



FOR THE RECORD



Testimony of Lauren Schuster
New York Public Interest Research Group
Before the Committee on Economic Development
On the Impact of the Federal Economic Stimulus Package on New York City
February 9, 2009

Good afternoon and thank you for the opportunity to speak before you today. My name is Lauren Schuster and I am the 1Sky organizer and Environmental Campaign Coordinator at NYPIRG, the New York Public Interest Research Group. NYPIRG is New York State's largest social justice organization, with offices at 21 college campuses across the state. We have a long history of advocating for environmental and mass transit improvements at both the city and state levels. Recently, we have partnered with 1Sky, a national coalition of hundreds of organizations and thousands of Americans who are fighting for federal global warming solutions.

The economic crisis presents a tremendous opportunity for the United States to repower by creating a new, green economy. With federal funds from the economic stimulus package, New York City can create thousands of jobs, help low income people cut their home heating costs, improve the health of all New Yorkers, and provide assistance to the financially struggling MTA.

The Senate version of the plan includes a state loan guarantee program for rapid deployment of renewable energy and electric power. In addition to the obvious benefit that a move to renewable energy will have on this City's greenhouse gas emissions, participation in this program will create jobs and money savings by reducing the City's overall energy costs. Well trained, skilled laborers will be needed to manufacture and install renewable technology in commercial buildings across the state.

The move to renewable energy will be difficult for low and middle, and these people are already disproportionately affected by high home heating costs. The Federal Package currently includes billions to help low income people weatherize their homes. This money will alleviate the financial burden on New Yorkers who are struggling to make ends meet. Energy efficient housing will save your average New Yorker hundreds of dollars in energy costs each year and overall, it will contribute to a state-wide reduction in carbon emissions.

The Stimulus Package will also help to reduce the City's diesel emissions. New York City residents suffer from some of the highest rates of illness and death related to air pollution caused by diesel emissions in the nation. The City spends millions of dollars a year to treat these conditions. Moreover, diesel emissions contribute significantly to global warming and reducing this type of pollution will create an immediate and marked reduction in our fossil fuel emissions. The stimulus package currently includes billions of dollars for diesel pollution control programs. Such programs will improve New Yorker's health, save the City millions in Medicaid costs, reduce our greenhouse gas emissions and create thousands of jobs.

Finally, federal funds earmarked for transportation will inject money directly into the economy. We will be able to make improvements to the transit system and create thousands of well-paying jobs. In tough times, we need to invest in transit. If we make our buses, subways and commuter rails better, we are investing in our economy, the environment and our future.

Thank you for the opportunity to speak before you today. The Federal Economic Stimulus Package will provide tremendous benefits for New York City and State so long as it provides substantial investment into energy efficient development and deployment, it provides assistance to NYC's mass transit system, and helps those that need it the most.



Urban Agenda

Convener of NYC Apollo Alliance



Federal Economic Stimulus Package and New York City

While the economic forecast is grim across the country, New York State and New York City have been hit particularly hard. The financial sector contributes over 20 percent of the tax revenues for the state and in the wake of the current financial crisis, New York State is facing a deficit of over \$15 billion while New York City faces a shortfall close to \$4 billion.

New Yorkers are now faced with a harsh reality. Governor Paterson is proposing \$3.6 billion of cuts in healthcare, public schools will lose \$2 billion of aid, and \$300 to \$400 million would be cut from human services, economic development, work force, and higher education. New York City would be hit hard by the proposed cuts and the budget cuts would deprive the city of roughly \$1 billion. State funding for the Metropolitan Transportation Authority (MTA) would also be slashed by \$285 million. As a result, the MTA would be forced to drastically cut services while imposing a 25% fare hike to close their budget gap.

Recognizing the severity of the situation, President Obama has vowed to introduce an economic stimulus plan within the first few weeks of his new administration. The federal plan would increase spending to create jobs and slow the economic downturn. Increased spending on public infrastructure projects, such as rehabilitating and retrofitting schools, the mass transit system, and buildings, modernizing the electric power grid, and upgrading roads and bridges, provide the most economic return per dollar spent.

In New York City, there is an urgent need to secure federal economic stimulus dollars. Without capital funds, many projects will be abandoned and unemployment will rise. The New York City Apollo Alliance¹ urges Congress to fund projects that not only make New York City more sustainable but also create quality green collar jobs.

To ensure that the anticipated spending generates the most jobs possible in the immediate future and create new industries over the long term, we urge that the stimulus legislation include language that would allow cities and states to create a local procurement preference for the purchase of goods and materials used in federally funded capital projects. This will give local governments the authority they need to use the spending to nurture new local green manufacturing.

While there is a need to act quickly, we must also act responsibly. The opportunity to rebuild our economy in a just and sustainable manner cannot be squandered. Creating low-paying jobs that continue to force families to live in poverty with no benefits is not an economic stimulus and in the long run, will bring another economic crisis. On the other hand, creating good paying green collar jobs that provide benefits and pathways out of poverty protects workers and opens the door to economic and career advancement.

Recommended Criteria

In response to the federal stimulus, project proposals will be submitted from across the economic spectrum. Meaningful criteria must be used to evaluate the economic and environmental impact of proposed projects. We urge that funded projects should:

- ▶ Create employment for a wide spectrum of workers, ranging from low-skilled labor to highly skilled labor.
- ▶ Support local employment opportunities. Outsourcing occurs not only when jobs are sent overseas, but also when labor is imported into an area with a trained and ready labor pool that can, and should, be employed.
- ▶ Create jobs that provide good wages, health care benefits, and paid time off.
- ▶ Promote employment in environmentally sustainable areas, such as building retrofits, brownfield redevelopment, and urban forestry.
- ▶ Promote the maintenance and retrofitting of existing infrastructure, such as mass transit, roads, and bridges, rather than the building of new systems.

Examples of projects that meet these criteria include:

Mass Transit Projects

The Metropolitan Transit Authority is facing a tremendous budget shortfall. Without federal assistance, commuters will be faced with massive fare increases and service cuts. While large projects, like the 2nd Avenue Subway line, are in need of federal funds, there are several other lower profile projects that will help improve service and create good jobs:

- ▶ The rehabilitation of 9 stations on the Sea Beach subway line, costing \$540 million.
- ▶ Rehabilitation of 5 stations on the Pelham subway line, costing \$120 million.
- ▶ Rehabilitation of 12 stations on the West End subway line, costing \$325 million.

Rehabilitating subway stations and modernizing signal systems ensures safer, more environmentally sound stations and also employs union labor, guaranteeing family sustaining wages and benefits.

Promoting Energy Efficiency

According to the National Save Energy Coalition's stimulus recommendations, there are several programs that could be expanded to quickly channel funds to green jobs while ensuring that high standards of quality are maintained:

- ▶ Expanding federal funding of the Low-Income Weatherization program managed by the Department of Energy.
- ▶ Creating an "Efficiency Matching Fund" that will provide a 100% Federal match for all state-approved energy efficiency programs.
- ▶ Providing Home Retrofit Program funds for residential efficiency.

Providing a 100% Federal match for state-approved energy efficiency programs would quickly channel funds to green jobs. For every \$1 invested in such programs, typically \$2 to \$4 is saved by reducing costs for consumers and freeing up additional consumer purchasing power. Demand for energy is also decreased, lowering prices for all consumers.

Greening Affordable Housing

The New York City Housing Authority (NYCHA), which operates and maintains the largest public housing system in the country, is predominantly funded by the federal government. Ensuring that this housing stock is

green, sustainable, and energy efficient would not only create green collar jobs but also reduce greenhouse gas emissions, decrease energy use, and provide healthier accommodations for residents.

According to documents submitted by the City, there are \$486 million in projects for NYCHA that could be eligible for funding through the Public Housing Capital Fund and awarded within 90 days and \$128 million worth of projects that could be awarded within 180 days. Examples include:

- ▶ NYCHA could spend \$20 million to repair the roof at the Woodside Houses in Queens.
- ▶ NYCHA could spend \$41 million to upgrade the kitchens and bathrooms at Edenwald Houses, the largest public housing development in the Bronx.

Brownfield Redevelopment

A Brownfield is property that is not being redeveloped because of land contamination. The presence of hazardous materials poses liability, cost, and time obstacles to investment and redevelopment of these sites. Brownfields redevelopment brings tainted land back to productive uses and also creates good, green-collar jobs.

Federal investments in the Brownfields program have yielded 10 times the economic return.² In New York City, Brownfields are being handled by the Office of Environmental Remediation (OER), which was established on June 9, 2008 per Mayor Bloomberg's initiative in PlaNYC. All five boroughs contain sites where previous uses have left behind contamination.

Brownfield redevelopment opportunities could be expanded in the following ways:

- ▶ Expanding the Brownfields Cleanup Grant's Cap. Currently, the federal Brownfield's Cleanup Grant's cap is \$200,000 per site. However, the average cost of cleanup per site is \$602,000.³ The cap must be expanded to reflect more realistic costs of cleanup while rigorous oversight must be ensured.
- ▶ Ensuring the New York State Brownfield Opportunity Areas (BOA) program is fully funded. The BOA gives municipalities and community-based organizations across the state the tools they need to take the first steps to redevelop and clean-up blighted and polluted areas. However, plans are underway in Albany to gut this valuable program by transferring its resources for general budget relief.

Coupled with the fundamental need to create good, green-collar jobs, is the need to develop a trained and skilled workforce. Alongside funding projects that create jobs, the economic stimulus must fund training and readiness programs to ensure there is an adequate workforce ready to take on this new work.

Urban Agenda, convener of the NYC Apollo Alliance, recognizes the need for workforce development and has undertaken a roundtable process to bring together diverse interests to address the workforce development needed for the new green economy. For more information, please visit: www.urbanagenda.org/greenworkforce.htm#roundtable.

Job Readiness and Training Programs

Job training and readiness must go hand in hand with job creation, not just for the new green economy but also for any economic stimulus programs that create new jobs. Without a properly trained workforce, new jobs cannot be filled and unemployment figures will not decrease. We must ensure that job training and job creation are undertaken simultaneously. The programs listed below are examples of dozens of highly effective green jobs workforce development programs that could be implemented immediately to prepare a new green workforce.

Green Jobs Center

In response to an RFP from the NYC Department of Small Business Services the Consortium for Worker Education, the Association for Energy Affordability and the New York Industrial Retention Network developed a plan to integrate economic development services and workforce development in the field of energy efficiency. The plan includes a training center that would assess, train and place over 2,700 workers in the energy efficiency industry. The Center will also provide business services for over 900 businesses to expand or enter the market of energy efficiency work over a three year period. The annual budget for this endeavor is \$1.4 million.

The initiative could be expanded in depth and reach with additional funds, offering support for people coming out of poverty, retraining for laid-off workers, and business development services for the industry. The current plan focuses on energy efficiency, but the model could be expanded to include more segments of the energy supply chain, as well as other sectors under the "green jobs" umbrella, including urban horticulture, transportation, waste management and manufacturing.

CUNY – Job Training Programs

The City University of New York (CUNY) offers a range of education and training programs, both degree and non-degree, credit-bearing and non-credit, in "green" industries, including renewable energy and energy efficiency. These programs prepare entry-level workers as well as those looking to update their skills and knowledge. An infusion of \$2 million in operating funds for green energy training programs at CUNY could immediately expand programs in photovoltaic installation and systems, Building Performance Institute programs (which train people to evaluate and recommend changes that increase energy efficiency in buildings), and Building Operator Certification programs (which train individuals in building maintenance using new technologies and energy efficient systems.) With these funds, CUNY could build additional labs, hire new instructors, and train approximately 1600 more people each year.

Conclusion

The NYC Apollo Alliance strongly urges the Obama Administration to prioritize stimulus projects that meet the above listed criteria. While we must act quickly, we must also act responsibly. Now is the opportunity to rebuild our economy with programs that create good green collar jobs that provide pathways out of poverty and make our built environment more sustainable.

Notes

- 1 The NYC Apollo Alliance believes that the future of our city depends on a broad coalition working jointly to achieve positive social, economic, and environmental goals. Established in 2004, the coalition brings together unions, environmentalists and environmental justice advocates, businesses, educators, and community-based organizations to advocate for public policies that maximize the economic development and job creation potential of greening New York City
- 2 Northeast-Midwest Institute, "A Proposal to Increase Cleanup Grants for Brownfields Redevelopment," March 2008
- 3 See id.

Urban Agenda and the NYC Apollo Alliance

Urban Agenda, convener of the NYC Apollo Alliance, is an action-oriented public policy, research, and advocacy organization. It is dedicated to building a socially, economically, and environmentally just New York City. It advocates policies and programs grounded in strategic research and supported by strong coalitions of unions, business, and the community.





Testimony of Felice Farber

General Contractors Association of New York, Inc.

February 9, 2009

Oversight Hearing: The Impact of the Federal Economic Stimulus Package on
New York City

Thank you for the opportunity to testify today. My name is Felice Farber and I am the Director of External Affairs for the General Contractors Association of New York, a trade association representing the heavy construction industry since 1909. Our members have built and continue to build New York City's infrastructure—from roads and bridges, to mass transit systems, and water and wastewater systems.

According to the NYS Department of Labor, the construction industry lost 16,300 jobs in December. In the last three months New York State lost more than 100,000 jobs – the largest job losses since 1994 and that number continues to grow at an alarming rate.

The Economic Recovery Package making its way through Washington contains much needed capital dollars for New York State and New York City. The construction industry has the capacity and is ready to efficiently and quickly go to

work, building and repairing our infrastructure, creating jobs, and helping New York work its way out of the recession.

Ideally, the infrastructure stimulus bill would allow New York to expand our infrastructure, sparking for New York a future of growth and prosperity, just as we did in the 1930s when we built the Triborough Bridge, the George Washington Bridge and the Grand Central Parkway. These and other road and transit expansion projects set the stage for New York's economic growth of the 1950's and beyond.

The current federal plan sets strict limits on the time frame for spending the stimulus funds and, to a certain extent, affects the grand vision for the projects we ought to be building. While there are variations between the House and the Senate versions of the bill, they both contain provisions that mandate the state to obligate 50% of the funds within 90 or 180 days and the remainder by 2010 for projects that can be completed within three years.

Reductions in the city, MTA and state capital programs over the past years have left many projects ready to go but awaiting funding. We suggest several guiding principals in choosing projects for stimulus funding:

- Select ready to go projects that build on system expansion efforts. The transportation component of Moynihan Station is one such example.
- Select projects that repair our aging infrastructure rather than simply lay more asphalt, such as bridge and roadway rehabilitation rather than "mill and fill".
- Where federal funds are replacing state and local dollars, make sure to reprogram those state and local monies into other ready to go capital projects that might not be eligible for federal dollars.

- Move forward with project designs, so that when the economy recovers, there are projects ready to go. At the current rate, we will be depleting our roster of projects, and risk having no bench of projects to build – this is particularly a concern at the state level.
- Make sure to fund basic water main and sewer replacement projects in addition to federally mandated water and wastewater treatment projects. This work has dropped off precipitously over the past several years.

It is critically important that we move forward spending the stimulus funds quickly and efficiently. If we don't, we risk returning the money to the State or sending it to other states. Moreover, the federal transportation bill, SAFETEA-LU is up for reauthorization this year and if we fail to spend the stimulus funds quickly and wisely, then we hinder reauthorization efforts and risk reduced authorization levels in a new transportation bill. Such an action would have a greater impact on New York's transportation infrastructure, then never having the stimulus bill in the first place.

Infrastructure investment is precisely the type of investments we should be making now. A well functioning transportation network – from our transit system to our roads and bridges and water and wastewater systems – is critical to the economic vitality of New York City and is the network that has allowed our city to grow and prosper over the years.

While the immediate investment creates direct construction employment, critical ancillary jobs that are created from infrastructure projects are less apparent, but very real nonetheless. For every project, materials, supplies and equipment are purchased keeping our manufacturing base in New York and throughout the country working. Each project requires insurance and bonding, and lawyers and accountants, keeping New York's white collar workers employed. Every trade worker that can continue to pay their mortgage, and purchase goods and

services, and buy new vehicles, are important for the economy. That is why, FHWA, after detailed analysis, concluded that every \$1 billion invested in transportation infrastructure creates 34,779 jobs.

Government needs to invest in infrastructure now. The construction industry is ready to work and do our part to grow the economy of New York and help set the stage for the next cycle of economic expansion.

Testimony on the Effect of the Federal Stimulus Package

On New York City Schools

By

United Federation of Teachers President Randi Weingarten

Before

The City Council Committee on Economic Development

February 9, 2009

Good afternoon, and thank you for allowing us to address this critical issue.

I must say that I am distressed that we have to be here today. With so much at stake and the economic news getting worse every week, most New Yorkers – and the rest of America – were hopeful that a federal economic stimulus package would have been approved weeks ago, and certainly by now.

The stimulus package is very much needed, and the amounts that are in both the Senate and House versions are larger than anyone has ever envisioned. Yet the times are extraordinary as well.

So today we are urging our elected representatives in Congress to put politics aside in order to approve a package that will help cities and towns across the nation avoid the direst consequences of the current economic crisis. Our House members have been terrific, and our senators are fighting for us, as Senator Schumer has said countless times.

As President Obama said last week, this is not a game. He did his part by proposing a package that provides a solid foundation on which Republicans and Democrats should be able to build some type of consensus.

The House of Representatives already approved a package, and late Friday the Senate approved its version, which drastically cut funding for education, including the fund that would stabilize schools and avert Draconian cuts. It also cut funds for school construction. That is a major concern for us.

Let me say up front, we at the United Federation of teachers find it very distressing that the Senate version cuts about \$60 billion from education.

It starts by cutting \$40 billion, or about 23% -- from the funds targeted to help states avoid drastic education cuts and teacher layoffs. The Senate version does not clearly enable the city to use any of the money to offset state or city budget cuts, meaning more than half of all city public schools would face reductions of up to 16% next year.

The Senate version also eliminates almost \$20 billion in construction aid for schools and colleges and cuts new aid for the Head Start early childhood education program by \$1 billion.

You already know that many city schools are already struggling to cope with high class sizes and overcrowded schools in many areas. Elimination of these funds will only make things worse for our students and their teachers.

The full impact of the stimulus bill on New York City schools will be determined shortly as the Senate and the House work out their differences.

In the meantime, hundreds of New Yorkers – concerned parents and educators – will board buses tomorrow to travel to Washington to let our voices be heard on this matter. We are going to meet with our representatives in Congress to urge them to ensure that our schools are protected and get the resources they so desperately need by approving a stimulus package closer to the House version.

As you know, we have been pushing for a tripartite solution to the current challenges facing education. In addition to passage of a federal economic stimulus package, it would include progressive revenues – as opposed to tax hikes and fees that hurt those least able to afford them – and responsible spending cuts that do not damage core public services, including direct services to students.

We will lobby for Congress to approve a stimulus package closer to the House of Representatives version. Under that best case scenario, about \$1.153 billion in funding would be restored, but that still would leave New York City with a cut of \$43 million. As a result, according to the city Department of Education:

- About 660 schools would see a gain of about 1 percent.
- But 480 schools would see a cut up to 2 percent.

- And 300 schools would realize a cut in funding of 2 to 4 percent.

In announcing his proposed city budget plan for the coming year, Mayor Bloomberg said last week that the city public school system would have to lay off more than 14,000 educators – or close to 20% of our teachers -- if it does not receive the additional aid he is seeking from Washington and Albany. In fact, he seemed to target teachers for 80% of his proposed reduction in the municipal workforce.

That scared virtually all of our first, second and third-year teachers into thinking they might not have jobs in September. In addition to being a crushing blow to students and parents, it would effectively say to anyone interested in teaching here, “Don’t bother. Education is not a priority here.”

The Mayor is right to push for as much state and federal aid as the city can get. But we don’t need to scare people who are already feeling very uncertain about their futures in this global economic crisis. And our educators aren’t the only ones worried because parents know that every time a teacher is laid off it amounts to a direct service cut to children.

Thankfully, last week state Assembly Speaker Sheldon Silver provided a ray of hope when he pledged that he and other leaders in the state Legislature would work with Governor Paterson to ensure that teachers are not laid off and that classrooms are protected.

But the actions of the state and the city depend squarely on what happens in Washington with the stimulus package. As President Obama said, we have to let Congress know that the people’s business cannot wait. I’m sure you agree as do we.

Thank you.



Minority Business Leadership Council

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The Minority Business Leadership Council (MBLC)

THE INCLUSION OF MINORITY AND WOMEN BUSINESS ENTERPRISES (M/WBES) IN FEDERAL STIMULUS PACKAGE PROJECTS AND CONTRACTS

**“PUT MINORITY & WOMEN BUSINESSES
BACK TO WORK”**

POSITION PAPER

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The Minority Business Leadership Council (MBLC) is a New York region-wide coalition of 16 minority and women business organizations with over 4,000 members. Our mission is to advocate for the inclusion of minority and women businesses on public and private sector contracts and projects, and through legislation, policy and programmatic initiatives.

The MBLC is concerned that the Federal Stimulus Package funds for “shovel ready” projects for New York State and New York City agency recipients may not include any construction, supplier, and professional services contracting goals for minority and women businesses. Based on experience and information established in disparity studies for years, the absence of specific requirements for inclusion results in little, if any, actual participation by our communities in the resulting business activity.

Below you will find four (4) areas of concern of the MBLC and our recommendations to address how Federal Stimulus Package funds designated for the State of New York, the City of New York, and other cities, counties, and municipalities should be required to include measures for inclusion of Minority and Women-Owned Businesses in all construction, supplier, and professional services contracts.

Problem 1: Most state and city agencies and authorities, who are recipients of federal funds, are required to only place goals for certified Disadvantaged Business Enterprises (DBEs). DBEs are firms whose owners have a net worth of no more than \$750,000 excluding their personal residence. DBEs are inherently smaller than many minority and women-owned firms.

In addition, New York State and New York City agencies and authorities already are required to place DBE goals on most, if not all of their existing projects and contracts which receive federal dollars. Moreover, these federal dollars have already been set aside for their existing construction projects and budgets. Currently, many agencies do not place M/WBE goals on federally-funded projects because they interpret regulations as requiring them to set goals for DBE firms only.

The list of agencies and authorities which are subject to federal DBE requirements includes but is not limited to, the NYS Department of Transportation, NYC Department

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of Transportation, the Metropolitan Transportation Authority, the Port Authority of New York & New Jersey, Niagara Frontier Transportation Authority among others.

At present, there are nearly 1,000 certified DBE firms in the State of New York and only approximately 350 of these DBEs are involved in heavy construction. Given the dearth and use of only certified DBEs, contracting agencies and authorities are more likely to approve large number of waivers for prime contractors and/or to significantly reduce the DBE goals on certain projects.

On the other hand, the State of New York currently has more than 5,000 certified M/WBES. Further, since the purpose of the Federal Stimulus Package is to get people back to work, the absence of Minority and Women Business Enterprise (M/WBE) goals will mean minority businesses and their employees who tend to be residents of areas more heavily impacted by the current economic conditions, will not derive the benefits which the Stimulus Package is intended to produce.

Recommendation 1: Article 15a of the New York State Executive Law requires that all “state contracts” should include goals for M/WBE participation. It does not limit this requirement based on the source of funds for those contracts and therefore NYS agencies and authorities should also be required to include goals for NYS certified Minority and Women-Owned businesses and to ensure their participation on projects and contracts that are funded through the Federal Stimulus Package. M/WBE requirements and DBE requirements are not mutually exclusive and the existence of one should not serve as a waiver of the other.

Problem 2: Due to the economy and budgets, most state and city agencies and authorities have reduced their staffs and/or have instituted hiring freezes. As a result, agencies/authorities contract compliance departments which are responsible for administering D/M/WBE programs are already struggling with their existing staffs to properly administer these programs. In many cases, agencies and authorities have massive backlogs of firms seeking D/M/WBE certification. Typically there is too few staff to conduct site visits, thus increasing certification wait times. Further, bonding, financial and technical assistance are largely non-existent or not enough to meet

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demand. Most agencies do not have capacity building or mentoring programs. Moreover, many of the rules and regulations governing these programs still provide barriers and impediments to greater D/M/WBE participation and growth.

Recommendation 2: Members of the MBLC should be included in any group (i.e., state government or agencies' committees, task forces, oversight boards, etc.) to assist with planning, implementation, and the monitoring of Federal Stimulus Package dollars distributed to NYS, NYC, and other counties and municipalities. The members of the MBLC can serve as advisors to ensure that agencies and authorities are also placing M/WBE goals on their projects and contracts and stimulating the minority and women business community as intended.

The MBLC is comprised of several organizations and business owners who are experts in public and private sector disadvantaged, minority, and women business contract compliance programs, program development, workforce placement and development, outreach, training, etc. Since most agencies and authorities will likely have difficulty handling the massive influx of funds, having outside experts to advise these agencies and authorities will greatly assist their D/M/WBE programs and this effort.

Problem 3: Without requirements for their inclusion, Minority and Women-Owned Businesses and minority and women residents of the communities where these projects are to be built and rehabilitated will not participate on these projects.

The AirTrain and AirTrain @ Jamaica Station projects are prime examples of what is possible and can be done to ensure both M/WBE and minority and women workforce goals are achieved and/or exceeded. This project has been often cited by Governor David A. Paterson and Majority Leader Malcolm Smith as shining examples of how the Port Authority of New York & New Jersey, along with its prime contractor, hired M/WBE Consultants, and incorporated a Community Oversight Committee to monitor these projects and to increase business and job opportunities for residents of the predominantly minority populated Jamaica, Queens community.

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As a result of the Port Authority's and prime contractor's use of MBLC member organizations and business consultants, the following results were achieved:

The Jamaica Station project exceeded its M/WBE 17% goal by 2 percent and employed approximately 35 local residents who would likely not have been employed had it not been for the initiatives undertaken. In addition, over \$13 million in contracts were expended in the minority community of Jamaica and over \$80 million was spent with Queens-based firms.

Recommendation 3: The State of New York should seriously consider using the AirTrain community model on agency and authority projects that are scheduled to be built and/or rehabilitated in communities around the State on projects which are funded or generated by the Federal Stimulus Package.

As mentioned above, the successful AirTrain model accomplished what the Federal Stimulus Package purportedly is to do - - to put people back to work. Therefore, the Stimulus Package should not limit its benefits to organized labor and their member firms because these dollars are supposed to get “all people” back to work regardless of whether they are union or non-union.

Further, because minority communities mostly have the highest rates of unemployment, the use of the AirTrain model will ensure minority community residents and the businesses who employ them in greatest proportions will benefit from projects funded with stimulus package proceeds, especially in their communities. This model should not be viewed as “me against them”, but rather as a brush to paint inclusion as broadly as possible. In fact, the AirTrain model could be used in any community where these projects are because of the premise to get people back to work.

Problem 4: The Troubled Assets Relief Program (TARP) was to buy up distressed assets. It is well documented and acknowledged that the housing crisis is at the heart of the economic downturn that has consumed countries, economies, personal wealth and communities around the world. In the U.S., minority communities were beset by predatory lending by banks and financial institutions, redlining, rapid gentrification, fraudulent loans, etc. This is not to say that minority communities were the only ones affected by

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this crisis, however, they have been the most devastated due to the practices mentioned.

Initially, the federal government was supposed to have the same banks and financial institutions that created much of the devastating foreclosures to use the Troubled Assets Relief Program (TARP) to buy up these assets. Although so far this has not happened, this is still likely to be the case.

Recommendation 4: Since most minority businesses are located in minority communities and largely employ minorities in the areas where their businesses reside, the federal government along with the State of New York and its cities, counties, and municipalities should reduce the sizes of TARP foreclosure asset packages to allow Minority and Women-Owned Businesses to purchase some of these assets in their communities. Institutions receiving stimulus or TARP funds should also target loan packages for M/WBE firms to assist them in financing these acquisitions and other job creating community development projects.

Since most of the TARP assets will also require real estate firms and/or the new owners to market these assets for sale or rent, these properties will require some renovation, clean up and removal of debris, etc. Therefore, the creation of smaller bid packages for purchase by minority businesses will enable these firms to create business and job opportunities in their communities. Further, this recommendation also helps to create jobs where they are sorely needed.

By having minority businesses in minority communities purchase some of the TARP assets, local stakeholders can keep a watchful eye on what is going on in communities where they are vested and will ensure their communities recover sooner. Moreover, it is generally believed that local residents are most likely to better look out for communities in which they reside than absentee owners. This may be even more true now given the devastation that has been caused by institutions and individuals from outside of minority communities.

Testimony to the New York City Council Committee on Economic Development

Mark Winston Griffith, Executive Director, Drum Major Institute for Public Policy

February 9, 2009

Good Afternoon members of the City Council. My name is Mark Winston Griffith and I am the newly appointed Executive Director of the Drum Major Institute for Public Policy, a progressive think tank that generates ideas that help fuel the progressive movement, both nationally and here in New York. Until very recently I was DMI's Senior Fellow for Economic Justice, a position in which I leveraged my more than twenty years of experience running a cooperative banking institution, building other community-based organizations and, serving as an advocate on a range of community development, housing and financial services issues.

It's important to clearly define our purpose here today. Considering that the federal stimulus bill is still being negotiated in Washington, and that we have limited influence over how Congress will target states, cities and New York, it's important to talk about "priorities" in the appropriate context. Instead of asking how New York City should use the money, let's ask, how, in the context of the federal stimulus, the City should take advantage of its resources and talent to not only weather this financial storm, but in fact make New York stronger. New York has always prided itself on being a leader and innovator in developing urban policies that help government play a proactive and positive role in the lives of its citizens. Let's rise to the challenge in this moment of crisis.

Last year, the One City, One Future coalition, which was made up some of the smartest thinkers and most committed advocates in the area of economic development, warned that the City was becoming increasingly hostile to the middle and working classes, and that the interests of large developers and the rich threatened New York's promise as a urban model of opportunity and economic diversity. In a groundbreaking report, it detailed a vision of New York in which accountability, transparency, sustainability and local involvement guides the way we make economic development decisions in this city.

A recent report by the Center for an Urban Future effectively backed up this argument and documented how rising housing costs, the erosion of good jobs, the proliferation of inferior public schools, declining transit service, and mega-development were squeezing out the middle class.

The Drum Major Institute has been making a similar point for years, both in terms of New York City and the nation as a whole. We will soon be unveiling a blueprint for a progressive income tax system that, if enacted, will help enable poor New Yorkers to

not just aspire to, but actually enter the ranks of the middle class. Through initiatives like our Marketplace of ideas, Mayor TV and Progressive Urban Model Policies project, DMI has identified and analyzed dozens of tried and true ways in which New York City government can lead the nation in areas like housing, education, green development, transportation, workforce development and employment practices.

DMI contends that as New York approaches its economic future, we should strive to become a leader in policies that expand the middle class. Although it is difficult to know what will survive the chopping block, we know what will be good for New York in the federal stimulus bill based on the current proposals that are in play:

Making Work Pay, EITC, and the Child Tax Credit will benefit communities disproportionately affected by the economic downturn, but the per-household increased assistance provided by these tax credits is not enormous. Spending on infrastructure is vital. Although there are some reporting requirements for contracts granted to minority-owned businesses, there are no explicit requirements for hiring minority workers or using minority contractors. There must be increased public pressure to make sure that construction jobs, which disproportionately exclude people of color, are consistent with high affirmative action hiring goals.

Spending on state governments to prevent cuts in education; increased federal spending on Medicaid (NYC is one of a handful of non-state governments that contributes to Medicaid funding); increased federal spending on health insurance for unemployed workers (through the COBRA program and through a new Medicaid health insurance program for unemployed workers); spending on transit, spending on Head Start, unemployment insurance modernization, and spending on the Neighborhood Stabilization Program (CDBG funds this program).

The proposed tax cuts are certainly not what we at DMI would prioritize, but they will benefit lower income New Yorkers because they are generally targeted to lower income households.

To varying degrees the \$827 billion Senate measure fails on all of these grounds. The tax cuts for lower income households are scaled back; wrong-headed, tax breaks for new home and auto purchases are included; an extension of the AMT is included that will have little stimulative effect (though, in the long run, it is necessary to protect middle-income taxpayers); and the extensions of health insurance are less generous, Head Start is not funded as well as in the House version and funding for the Neighborhood Stabilization Program is omitted. The Senate version scales back the State Fiscal Stabilization Fund back from \$79 billion to \$39 billion.

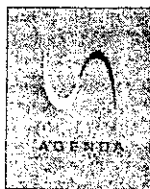
The impact of the House version on New York will be more beneficial than that of the Senate. Without stimulus, NYC will cut 14,000 education jobs, transit projects won't get done, and the NYC housing authority will sink deeper into debt. The Mayor and the New York Council cannot take this lying down. You must summon the political will to ensure that moderates and conservatives don't gut the stimulus bill and shortchange cities and states.

One of the issues that is not addressed through the stimulus, but will hopefully be pushed through other federal legislation, is the foreclosure crisis. New York's real estate market is oftentimes mistakenly seen as being immune to the virus of plummeting housing marketing, but it's important to note that the 20,000 foreclosures that we may see in New York City in 2009 alone will be mostly affecting neighborhoods of color where there are relatively high rates of homeownership. In other words, while those living in condos and co-ops in Manhattan are not as deeply affected by the scourge of subprime lending, thousands of families, both in the form of owners and tenants, will be losing their homes in areas like Southeast Queens, Central Brooklyn, the North Bronx - all bastions of New York's working and middle class. And the crisis has moved well beyond the subprime market to the prime market.

The Center for New York City Neighborhoods, which as you know is crucial partnership between nonprofits, foundations, banks and HPD, is terribly overwhelmed by the scale of the foreclosure problem. New York must direct more funds to this network.

It will not be enough for the City Council to hope that New York and other cities will fare well in the stimulus package. There must be an all-out advocacy effort and pressure applied to our federal legislators to make sure they understand the impact that their decisions will have on the lives of Americans, the vast majority who live in cities. The message should be loud and clear: Support the current and aspiring middle-class; champion spending over tax cuts that will help put people to work; intervene significantly to address the state fiscal crises; and stop dithering on the foreclosure crisis and put together a comprehensive foreclosure prevention strategy that includes a nationalized mortgage modification plan, mortgage cramdowns, and assistance to organizations that are doing grassroots foreclosure prevention.

Thank you for your time and for this opportunity to weigh in on what will be one of the most important financial decisions ever made in this country in my life time. If you have any further questions, please don't hesitate to ask me or members of my staff.



Written Testimony

J. Mijin Cha, Director of Campaign Research, Urban Agenda
Before the City Council Committee on Economic Development
Hearing on, "The Impact of the Federal Economic Stimulus Package on New York City."
New York, NY
February 9, 2009

Dear Committee Members:

Thank you for inviting me to speak this afternoon on how the Federal Economic Stimulus package can benefit New York City and create good green-collar jobs. My name is Mijin Cha and I am the Director of Campaign Research at Urban Agenda. Urban Agenda works closely with the New York City Central Labor Council to bring the labor movement closer to other social justice movements.

Urban Agenda is also the convener of the New York City Apollo Alliance, the local affiliate of the national Apollo Alliance. The Apollo Alliance is a coalition of labor, environmental, social justice, and business organizations working together to promote policies that bring us closer to energy independence, create green-collar jobs, and make our environment more sustainable.

With the recent economic troubles and economic stimulus response, we realized that there needed to be parameters and standards that must be applied to any distribution of stimulus funds to ensure that money and efforts were going towards creating high quality jobs that would strengthen our middle class and diversify our tax base. With the guidance and input of our steering committee, Urban Agenda and the NYC Apollo Alliance put forth a set of criteria that should be used when determining which projects to fund with stimulus monies.

Applying the criteria will ensure that the projects going forward create green-collar jobs, promote local employment, and bring us closer to energy efficiency while also making our environment more sustainable. We must ensure that the jobs we are creating are not just green jobs, but green-collar jobs that provide family sustaining wages, benefits, and pathways out of poverty. We must also promote our local manufacturing businesses. Promoting local manufacturing will bring more jobs and investment into our city. Our criteria include:

- Funding projects that create employment for a wide spectrum of workers, ranging from low-skilled labor to highly-skilled labor.
- Supporting local employment opportunities- outsourcing occurs not just when jobs are sent overseas, but when labor is imported into an area with an already existing trained and ready labor pool.
- Funding projects that create jobs that provide good wages, health care benefits, and paid time off.

- Promoting employment in environmentally sustainable areas, such as building retrofits, which increase energy efficiency, brownfield redevelopment and urban forestry.
- Promoting the maintenance and retrofitting of existing infrastructure, such as schools, mass transit, roads, and bridges, rather than building new system.

Job Creation Statistics

Investing in the new green economy creates more jobs than our current energy economy. The following presents the number of jobs created in specific sectors.

Energy Efficiency

- For every \$1 million invested in energy efficiency 21.5 jobs are created compared to 11.5 jobs for new natural gas generation.
- \$1 million spent on energy efficiency building retrofits generates about 10 person years of employment in direct installation of efficiency measures and another 3-4 person years in the production of relevant materials.
- NYSERDA's Energy Smart Programs create 4,700 direct jobs per year on an annual budget of \$234 million in 2007.
- New York State's "45 by 15" goal announced in 2008, where 45% of the state's power needs will be met through efficiency and renewable energy by 2015, will create an estimated 50,000 new jobs.

Renewable Energy

- Renewable energy creates four times as many jobs per megawatt of installed capacity as natural gas and 40% more jobs per dollar invested than coal-fired plants.

Green Building

- A 2% increase in upfront building costs to make a building more "green" results in life cycle savings of 20% of total construction costs.

Weatherization

- Nationwide, weatherization supports 8,000 technical jobs in low-income communities - 52 jobs for every \$1 million of Department of Energy investment.

Specific Program Funding

There is currently a strong focus on funding programs that are "shovel ready" that would be quickly implemented. There are several programs that could be funded here in New York City that are both shovel ready and would meet our proposed criteria.

Greening Affordable Housing

NYCHA, the NYC Housing Authority, has one of the largest housing stocks in the country. NYCHA has made a commitment to green their housing stock by making its buildings more energy efficient. However, NYCHA is perpetually underfunded and their efforts to green their housing stock continually face a lack of funds necessary to do a large-scale building retrofit

program. Ensuring NYCHA is fully-funded would save a substantial amount of energy use, reduce energy costs for people that are in need of relief, and provide and promote good green collar jobs. NYCHA pays prevailing wages and also employs residents that live in NYCHA housing.

Job Training Programs

Hand in hand with job creation, we must promote job training programs that will ensure we have a trained workforce to fill the number of new jobs that will be created. There are several examples of job training programs in NYC that could be expanded to reach even more potential workers.

Job Training Programs for Energy Efficiency

- Association for Energy Affordability: suite of training programs, including preparing weatherization providers, certifying workers to audit and retrofit residential buildings through Building Performance Institute (BPI) certified training, Energy Efficient Building Operations Specialist training for building superintendents, facilities managers and operating engineers.
- CUNY Building Performance Lab: training in energy efficient building operations; partnerships with IUOE Local 94 (operating engineers) and SEIU 32BJ (building maintenance staff).

Job Training Programs for Renewable Energy Generation

- CUNY Center for Sustainable Energy at Bronx Community College: courses in solar photovoltaic (electricity) and solar thermal (hot water and space heating).
- Bronx Community College, Associates in Applied Science Degree in Energy Services and Technology: 2-year degree prepares for energy management jobs (auditing, installing advanced electricity meters) as well as utility jobs that will be crucial in building a smarter electricity grid that can handle distributed generation from renewable energy systems (e.g. solar panel arrays).

Conclusion

While there is uncertainty about the economic future, there is also an incredible opportunity to rebuild our economy in a way that is more just, green, and sustainable. Promoting programs that create green collar jobs that provide family sustaining wages, benefits, and pathways out of poverty will help rebuild our middle class and make our economy stronger. I strongly urge the members of the City Council to adopt the criteria put forth by Urban Agenda and the NYC Apollo Alliance.

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I represent: UFT

Address: 52 Broadway

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(PLEASE PRINT)

Name: Mijih Cha (MR/GR)

Address: 275 7th Ave, 18th Fl. NY NY 10001

I represent: URBAN AGENDA

Address: same

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