasing our utilization to our certified target to 9,000. You know, right now our goal in the--in the MMR we measured at our utilization being at 60. Sorry, our recertification being at 65%. So, I--it's--I do not think we're going to have an issue with our recertification rate.

CHAIRPERSON GJONAJ: Commissioner, I'm looking forward to continuing the discussions in the budget and making sure that we allocate every dollar possible to the work of the SBS and ensuring at Small Business that someone is fighting for them, and that includes giving them a fighting chance from regulations to fines, real estate taxes, water and sewer on top of all the other challenges that they're faced with. We certainly can do it--and we've spoken about this so many times--a much better job. I really want to hear more about the grace period, short periods on violations and how extensive we're going to make sure that we can--we are supportive of the needs of our small businesses, and instead of that

bartering that determines whether or not they stay open. Thank you, Commissioner.

COMMISSIONER BISHOP: Thank you. I'm looking forward having dinner in Chinatown. (laughter)

CHAIRPERSON GJONAJ: Safe travels.

COMMISSIONER BISHOP: So, thank you.

CHAIRPERSON GJONAJ: I'm looking forward to a braised pan. (sic) (laughter)

COMMISSIONER BISHOP: Thank you very much.

COUNCIL MEMBER PERKINS: Thank you.
(background comments/pause)

CHAIRPERSON GJONAJ: So, I would like to-- like to welcome up our first panel: Sylvia Morris, Julian McKinley, Emily Marie Ramos, and Pablo Benson Sylvio. (background comments/pause)

MALE SPEAKER: Good afternoon--Good afternoon Chairperson Gjonaj, and distinguished members of the New York City Council.

LEGAL COUNSEL: Hold on for a moment.
Sorry--

MALE SPEAKER: Oh, yeah.

LEGAL COUNSEL: --but there is no sign to speak. (pause)

CHAIRPERSON GJONAJ: So, in no particular order. I guess we can start from the end.

MALE SPEAKER: Okay, great. Thank you Chairperson Gjonaj for—and the distinguished members of the New York City Council Committee on Small Business. On behalf—I'm here on behalf of the 14 organizations that make up the Worker Co-op Business Development Initiative, also known as WCDI. We would like to thank you for the opportunity to testify on the economic and social opportunities inherent in the structure of cooperative and to share the success that we have achieved through the implementation of WCDI, and look ahead to supporting the creation of more businesses, dignified jobs and shared prosperity for New York City residents in Fiscal Year 2021. Fiver years ago New York City Council made history by passing the nation's first Worker Co-op Development initiative. Since then over 20 cities across the nation are looking closely and replicating and catching up to New York City. Some cities have already passed some more legislation: Madison, Philadelphia, Oakland, Boston, Santa Clara while many others are actively considering legislation. Over the same period of this—during the period of this

initiative, has create 132 new cooperative businesses, reached nearly 8,000 current or perspective entrepreneurs, and created 631 new jobs that are not only providing higher hourly wages, but are also building less weather and access for their workers. The organization I represent, the New York City Network of Worker Cooperatives is a local trade association representing worker cooperative businesses across the New York City Metropolitan area. As a member of the City Council funded initiative, we have seen first hand how the initiative has served to bolster our sectors, strengthen existing cooperative businesses, and create new ones, which are overwhelmingly immigrant and women owned. The initiative partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensure the creation of new cooperatives in low income areas, but also the technical assistance needed to sustain businesses and create jobs as well as the education and outreach needed for-for communities, interested entrepreneurs and allied organizations. We urge City Council to support worker co-ops, which provide higher wages, and jobs

stability to individual workers and their communities by enhancing the initiative currently funded at \$3.69 million to \$5.04 million for Fiscal Year 21. WCDI partners essential service—provide essential services to worker cooperatives, and raise awareness about in the classified boroughs. At this point I would also like to acknowledge the continue support of Council Member Rosenthal, and many others on City Council for their—for their advocacy for this initiative. We also support—as well as the support and partnership of SBS as our contracting agency. As the interest in work co-ops continue to grow locally and nationally, we hope the city continues to play a role in supporting New York City based worker cooperatives and non-profits that support this work such as the Working World some of the colleagues that are at this table with me right now, Democracy at Work Institute, Green Worker Cooperative, Center for Family Life among many others that promote the expansion of work cooperative businesses as a means to reduce poverty and income inequality in New York. While the initiative has made remarkable progress in the last five years, the infrastructure needed to support the growing cooperative community in New York needs to be

expanded. With increased funding the initiative will not only continue to develop new cooperative businesses with 42 new cooperatives set to launch this fiscal year, but foster an environment where such cooperatives—enterprises will thrive in the long term. With increased support, WCDI will focus on building upon the successes, innovations that you will hear about today from my colleagues in the initiative. We will reach new communities by providing support for more co-op support organizations, as we have—as we have seen growing interest from CBOs, labor unions, academic institutions among others that are interested in bringing the cooperative model and the co-op—and co-op education to their communities. In addition, the initiative will continue to have an impact on cooperative creation on assisting provided—on assistance provided and on jobs create with at least 170 new jobs set to be created with this enhancement next fiscal year. We thank City Council for the opportunity to testify, and we hope you will consider our budget priorities and recommendations during this year's budget negotiation process, and look forward to continue working closely with you to ensure hard

working individuals and families have opportunities to achieve economic advancement and shared prosperity for all New Yorkers Thanks.

CHAIRPERSON GJONAJ: Thank you, sir.

SYLVIA MORRIS: Good afternoon.

CHAIRPERSON GJONAJ: Hit the red button.

SYLVIA MORRIS: Good afternoon, Chairperson Gjonaj and the distinguished members of the New York City Council Committee on Small Business. My name is Sylvia Morris and I work in the Cooperative Development Program at the Center for Family Life or CFL a 40-year-old social services organization based in Sunset Park in Brooklyn. CFL and part of the Worker Cooperative Business Development Initiative since its inception, and we're deeply grateful for the City Council's support for worker cooperative development to fight economic inequality in our city. Since 2005 CFL has provided tailored long-term business incubation and technical assistance services to more than 20 worker owned cooperative businesses representing more than 500 workers, and which has generated over \$15 million in low-income neighborhoods. We've also trained 46 community organizations in cooperative development

since 2012, many of which have gone on to help develop cooperative businesses. Worker owners in the cooperative businesses that we partner with are primarily immigrant women. Among CFL supported co-ops, 76% of worker owners are Spanish speaking English language learners; 83% are women; 73% have a high school education or less and 72% are parents. Prior to joining a cooperative most of these workers struggled to make ends meet by covering together many different low wage gigs often in exploitative and unsafe conditions. Now, as small business owners these workers are creating better jobs for themselves and their communities. They are strengthening their family's economic stability and building the skills and knowledge to take on leadership positions in their small business and in their communities. In the Worker Cooperatives that we support in the cleaning sector, for instance workers on average see their wages double after joining a cooperative. In a 2019 Vehicle Survey, the majority of worker owners reported that joining a cooperative had enabled them to become more financially stable and independent and to establish savings. WCDI is not only helping to start worker owned cooperative businesses, but is

innovating models to scale worker ownership in communities historically under-represented in small business ownership. CSL developed Up and Go, which is a cooperatively owned web app for worker cooperatives from across the city to jointly market their services. Up and Go helps cooperatives more quickly enter the market, compete in the digital gig economy, and share in the wealth that's generated by technology and transforming their industries. CSL launched the country's first worker cooperative franchise Brightly Cleaning through shared branding and branding and business infrastructure. The franchise reduces many of the barriers for worker-owners to start up and sustain successful cooperative businesses. These approaches like all of the WCDI's work have made small business ownership accessible to our city's most vulnerable workers, and garnered attention from across the U.S. and internationally as models for equitable economic development. We thank you and urge your continued and enhanced support from the New York City Council for worker cooperative development in Fiscal Year 2021, which will expand transformational small business ownership opportunities for workers as an essential part of the

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2 portfolio of the Department of Small Business

3 Services. Thank you.

4 CHAIRPERSON GJONAJ: Thank you.

5 EMILY MARIE RAMOS: Hi. Good afternoon.

6 My name is Emily Marie Ramos. I am a native New

7 Yorker. I grew up in the Lower East Side in Spanish

8 Harlem, and in New York City Public Housing living in

9 Wald Houses and East River Houses. I am here

10 representing my worker cooperative Jamie Madre, LLC

11 as well as Ms. Knox Advocacy Council, Green Worker

12 Cooperative Academy, our Business Incubator Program,

13 East Harlem Preservation and Address the Issue with

14 USA. (sic) I consider this work as someone who has

15 been personally harmed by Marijuana prohibition in

16 the U.S. My father was criminalized and arrested for

17 selling Marijuana in Village Houses in the Lower East

18 Side. My father lost 12 years of life because of

19 this—because of Marijuana prohibition. He spent it

20 in prison, and still after being released fro prison

21 he's still struggling to rebuild his life 27 years

22 later. My father has been barred living in NYCHA

23 affordable housing, receiving funding for higher

24 education and access to traditional employment. My

25 father was able to start his own small business as a

general contractor being the first person in my family to have a business license. I am now the second person in my family to have a business license than you to the Worker Cooperatives Business Development Initiative, Green Worker Cooperative Academy Business Incubator Program and New York City Worker Cooperative our trade association. I was able to receive the benefits of this initiative and recently graduated the Green Worker Cooperative Academy in the South Bronx in January of 2019. Since then we have been heavily—heavily involved in advocacy, organizing and community education. We have hosted three Marijuana forums, and in New York—in New York City in the Lower East Side and Spanish Harlem in co-sponsorship with the Assembly Member Harvey Epstein, and Assembly Member Robert Rodriguez. The Manhattan Borough President Gale Brewer was also present at the Lower East Side Forum. We are members of the Site Smart Campaign to Legalize Marijuana in New York with equity reparative justice and community re-investment so people like my father can again—begin to rebuild their lives. We host CDC 101 workshops in senior centers in East Harlem, debunking stigmas and stereotyping on hemp, and educating the community so

that their relationship to the plant changes to one of medicine and not one that is related to trauma because of criminalization. We host educational community events. We form banks for legalization and response to lobby days on Drug Policy Alliance. Our next two lobby days are on March 11th and March 24th in Albany. We received our first grant from Green Worker Cooperative Academy this past year for our advocacy and education work in the community to help legalize Marijuana in New York for \$4,444. We just received our LLC in September of 2019. This past year we are also hosting events for National Expungement Week. We are one of over 43 across the country that are hosting events to inform people in the community on how they can get their records expunged, what is the criteria for expungement in co-sponsorship with Community Service Society Legal Action Center and Legal Aid Society who is leading the expungement event as well as some of the public defender services in New York City. Hanne Madre my worker cooperative is now the lead organizers for National Expungement Week in New York city. Our work expands beyond marijuana legalization. We are part—we want our government to divest in prisons and

corrections and invest in our communities. We are in support of Just Leadership USA's Build Communities Platform to divest in corrections and police and invest in building communities and education, career and job training, business incubator programs, affordable housing, parks, mental health services, community sense-community centers, small business services, the Worker Cooperative, Business Development Initiative, which supports organizations like our Trade Association McMac (sic) and our business incubator program through the Worker Cooperative Academy. When I was here testifying for the Public Safety hearing on 911 legalization, I was here listening to the testimony from the Corrections Officers and heard statistics like there are two to one correction officers to prisoners in prison. So, we could literally cut the budget in half, and be able to use that money to invest in our communities and their budget is very high close to a billion dollars. We can't pass down a job, but you can pass down a business. You can pass down land, you can pass down a home by investing in worker cooperatives. We're investing in creating intergenerational wealth in our communities so that we can support and sustain

ourselves. Worker cooperatives are good for the community. We give back to the community as you can see by the work that we do. We associate in the local economy. We are part of the economy and also spend our dollars in the economy that we are a part of, and we're good for the environment. You know, Green Worker Co-op is green because we're eco-friendly and not because we incubate Marijuana co-ops. We are also in support of the campaigns like the Public Bank, which is the legalized Marijuana New York because with better regulations we would need a system like the Public Bank to be able to store our money. So, we really just encourage that we start to tackle the issues at root, which often spans some poverty and by investing in our communities, we can support our communities to sustain ourselves and create a solidarity economy. Thank you.

CHAIRPERSON GJONAJ: Thank you.

JULIAN MCKINLEY: (coughs) (background comments/pause) Good afternoon. Whenever you're ready.

CHAIRPERSON GJONAJ: Thanks.

JULIAN MCKINLEY: Good afternoon,
Chairperson and distinguished members of the

committee. It is always an honor to address you, but especially today as I submit testimony in support of the hard working individuals and families in our communities. My name is Julian McKinley and I am the Senior Communications Director of Democracy at Work Institute, also know as DOWI, by some of our closet partners. On behalf—on behalf of DOWI and the the 14 organizations that make up the Worker Cooperative Business Development Initiative we thank you for the opportunity to speak to economic development within our community, and worker cooperatives' unique ability to establish, grow and retain community wealth. Our organization is headquartered in two places. We're anchored here in New York but also in California. We have staff who conduct business in support of worker ownerships throughout the United States and internationally as well. In our role as an organization created to expand—expand access to worker ownerships for communities affected by economic and social injustice, we conduct an annual census of firms. We monitor growth of the sector. We identify trends and successes and challenges as well so we can grow and improve over time. I share this because this work is of the unique view both a

bird's eye assessment that is combined with an intimate approach to supporting the workers and aspiring worker-owners in New York City. Over the past five years we've recorded a significant shift that began when New York City Council made the historic act of investing in community wealth building through this initiative. The Worker Cooperative Business Development Initiative. As a result New York City has—now has the largest worker cooperative ecosystem in the country surpassing San Francisco this past year. New York is home to the largest worker cooperative in the country that's Cooperative Home Care Associates located in the Bronx and they have over 2,000 employees. When we look at our worker cooperatives and the benefits, we kind of—lots of times people see a worker cooperative number one as sort of like a niece, something that's kind of like special and, you know, make, like how do we do this? But when you—when you get down to the bones of it, first of all it's a—it's a business. It's a partnership. Yes, you're sharing profits, but there are many, many benefits including while lots of businesses continue to grapple with like okay how do we manage to pay all of our workers a living wage?

Worker cooperatives are paying an average of \$20 an hour, which is well above minimum wage. Sylvia just mentioned brightly the Franchise Bill was started at DSL. They have—their workers who are—who are at Brightly, they wanted a move, were making \$10 an hour before. This is home cleaning, and now with the cooperative they're making up to \$25 an hour. It's a huge difference. I'm going to speed up a little bit. So, worker cooperatives have the potential to address chronic economic potential (sic) inequality that are faced by our communities including the most vulnerable residents, and this is made possible through City Council funding. The three largest worker co-ops in NYC are in lower occupations dominated by women of color that's home care, it's cleaning, it's janitorial services and these cooperatives are transforming these industries by improving working conditions, by increasing average pay and creating opportunities for growth through training and access to equity. Thanks to—thanks to the Council, WCDI has been able to like really transform the promise of worker co-ops into a reality. Year after year we have met or exceeded our goals. As Pablo mentioned, we've created more than

600 jobs from the time that we spend this initiative. We've reached over 8,000 entrepreneurs through education, and technical assistance, and we've created more than 130 businesses. We're asking you today to—to really continue the support and as we continue—continue our work the more money that we get, the more work we're able to do obviously, and I think our track record really shows that we're making impact, and we hope to continue that with Council support.

CHAIRPERSON GJONAJ: Thank you. I believe Council Member Perkins had a question for you and--

COUNCIL MEMBER PERKINS: First of all just thank your heroic efforts. I mean it sounds very fruitful and healthy, and so whatever we can do from our perspective as, you know Council Members and--concerned about our community, please don't hesitate to reach out to us. If you have a newsletter put us on the newsletter so that we can sort of follow up with the good work that you're doing, which we'd like to see obviously would happen, and I would have expected this to be seen. So, thank you for this report.

CHAIRPERSON GJONAJ: Thank you, Council Member. Council Member Levin has a follow up.

COUNCIL MEMBER LEVIN: Thank you, Chair. Just want to thank Miguel for your testimony, Ms. Ramos ,I just want to thank you as well for calling attention to the needs for us to have real infrastructure to create community equity with legalization of Marijuana likely to happen this year. Heard the Governor say that he is not leaving Albany until this is in the budget. So, you know, I take him at his word. He's the Governor, and-and so that would mean the end of this month would hopefully be the legislation that enables that. We need to have--so, we've--in my office first on your legislation to create a Marijuana Equity Program in New York City that absolutely has to extend to people like your father who has really borne the burden for really the rest of society in terms of--of his incarceration and--and what he's had to then. That has not happened to people that look like me who have--have used Marijuana for the last several generations And it's really important that we in New York State make sure that it's not just large corporations for people that have their foot in the door or people that have access to

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2 capital, people that have access to investors, and
3 big money that are going to see the benefit of this.
4 It has to be in-in communities especially people that
5 have been impacted. So, I just wanted to thank you
6 for your testimony, and we hear you loud and clear
7 and we look forward to working with you.

8 EMILY MARIE RAMOS: Thank you so much. I
9 really appreciate that. We're actually working on
10 building our workshops to teach people how to
11 transition from the unlicensed market into a
12 Marijuana worker Cooperative, and my Incubator
13 program our Green Worker Co-op is launching a kind of
14 co-op incubator course for Marijuana cooperatives
15 specifically. So, we'll keep you posted. Thank you.

16 COUNCIL MEMBER LEVIN: Let's work
17 together. Thank you so much. Thank you.

18 CHAIRPERSON GJONAJ: Thank you, Council
19 Member. Thank you very much panel. Can we have the
20 next panel? Andrea Bowen and Ollie Young King.
21 (background comments/pause) And no particular order.

22 ANDREA BOWEN: Thank you, Chair Gjonaj.
23 My name is Andrea Bowen, Principal Bowen with Public
24 Affairs Consulting, and thank you Council Member
25 Levin, thank you Council Member Perkins, thank staff,

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2 and the Committee on Small Business for appearing and
3 they have the opportunity to speak. I'm speaking
4 today primarily on behalf of the Sex Workers Project
5 at the Urban Justice Center. Sex Workers Project
6 provides client centered legal services for
7 individuals who engage in sex work regardless of
8 whether they do so by choice or, circumstance or
9 coercion. One of the first program in the nation to
10 assist survivors of human trafficking Sex Workers
11 Project is pioneered and approached from human
12 rights, harm reduction and real life experiences of
13 our clients. One of the budget asks being made by
14 Sex Workers Project at the Urban Justice Center is
15 \$48,000 with MBWBE Job Training and Placement
16 Initiative contracted by SBS. Our program is a
17 proposal to fund the operation of Sex Workers
18 Community Empowerment Groups which will meet
19 regularly with a curriculum that includes financial
20 literacy and planning, safety planning for the sex
21 trades. So, looking at like making sure whether-if
22 you're in the sex trades you can do your work safely.
23 Job Filter Sex Trades, Jobs Readiness for Jobs in the
24 Formal Economy, if that's an interest, and also
25 leadership skills things like speaking to the media,

community fundraising and organizing and organizational governance with like the hope that folks can also take part in the organization as well. This little paper like Metro Cards, staff time et cetera to run these groups. Sex workers as marginalized as they are in the formal economy are in need of services that build leadership skills and provide affirming Pathways for safer work experiences and work experiences in the sex trades and they'll go into the formal economy and the majority of workforce programming for the city is Free View, and the Workforce 1 Centers are very helpful in connecting adults directly to employment. We're the only organization specifically directed towards sex workers that sex workers led sex workers led that also provides employment skill building services like this. And given the effectiveness of credible messengers, so people from specific community imparting skills to that same community. The services provided in our—in our funding application, which would also be sex worker led are aware in integral model for providing employment services for sex workers in New York City. We believe in repeating—meeting people where they are with our harm

reduction and human rights centered approach, and we just want people to be able have the tools so they will be able to live their lives the way they want. So, there that is the vision on that point. We're just asking for \$48,000 and Job Readiness Training Initiative for the service which is already—which has previously been funded by I think the Anna Byrd Foundation. So, we're just looking for council funding to continue the program there. I also just want to note I also work with Nick Knock and as a transgender woman, I support the increase for the Workforce Cooperative Business Development Initiative as I know that, you know, transgender people, gender non-conforming and non-binary people are frequently locked out of the formal economy and WCDBI provides an opportunity for trans people to be able to make their own jobs and people to, you know, survive. So, and thank you so much for your time. I'm also submitting a separate testimony about WCDBI and its impact on TDNC&B folks, transgender non- gender non-conforming and non-binary, but and also the fact sheet on sex workers—Sex Workers Project. I asked for this here.

CHAIRPERSON GJONAJ: Thank you so much.

ANDREA BOWEN: Thank you.

AHYOUNG KIM: Thank you Chair Gjonaj and the New York City Committee on Small Businesses. My name is Ahyoung Kim I'm the Small Business Project Manager at the Asian-American Federation. As you are aware I'm sure the Asian owned business in the city are contributing tremendously to the city's economy. They have taken up-up to (coughs) about half of the menu in economic activity as well as half of, you know, economic-hiring between 2002 to 2012, but yet I'm here to testify that there is not enough support for the small business owners that are Asian-American that have language-language capacities that deter them from engaging with the city agencies naturally, and they need some moral supports to make sure that they don't fall through the cracks of all the regulation issues that you're already aware of, and also to make sure that they are assessing the services that is given by the city agencies to help the small businesses. One of our pilot-pilot programs right now from the Federation is the Small Business Assistance Program. We are helping about 100 merchants along with Union Street Corridor and Main Street-in the Flushing Downtown, and the problem

is we are about to lose funding for this issue. Our contract with the NYCDEC is ending in June 2020, and we are hearing and our merchants are also hearing that you are not supposed to be able to continue to get the technical assistance that we did, and also they are not going to be able to have that access to the Council Members that can actually advocate their needs and their concerns for what they see on the ground. As the Small Business Program we have facilitated round tables with the SBS, and also the— the Mayor's Office to make sure that these concerns are delivered to the persons that can take care of them, and also make sure that the language barriers or the confusing regulations are properly communicated to these merchants. But the problem is we see that even today, I'm getting calls from our merchants asking what the process had been or whether they are exempt or not, and whether they are going to be able to get their taxes advanced on this issue, and there is so much inconsistency and also lack of adequate language—in language material to make sure that the Asian small—small business owners are also informed at an earlier stage so that they are not being hit with regulations and violations. On top of

that, we see that the problem that we saw in the Main Street Area in Downtown Flushing due to parking— parking spots being lost and also gentrification and rent issues. I know Council Member Levin is working on that, but there is not enough bridge or access for these individuals to actually come to talk to you and tell you what they need imported to deal with these problems. Our budget as for the Committee on Small Business is \$1.25 million to provide immigrant small business with the in language technical support that need to thrive in the city. Wit this funding we plan to maintain and expand our Small Business Assistance Program to serve Asian and small businesses in Queens. In more detail what we plan to do with this funding is to provide informational seminars as well as technical assistance, inform small business owners of regulation and policy changes from the get-go so they don't get left out, and also to make sure that they get adequate quality, and language materials to guide them through issues of violations and inspections so that they don't get doubly burdened with the—with their lack of capacity to be able to communicate with the inspectors or not knowing their rights. They also want to create a language guide

for how to start a small business properly so that we don't have merchants as we see today and will operate under business licenses on somebody else's name for example or who just go into a commercial lease where they don't have the proper CO, but they don't know these regulations or what their rights are right now because of the lack of understanding. Chair Gjoaj, if I remember correctly in last year's oversight hearing you asked Commissioner Bishop why isn't the SBS doing these things. I got to say like when it comes to the Asian merchants that are new here and they have longer careers, it's very difficult for them to actually go to city agencies where even their own Council Members that are not Asian out of fear for retribution or not knowing whether they can have a trusting relationship Because of what they come from, where they come from. They've been burned by the government back in their home country. Their families are often under persecution , but also more importantly they just don't trust the government agencies because it's the government inspectors that always come after them. So, they--when we held a round table for the SBS Commissioner to meet the Korean-American business persons they were thrilled

and they were almost in disbelief that he wanted to talk to them and he wanted to hear out what the problem was. We believe that there's a lot of room for improvement especially when it comes to Asian small business--small business owners, and I want to point out to you that when it comes to the small business inspection (sic) by the SBS there's only two inquiries right now, one in Jamaica and one Astoria. These small business owners can't travel that far to get that help from the centers, and we want to make sure that maintain our presence in Queens.

CHAIRPERSON GJONAJ: I want to thank you. Miss Kim for that testimony but I want to piggyback a little bit on--I'm going to ask you the same question again: Why isn't SBS doing this? We've gone through that. I'm glad the Commissioner was out there, but on the Coronavirus outbreak and scare have you seen a tremendous impact in your community--

AHYOUNG KIM: Absolutely yes.

CHAIRPERSON GJONAJ: --the Asian community of small businesses?

AHYOUNG KIM: Yes.

CHAIRPERSON GJONAJ: What would you say to decreasing business has been since the scare and the fear factor is coming to the point?

AHYOUNG KIM: To be frank, at the beginning of the Virus outbreak we thought this was something that's going to pass, and we only ones limited to the bigger businesses on the main streets where the tourists come both in Manhattan and Sunset Park as well as Flushing. Nowadays we're seeing the economic detriment trickling down not only to restaurants that are most heavily affected, but also to people that are catering to these restaurants. Our printed for example has told me that a lot of his orders have been cancelled, and there's financial problems right now the restaurant owners in Flushing they had visited China for, you know, to visit their family over the Lunar New Year are still there. They can't come back to open the business as scheduled so they had to either cancel or forever defer the order that they put in with the printer. We also see that it's not only on the shift for Asian businesses, but everybody else that isn't. As an example, one of the biggest events a tech company in New York City they are also falling off the cliff. So, when it comes to

the problems here, we—we see that the economic harm is going to start—has already started in the Asian enclave, but it's only a matter of time before it hits the rest of the city, right, and we haven't seen enough for—for them on the ground.

CHAIRPERSON GJONAJ: I just want to—I want to elaborate. You said that some of the business owners are stuck in their homeland, and haven't been able to return. There is time for them to fly in if they can't reopen up their business.

AHYOUNG KIM: Right. Yeah, they weren't able to fly in because they're still on lockdown.

COUNCIL MEMBER PERKINS: They're still on lockdown but--?

AHYOUNG KIM: Back in China.

CHAIRPERSON GJONAJ: So, the entire country is on lockdown on re-entrance to the United States.

AHYOUNG KIM: Yes. I mean I—I need to go back and find a home, and these businesses are actually unable to open, but I do know there are at least three cases where they weren't able to open on schedule in the beginning of February and that has hurt our printer's business as well.

CHAIRPERSON GJONAJ: Ms. Kim, I want to stay in touch with you on this issue and see how we can be helpful-

AHYOUNG KIM: Absolutely help me.

CHAIRPERSON GJONAJ: --and help you address this major concern that impacts all of us and just not the Asian community. So, I want to thank you both for your testimony.

COUNCIL MEMBER PERKINS: Can I just ask a quick question on this.

CHAIRPERSON GJONAJ: Sure.

COUNCIL MEMBER PERKINS: I will—I will just ask: Why—why do a lockdown?

AHYOUNG KIM: You know, I did—I meant the Chinese government locking down the cities and not allowing people to fly out.

COUNCIL MEMBER PERKINS: I see.

AHYOUNG KIM: A lot of our merchants have visited—went to China in the middle of January to visit their families for the biggest celebration of the lunar new year and a lot of them still haven't been able to come back.

COUNCIL MEMBER PERKINS: So they are locked in from coming back?

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2 AHYOUNG KIM: Yes.

3 COUNCIL MEMBER PERKINS: Okay. Is there
4 the—what is—is that being challenged in some regard?

5 AHYOUNG KIM: Not that I'm aware of.

6 COUNCIL MEMBER PERKINS: Okay. Okay.

7 CHAIRPERSON GJONAJ: Thank you very much
8 for your testimony. That will conclude today's
9 hearing. [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 19, 2010