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|  | **The Council of the City of New York****Finance Division**Latonia Mckinney, Director**Fiscal Impact Statement****Proposed Intro. No: 704-A****Committee:** Economic Development  |
| **Title:** A local law in relation to requiring a survey and study of the racial, ethnic, and gender diversity among the directors, officers and executive level staff members of city contractors  | **Sponsor(S):** Council Members Crowley, Mealy, Chin, Gibson, Palma, Rose, Koslowitz, Ferreras-Copeland, Dickens, Mendez, Cumbo, Barron, Rosenthal, Lancman, Cornegy, King, Espinal, Reynoso, Torres, Kallos, Maisel, Wills, Menchaca, and Garodnick |

**Summary of Legislation:** This legislation would require the Department of Small Business Services (“SBS”) to create a voluntary survey by January 15, 2017 which would be sent to, and completed by, proposed City contractors and subcontractors. Such voluntary survey would request information regarding the selection and employment practices pertaining to the racial, ethnic and gender composition of such entities’ directors, officers, and other executive-level staff members and such entities’ plans for diversity in leadership. No information submitted to SBS through the survey could be the basis any contracting decisions by the City.

Additionally, this bill would require the Administration to submit to the Speaker and post on SBS’ website a report by July 1, 2018, analyzing the demographic information mentioned above, the entities’ plans for improving diversity, as well as the entities’ efforts to achieve those plans. The report could not identify any entity, nor could any of the information contained within the report be the basis for any contracting decisions by the City.

**Effective Date:** This local law would take effect immediately.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2017

**Fiscal Impact Statement:**

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|  | **Effective FY16** | **FY Succeeding Effective FY17** | **Full Fiscal Impact FY17** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $0 |
| **Net** | $0 | $0 | $0 |

**Impact on Revenues:** It is estimated that there would be no impact on revenues resulting from the enactment of this legislation.

**Impact on Expenditures:** SBS would use existing resources to implement this local law, and, therefore, it is anticipated that there would be minimal to no impact on expenditures resulting from the enactment of this legislation. Pursuant to section 1305(e) of the New York City Charter, SBS already prepares employment reports that must be submitted by contractors to whom agencies propose to award City contracts and their proposed subcontractors. The employment reports must include information about employment practices, policies, statistics, and collective bargaining agreements. Thus, there should be minimal to no cost for SBS to send an additional voluntary survey to contractors and subcontractors.

**Source of Funds To Cover Estimated Costs:** N/A

**Source of Information:** NYC Council Finance Division

**Estimate Prepared By:** Kendall Stephenson, Legislative Financial Analyst, New York City Council Finance

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**Estimate Reviewed By:** Emre Edev, Assistant Director, Finance Division

 Rebecca Chasan, Assistant Counsel, Finance Division

 Tanisha Edwards, Chief Counsel, Finance Division

**Legislative History:** Intro. No. 704 was introduced by the Council on March 11, 2015 and referred to the Committee on Economic Development. A hearing was held by the Committee on October 22, 2015 and the legislation was laid over. The legislation was subsequently amended and the amended legislation, Proposed Intro. No. 704-A will be considered by the Committee at a hearing on April 6, 2016. Upon successful vote by the Committee, Proposed Intro. No. 704-A will be voted on by the full Council on April 7, 2016.

**Date Prepared:** March 31, 2016