

**TESTIMONY**

**BY**

**COMMISSIONER GREGG BISHOP**

**NEW YORK CITY**

**DEPARTMENT OF SMALL BUSINESS SERVICES**

**BEFORE**

**THE COMMITTEE ON SMALL BUSINESS**

**OF THE**

**NEW YORK CITY COUNCIL**

**FRIDAY, MARCH 9, 2018**

Good afternoon Chair Gjonaj and the members of the Committee on Small Business. My name is Gregg Bishop and I am the Commissioner of the New York City Department of Small Business Services ("SBS"). I am joined by SBS First Deputy Commissioner Jackie Mallon and my senior leadership team. I would like to begin by welcoming the new members of this committee. I look forward to continuing our important work together.

At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting them to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. Today, I want to share an update on our efforts over the last year to strengthen the City's support for jobseekers, small businesses, and commercial corridors across the city. After my testimony, I am happy to take your questions.

First, I'd like to give you an overview of our agency budget. From there, I will delve into the services made possible through this funding. SBS's FY19 Preliminary Budget is \$172.7 million with a headcount of 362 employees. The Preliminary Budget includes pass-through funding for other financial needs within City government. This funding is not spent or managed by SBS, but is used as conduit funding for other City entities. Of the \$172.7 million, 36% or \$61.3 million is pass-through funding, which includes: \$22.2 million for NYCEDC, \$21.2 million for NYC & Co., \$16.5 million for Governors Island and \$1.4 million for the Brooklyn Navy Yard. The remaining \$111.4 million, or 64% of the FY19 Preliminary Budget, is allocated for SBS's programs. This funding supports SBS's mission of economically empowering New Yorkers through our employment, business, and neighborhood services.

## **OUTREACH:**

As the City's advocate for small businesses, SBS is committed to ensuring that businesses are aware of and can easily connect to our services--no matter where they are in our city. Businesses can access our range of free services through our seven NYC Business Solutions Centers throughout the five boroughs. Jobseekers can receive free recruitment and training resources through our 21 Workforce1 Career centers. SBS also invests in mass marketing through ad campaigns, social media, email blasts, radio, and local and ethnic press. We understand that it's not always easy for business owners to come to us, so we also bring our resources directly to their doorsteps. Through the Council-funded Chamber On-the-Go initiative, trained business specialists canvas commercial corridors to connect business owners with our services. SBS also recently launched our Mobile Outreach Unit, an additional resource equipped to serve New Yorkers on-site in their neighborhoods. The Mobile Outreach Unit features classroom space and multimedia capabilities, so we are able to deliver routine and emergency services on-site quickly. We've reached over 8,000 businesses through these services. Additionally, SBS works closely with community partners to get the word out about our services. We look forward to partnering with this committee to reach New Yorkers across the city.

## **SUPPORT FOR BUSINESSES:**

Small businesses are essential to the local economy and character of our neighborhoods. They provide opportunities for individuals to strengthen their own economic security and provide jobs for members of their communities. I grew up with

my grandmother in Grenada, who supported our household as a woman entrepreneur. I understand, first-hand, how business ownership can empower a family and support greater economic opportunity for future generations. This personal experience is fundamental to my vision for SBS and I am proud to work every day towards our mission-- to help New York City entrepreneurs start, operate, and grow their businesses.

As I previously mentioned, SBS operates a network of seven NYC Business Solutions Centers that provide free, high-quality services. These centers, which are at the core of our business support, offer services including access to capital, M/WBE certification, navigating government regulations, and connecting to qualified talent. To provide assistance to industrial and manufacturing businesses, SBS contracts with nine **Industrial Business Services Providers** ("IBSPs"). In FY17, the IBSPs connected more than 550 businesses to nearly 1,000 services.

SBS is also working to identify and mitigate common concerns of small businesses. With support from more than 15 City agencies, SBS leads Mayor de Blasio's **Small Business First initiative** (SB1), a multi-agency collaboration to reduce the regulatory burden on small businesses. The City gathered input from hundreds of business owners, to better understand areas of the City that needed improvement. We're streamlining the delivery of critical information to businesses by creating an online portal where businesses can see all of their interactions with different City agencies in one place. Through our **Small Business Support Center** in Queens, the first one-stop licensing and permitting office that houses multiple City agencies in one building, we have provided over 70,000 services. We have also provided more **than**

**2,600** on-site consultations through our **Compliance Advisors**, experts from regulatory agencies who educate business owners on how to prevent costly fines and penalties.

Many businesses struggle to adapt to changes in the business environment. These challenges range from macroeconomic trends, like the rise of e-commerce, to neighborhood dynamics, like rent speculation. The underlying causes of these changes are complex and vary from neighborhood to neighborhood, corridor to corridor, and property to property. But SBS is committed to providing businesses with the tools they need to adapt. To support businesses that are facing issues with their lease, we provide free legal assistance through our **Commercial Lease Assistance Program**. Businesses can work one-on-one with attorneys to review lease renewal terms, negotiate with their landlord, and even prepare court papers and motions when litigation cannot be avoided.

A major focus of our work is ensuring our programming is accessible to all New Yorkers, including women and immigrant entrepreneurs. In 2015, SBS launched WE NYC, a major initiative to address the entrepreneurship gender gap, with a focus on underserved communities. Through extensive research and engagement with more than 1,500 women entrepreneurs, we developed a series of programs to address the most common challenges women business owners face. This includes the recently launched **WE Fund: Crowd**, a City-led crowdfunding program that helps women entrepreneurs access affordable capital and start businesses. Through our partnership with Kiva, women entrepreneurs can apply for crowdfunded loans of up to \$10,000 and the City will contribute the first 10% of their loan request.

To support immigrant entrepreneurs, we released a guide offering step-by-step advice for immigrant entrepreneurs. ***Building Your Business in New York City: A Guide for Immigrant Entrepreneurs*** is available in seven languages and includes advice on topics such as: signing a commercial lease, navigating government, and understanding the rights of immigrant New Yorkers.

### **Support for Minority and Women-Owned Business Enterprises**

Along with our support of all small businesses, SBS also plays a key role in the City's Minority and Women-owned Business Enterprise ("M/WBE") program. The M/WBE program aims to support the growth of minority and women-owned businesses through City procurement and ensure our vendors reflect the diversity of our city. SBS certifies M/WBEs and provides essential capacity building services and technical assistance to ensure they can compete for and execute City contracts. This administration has made major investments into the M/WBE program and set ambitious goals to support M/WBEs, including certifying 9,000 M/WBEs by 2019. To achieve this, SBS has streamlined our application process while maintaining the integrity of the program. Through the support and investment of this administration, we are seeing the results. At the end of Quarter 1 of FY18, SBS certified 5,271 M/WBEs, representing a nearly 45% increase during this administration.

SBS also offers a number of capacity building programs and technical assistance resources designed for M/WBEs. Cash flow is often an issue for companies working on City projects, particularly for M/WBEs, so the Administration created the **Contract Financing Loan Fund**. This \$10 million revolving fund offers low-interest loans of up to

\$500,000, capped at a 3% interest. M/WBEs also have difficulty receiving surety bonds for construction contracts. In January, the Administration launched the \$10 million **Bond Collateral Assistance Fund** to allow M/WBEs and small businesses to access up to \$500,000 in collateral assistance.

Beyond supporting M/WBEs in contracting, SBS also offers targeted programs to help M/WBEs grow their businesses. Through **Strategic Steps for Growth**, an education program in partnership with New York University, SBS helps M/WBEs define and execute a *Strategic Growth Action Plan* to help stimulate revenue and job growth. Since the launch of the program SBS has graduated more than 100 M/WBEs. By investing in the M/WBE program and M/WBEs themselves, the City is leveraging its spending power to ensure diversity in procurement.

### **Support for Jobseekers**

In line with the Mayor's *Career Pathways* strategic plan, a roadmap to create a more inclusive workforce, SBS is responsible for helping New Yorkers find jobs by connecting jobseekers to employers and local residents to industry-informed training. Through our network of **21 Workforce1 Career Centers**, SBS provides recruitment expertise, industry knowledge, and skill-building workshops to match candidates to jobs. Annually, we successfully connect more than 25,000 New Yorkers with quality employment and nearly 4,000 New Yorkers with the training needed to advance their careers.

To ensure jobseekers are connected to good paying jobs, this administration instituted a job quality policy which requires businesses receiving free recruitment

services through our Workforce1 Career Centers to hire employees for full-time positions or pay at least the living wage, currently \$13.65 per hour. As a result, we have seen a significant increase in the percent of New Yorkers connected to full-time work, from about 45% in 2014 up to around 80% in 2017.

SBS also offers a number of trainings that are designed to meet employer needs identified through our **Industry Partnerships**. These trainings are designed to help low-income New Yorkers gain access to living wage jobs that they would otherwise struggle to find and secure. We have expanded our industry partnerships in the Technology and Healthcare sectors and have launched partnerships in the Food Service, Construction, and Industrial/Manufacturing sectors. The goal of these industry partnerships is not only to connect New Yorkers to employment, but also to build a long-term, sustainable connection between employers and the organizations that teach individuals the skills that are needed to enter and advance in the New York City job market.

SBS plays a role in Mayor de Blasio's *New York Works* plan, a series of 25 initiatives developed to create 100,000 jobs with good wages over the coming decade. In FY17, we announced the **CUNY 2x Tech** initiative to double the number of City University of New York (CUNY) students graduating annually with a tech-related Bachelor's degree by the year 2022. The five-year, \$20 million *CUNY 2X Tech* initiative brings together CUNY colleges and major employers to expand access to quality tech careers and meet industry needs. SBS will launch **Apprentice NYC**, a new employer-partnership model that will provide New Yorkers with good jobs in sectors that include tech, healthcare, and industrial and manufacturing.



SBS is also working with the Department of Buildings and the Mayor's Office to provide construction safety training for those who do not have access. With an investment of \$18.7 million in FY19, we are developing a program to provide day laborers, employees of small businesses and M/WBEs, and new entrants into the construction industry with the construction safety training recommended by the Site Safety Training Task Force.

### **SUPPORT FOR COMMERCIAL CORRIDORS:**

The expertise of local, on-the-ground partners is essential to tackling the unique challenges faced by New York City's diverse neighborhoods and business communities. SBS oversees the largest network of **Business Improvement Districts (BIDs)** in the country, with 75 BIDs delivering more than \$147 million in services to 93,000 businesses throughout the five boroughs. Not only does SBS provide technical assistance, grant opportunities, and capacity building services to BIDs, but this network also provides a direct connection between neighborhood small businesses and our agency. We are proud that this administration has led an increase in smaller BIDs located in outer boroughs, giving business communities across the city an opportunity to raise their collective voice. We recently celebrated the creation of the city's 75<sup>th</sup> BID, the Morris Park BID, which is located in Chair Gjonaj's district. We'll soon release our annual **BID Trends Report**, which highlights the tremendous impact BIDs have on neighborhoods across the city.

SBS is committed to working with community partners to identify local commercial district needs and plan targeted solutions. One tool for gaining this understanding is

through our **Commercial District Needs Assessments**, or CDNAs. So far we have published seven CDNAs: in Downtown Flushing, Downtown Staten Island, East Harlem, East New York, Inwood, Jerome Avenue, and Coney Island. Conducted in partnership with local community organizations, CDNAs identify the strengths, challenges, and opportunities within a commercial corridor. This tool provides valuable information about the needs of local business owners and commercial corridors and gives community organizations a framework to plan investments aimed at strengthening neighborhoods and businesses.

SBS also provides financial support to strengthen and revitalize commercial districts through our grant programs. With **Neighborhood 360**, community-based organizations in six neighborhoods were awarded approximately \$8.5 million in funding over three years to develop and staff revitalization projects that address needs identified in the CDNAs. Projects pertaining to merchant organizing, public programming, streetscape enhancements, business development, and other quality of life improvements are on-going in each of these neighborhoods.

To further support small businesses and neighborhoods, SBS provides community based organizations with **capacity building services** including workshops, legal assistance, design assistance, leadership development, and non-profit management coaching. To address additional staff capacity challenges, our **Neighborhood 360° Fellows program** pairs ten neighborhood development professionals with ten community-based organizations. The fellows are paid, full-time professionals, community organizers, or urban planners. The program provides organizations with dedicated support for commercial revitalization projects and builds a pipeline of talent in

neighborhood development. For example, in Chinatown, the FY17 Neighborhood 360° Fellow created and implemented a communications plan to increase awareness of SBS's Business Preparedness and Resiliency Program (BPREP) among Chinatown-based business owners. Her efforts resulted in 30 new applicants—resulting in the potential for more than \$90,000 in grants to those small business owners. After wrapping up two successful cohorts, SBS is excited to launch our third cohort, with placements at organizations in every borough, this spring.

Together, SBS and our community partners are supporting vibrant neighborhoods where New Yorkers can shop, work, and live. We look forward to working with Council in the year ahead. Thank you and I would be happy to take your questions.

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**Testimony of New York Council Member Dan Garodnick**

On Amendments to Section 11-87 of Title 66 of the Rules of the City of New York  
As They Pertain to School Bus Drivers  
Before the New York City Department of Small Business Services  
January 31, 2017

Good morning and thank you for the opportunity to testify today. My name is Dan Garodnick and I am a Member of the City Council representing the Fourth District of Manhattan.

I am here today to raise continued concerns about the legality of the School Bus Drivers Grant Program. This program, when proposed to the City Council, supplements the wages of senior school bus drivers who lost their employee protection provisions in 2011. I voted against this program in August of 2014 when the legislation was introduced at the City Council because I believed that it is inconsistent with the New York State Constitution, as well as our procurement laws. Today -- I have an additional objection: SBS does not have the authority to take action here today.

At the City Council August 19, 2014 hearing on this matter, the Administration testified before the Council that the legislation was for one year only, and that the request of supplemental wages would not be pursued again. Chris Berner, the Chief of Staff in the Mayor's Office of Labor Relations, testified that the bill would encourage school bus companies to offer better wages and benefits to senior drivers only "for the upcoming school year."<sup>1</sup> He went on to say that the bill would "ensure smooth services *for the year*, and give the city time *in the next several months* to seek state legislation" to provide for retention of senior drivers.<sup>2</sup> (emphasis added) Mr. Berner represented to the Council his confidence that the City would be able to secure a change in state

<sup>1</sup> Testimony of Chris Berner, Mayor's Office of Labor Relations, to the New York City Council Committee on Education, Aug. 19, 2014.

<sup>2</sup> *Id.*

law, and therefore only requiring a one year commitment. The bill was accordingly applicable for one year, and faced a sunset on December 31, 2015.

In the interim, the Administration was not successful in securing a change in state law.

After the bill's sunset, rather than return to the City Council, SBS passed an extension to the expired law *by rule* on November 20, 2015, and seeks to do so again today. I do not believe that SBS had the authority in November 20, 2015 to perpetuate this program without the consent of the City Council, and I do not believe that it has the authority to do so today.

Notably, the funds used to support continuing this grant program for the 2016-2017 year are unclear. Is this money coming from the initial \$42 million enabled from the City Council legislation that expired in 2015, or is it coming from another source? A report in late 2015 suggested that last year's SBS rule change intended to use \$15 million in unspent funds from the initial \$42 million, "and additional city money if necessary, over the next year, according to a notice that will be published in the City Record."<sup>3</sup> SBS owes the public an accounting of the cost of this program before adopting any rule, and an explanation of how it has the authority to do by rule what was authorized by the City Council only until December 31, 2015. Should we expect that the Administration will seek to bypass the City Council and the budget process, and perpetuate this program year after year?

Furthermore, the New York State Constitution prohibits New York City from giving money directly to a private interest unless there is a predominant public purpose. At the City Council hearing in August 2014, the Administration articulated the public purpose to be the "smooth delivery" of a service for a single, upcoming school year -- which many of us interpreted to mean the avoidance of a strike. Before extending the program by rule in November 2015, SBS articulated the public purpose as "securing efficient and reliable bus service for the City's school children and avoiding layoffs and wage and benefit cuts to the drivers and attendants operating the City's school buses."<sup>4</sup>

Unfortunately -- as much as we might like to supplement wages here -- giving a grant to supplement the salary of employees in an existing, settled contract can only reasonably be viewed as a predominantly *private* purpose. Supplementing wages in a signed contract between private actors may reflect our values and desire to protect senior workers, but to call it a public purpose is a stretch.

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<sup>3</sup> Eliza Shapiro, *City Expanding Grant Program to Restore Benefits for School Bus Drivers*, Politico, Sept. 9, 2015, available at <http://www.politico.com/states/new-york/city-hall/story/2015/09/city-expanding-grant-program-to-restore-benefits-for-school-bus-drivers-025370>.

<sup>4</sup> Grants to Companies that Provide School Bus Transportation, New York City Dep't of Small Bus. Serves., Nov. 30, 2015, available at <http://rules.cityofnewyork.us/content/grants-companies-provide-school-bus-transportation-0>.

In addition, it sets a bad precedent for procurement. The bus companies that lost the bid here lost it because they were willing to pay more money to their workers without the additional grant of money and addition of EPP's. The companies that won the bid were the ones who were willing to cut salaries. Instead of clearly and openly grappling, during the procurement process, with the fact that those salaries appear to be inadequate, we are looking to supplement the salaries of the workers of those wage-cutting businesses in a way that bypasses procurement. As a result, we are distorting the normal competitive bidding process and failing to conduct ourselves fairly with respect to all bidders.

Let me conclude by saying that I have great respect for our senior school bus drivers. They do an extraordinary job keeping our kids safe and secure. However, while the grant program's goals are admirable -- we all want to see uninterrupted school bus service by experienced drivers -- we need to respect the law, and not continue to turn our procurement process on its head. SBS should reject this rule not only because it is illegal to allocate funds in this manner, but also because the authority to perpetuate this program falls squarely within the authority of the City Council.

Thank you for your time.

# CITIZENS BUDGET COMMISSION

## City's Fourth Extension of the School Bus Grant Program Should be Rejected

March 07, 2018

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The New York City Fiscal Year 2019 Preliminary Budget recently proposed spending \$42 million in fiscal year 2018 to extend the School Bus Grant Program for a fourth year. The program, established under Mayor Bill de Blasio, provides salary and benefit support to firms that were awarded pupil transportation contracts without employee protections for seniority and pay (EPPs). The City Council should reject the grant program, which circumvents the public procurement process and increases costs to taxpayers without enhancing services, and call for the de Blasio Administration to find savings in pupil transportation, which will cost \$1.1 billion in fiscal year 2018. Today New York City will receive bids for contracts to provide pupil transportation on 1,600 of the City's 8,200 bus routes. In a departure from prior policy, the contracts will reinstate employee protections for seniority and pay (EPPs).<sup>1</sup> These protections were removed from certain school bus contracts under Mayor Michael Bloomberg as part of an effort to rebid these contracts for the first time in decades and to save money for a service that cost taxpayers more than \$1 billion.

The change has been controversial, and Mayor Bill de Blasio established the School Bus Grant Program to provide salary and benefit support to firms that were awarded contracts without EPPs. The School Bus Grant Program—recently extended for fiscal year 2018 at a cost of \$42 million—is problematic, most notably because it circumvents the public procurement process.<sup>2</sup> The City Council should reject this program, and all new school bus contracts should be awarded with an eye toward realizing savings in the costs of pupil transportation, which have now grown to more than \$1.2 billion annually.

### **School Bus Contracts and the Grant Program**

In 2012 the Bloomberg Administration began a process to rebid school bus transportation contracts, which cost taxpayers more than \$1 billion annually.<sup>1</sup> Most of the contracts dated back to 1979 and included EPPs; following a 2011 legal decision, two groups of contracts, representing about 40 percent of bus contracts, were rebid without EPPs. Rebidding these contracts saved more than \$400 million. A third group of contracts was put out to bid without EPPs by Mayor Michael Bloomberg but was canceled by Mayor de Blasio.

In 2014 Mayor de Blasio authorized the Department of Small Business Services to provide grants to the school bus companies that have contracts without EPPs. The School Bus Grant program effectively invalidates a competitive bidding process that awards contracts to the lowest responsible bidder and increases city costs without any additional benefit to taxpayers. This program cost \$28 million in fiscal year 2015, its first year, and has been renewed annually since. The de Blasio Administration proposes to spend \$42 million on this program in fiscal year 2018, bringing the total four-year cost to \$136 million.<sup>2</sup>

The Administration plans to reinstate EPPs as it rebids school bus contracts, thereby forgoing the savings secured by the Bloomberg Administration. One set of bus contracts without EPPs, representing about 1,600 of the 8,200 daily routes, is due to expire in June 2018. The City has issued an RFP for these contracts and is considering another RFP for the remaining contracts

without EPPs that expire in June 2019. A third round would rebid the contracts dating back to 1979, which include EPPs and account for 60 percent of all contracts.<sup>3</sup>

### **Savings Needed**

The School Bus Grant Program has steadily eroded the savings gained through the competitive bidding process and should be rejected.

Pupil transportation costs have grown to \$1.1 billion, and the contracts should be rebid with the goal of generating savings to offset the increased costs incurred from the restoration of the EPPs.<sup>4</sup> Re-bidding all transportation bus contracts provides the opportunity to foster competition, increase use of technology, and improve efficiency. For example, certain subsidies and costs can be eliminated, GPS can be installed, and daily service periods can be extended without a fixed start time.<sup>5</sup> As the City Council increases its investigation and oversight of major city services, finding savings in pupil transportation should be a priority.

By Ana Champeny

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## **End de Blasio's giveaway to bus companies**

By Carol Kellermann

NY Post, May 9, 2017

Last month, the de Blasio administration extended a city program that has been eroding savings gained through a competitive-bidding process and undermining the integrity of the city's contracting system. The program was bad policy from the outset, but it was intended to last only one year. It's now been extended for a third year. The City Council should defund it in the upcoming budget negotiations.

The de Blasio team conceived of the School Bus Grant Program as a one-year workaround to overcome its objections to competitively bid contracts awarded to school-bus transportation companies by the Bloomberg administration. Mayor de Blasio criticized his predecessor for driving too hard a bargain on behalf of taxpayers and, rather than wait to negotiate a new set of contracts, he chose to give the companies grants to increase employee wages and benefits.

The Bloomberg folks started a process in 2012 to re-bid school-bus transportation contracts that were costing the city more than \$1 billion annually. The contracts had historically included employee protections for seniority and pay, but a 2011 legal decision ruled those protections illegal. Re-bidding the contracts without those provisions injected new competition into the process and saved the city more than \$400 million.

The new contracts were not without controversy. In 2013, school-bus drivers went on strike for more than a month.



In 2014, upon being sworn into office, de Blasio agreed to work on a new strategy to protect senior employees of those companies. The Department of Small Business Services was authorized to provide grants to the school-bus companies over and above the terms of their contracts.

The grants effectively invalidated a competitive-bidding process that awards contracts to the lowest responsible bidder. They also increased city costs without any additional benefit to taxpayers. In addition, the program set a troublesome precedent for other vendors that provide services to the city and might seek similar enhancements to their already agreed-upon contracts.

After a failed attempt to pass state legislation reinstating employee protections, the de Blasio regime has now extended the program for a third year at a projected cost of more than \$30 million. This reinforces the status of this supplemental funding as a permanent entitlement, not a temporary bridge to new, more cost-effective, bus contracts.

The School Bus Grant Program is bad policy. The city should abide by contracts that it has fairly and competitively awarded.

If one administration does not like the contracts awarded by another, it should seek to renegotiate them at the appropriate time. It should not award grants to increase payments to for-profit companies that have already sought to provide a service for the previously specified amount.

The taxpayers are paying the bill. They should not be required to pay more than is necessary.

The City Council should now step in, on behalf of taxpayers, and step on the brakes to bring the School Bus Grant Program to a stop.

*Carol Kellermann is president of the Citizens Budget Commission.*



## TESTIMONY OF LENA AFRIDI BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON SMALL BUSINESS

March 9, 2018

Good Afternoon. Thank you to Chair Gjonaj and to the members of the Committee on Small Business for the opportunity to submit testimony.

My name is Lena Afridi and I am the Policy Coordinator for Equitable Economic Development at the Association for Neighborhood and Housing Development (ANHD). ANHD is a membership organization of NYC- neighborhood based community groups. We have over 100 members throughout the five boroughs. Our mission is to ensure flourishing neighborhoods and decent, affordable housing for all New Yorkers. We are speaking as a part of United for Small Business NYC, a citywide coalition of community organizations fighting to support and protect New York City's small businesses from the threat of displacement, with particular focus on owner-operated, low-income, minority and immigrant run businesses.

ANHD and USBNYC are eager to work with the city to support our neighborhood mom-and-pop businesses. It is well-known that New York's small businesses are struggling to survive in the current real estate landscape. While we will continue to advance policies to further empower and strengthen commercial tenants to stay and flourish in their communities, it is important to highlight the programs and services that would be beneficial for our members in all five boroughs.

- We applaud the Department of Small Business Services for the launch of its **Commercial Lease Assistance Program**, created through the advocacy of USBNYC members, which will help small businesses gain access to free legal services if they are in disputes with their landlord around their lease. We look forward to further empowering commercial tenants and the existing commercial tenant harassment law.
- However, SBS can and should do more to partner with community based organizations that are working with small businesses on the ground. ANHD recommends that more SBS funds are allocated toward community partnerships and programs that support the advocacy and engagement efforts of CBOs.
- There is a need for better data in regards to the needs of small businesses on a citywide scale. While neighborhood plans or studies, such as Community District Needs Assessments (CDNAs), have been done to track various different economic indicators at a community level, there is a lack of available data that brings all of this information into focus on a citywide scale. The previous Council's call for a **citywide Community District Needs Assessment** could be utilized to collect important information for the entire city's small business landscape, like the exact number of small businesses in New York, a citywide vacancy rate, or how e-commerce is impacting different commercial corridors. In the interim, if SBS has any relevant data, it should be made publicly available to advocates.



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- A central component of USBNYC's vision for a more equitable retail landscape is the creation of a citywide commercial development fund, which was supported in the previous Council's report Planning for Retail Diversity. The City should create a non-profit **Commercial Development Fund** in a similar mold to the existing Industrial Developer Fund. By providing the opportunity for non-profit developers to develop or renovate affordable commercial space, small businesses will not be forced to leave a neighborhood as a result of real estate forces.

Our small businesses are a central component to New York City's economic and cultural vitality. They provide jobs, culturally relevant goods and services, and community, keeping our neighborhoods thriving and vibrant places to live. Thank you and we look forward to working with this committee and the Council to better support our City's small businesses.



Fulfilling the promise of opportunity

**TESTIMONY ON BEHALF OF FPWA**

**New York City's Worker Cooperative  
Business Development Initiative: Worker Cooperatives- A Successful  
Model for Small Business”**

**Presented to**

**New York City Council, Committee on Small Business Services  
Hon. Mark Gjonaj, Chair  
Friday, March 9, 2018**

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## Opening

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. On behalf of FPWA and the 13 organizations that make up the Worker Cooperative Business Development Initiative, we want to thank you for this opportunity to testify on the economic and social opportunities inherent in the structure of worker cooperatives and to share the successes we have achieved thus far through the implementation of the Worker Cooperative Business Development Initiative (the Initiative) as we look ahead to supporting the creation of more businesses, dignified jobs, and shared prosperity for New York City residents in FY 2018.

The New York City Worker Cooperative Business Development Initiative (WCBDI) is a New York City based group advocating for the development and expansion of worker cooperative businesses as a means to reduce poverty and income inequality in New York. We are comprised of 13 New York City based worker cooperative and not-for-profit support organizations, including The Working World, Green Worker Cooperatives, the Democracy at Work Institute, and FPWA. It will first provide essential services to worker cooperatives. Alongside this, it will raise awareness about worker cooperatives. At this point, I would like to acknowledge the continued support of Council Member Councilmember Rosenthal and her advocacy for this Initiative.

**We urge the City Council to support worker cooperatives, which provide higher wages and job stability to individual workers and communities, by enhancing the Initiative to \$3.95 million in FY19.**

## Why Worker Cooperatives Work

Worker cooperatives are values-driven small businesses whose core purpose is to benefit workers and their community. In contrast to traditional companies, employees at worker cooperatives participate in making and apportioning the profits, overseeing and governing the organization using democratic practices. Workers own the majority of the equity in the business, and control the voting shares. The model has proven to be an effective tool for creating and maintaining sustainable and dignified jobs, generating wealth, improving the quality of life of workers, and promoting community and local economic development, particularly for people who lack access to business ownership or sustainable work options. Finally, the creation of employment for some of our city's most disadvantaged citizens is built into the purpose of cooperatives.

## The New York City Council Worker Cooperative Business Development Initiative – Continued success in FY18

As a result of an investment of over \$8 million by the city council since FY15, New York is now home to the largest worker coop community in the United States. Since July 2014, the Initiative has supported the startup of 84 worker cooperatives, which are projected to have more than 500 worker owners. Initiative partners have also been educating the broader entrepreneurship and business communities about worker ownership, working with thousands of individual worker-owners, business owners, lawyers, and economic development professionals. The Initiative has provided 3,000+ technical assistance services to these and hundreds more businesses.

Through the collective efforts of the Initiative, the number of cooperatives in New York City has grown exponentially in just three short years. This thriving cooperative small business community will continue to grow; providing jobs that pay better wages and ensuring that the wealth generated by these new jobs remains in New York and is reinvested in the local economy.

### **Recommendation**

**The Initiative is requesting the City Council increase its investment in the Worker Cooperative Business Development Initiative from \$3 million in FY 2018 to \$3.95 million in FY 2019.** While the Initiative has made remarkable progress in the last two 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 37 new cooperatives set to launch in FY18, but foster an environment where such enterprises will thrive in the long term. The fifth year of the Initiative will focus on training more coop incubators, working with academic institutions to create cooperative programs, and broaden the field of worker cooperative development in New York City. In addition, the Initiative will continue to have an impact on cooperative creation, on assistance provided, and jobs created with 145 new jobs set to be created in FY19. The enhancement also accounts for the \$105,000 allocation which was awarded to Small Business Services in FY18. We encourage the Mayor to baseline this funding to SBS, so that the Council funding is used solely for the creation and expansion of worker cooperatives businesses

With the continued support of the City Council and the support of Small Business Services, we, the Initiative, will continue to see these businesses grow and witness more individuals and families achieve the financial stability that will ultimately improve not only their lives but also their communities.

### **Conclusion**

We thank the City Council for the opportunity to testify. We hope that 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 create shared prosperity for all New Yorkers.

# **GREEN WORKER COOPERATIVES**

## **TESTIMONY**

Oversight Hearing:  
**New York City's Worker Cooperative  
Business Development Initiative: Worker Cooperatives- A Successful  
Model for Small Business"**

**Presented to  
New York City Council, Committee on Small Business Services  
Hon. Mark Gjonaj, Chair  
Friday, March 9, 2018**

Prepared & Submitted By:  
Omar Freilla  
Founder & Coordinator  
Green Worker Cooperatives

**Green Worker Cooperatives**  
[www.greenworker.coop](http://www.greenworker.coop)  
(718) 617-7807

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. My name is Omar Freilla, founder and coordinator of Green Worker Cooperatives. I am here to share about our organization's work, as well as the work of our 12 partner organizations, in realizing the goals of the City Council's Worker Cooperative Business Development Initiative to grow the number, and size, of worker-owned businesses in New York City.

Worker Cooperatives are businesses that are owned and controlled by the people who work in them. Each worker gets one share in the business, which entitles them to one vote: one worker, one share, one vote. As a result of this structure, profits do not leave the community for the pockets of far-away investors. Instead they are passed directly to the workers, who live locally, use those profits locally, and get taxed locally. At the end of the day what that means is more money circulating in our communities. And because workers are the owners, and business owners promote policies in line with their interests, worker-owned businesses promote long-term investment in workers, which result in higher retention rates, extensive skills training, and better wages.

So why aren't there more of them? Why don't we see them everywhere?

There are two main reasons:

1. Corporations have an obligation to maximize profit for their shareholders. Cooperatives do not. Investors prefer to park their dollars in businesses that allow them to get as much money out of them as possible, with little to no work required, and an opportunity to have a say in how things go. So money and attention go to the corporations. And that's what grows.
2. You don't create what you don't even know is possible. Those inclined to start businesses are never exposed to the cooperative business structure, so they don't even know it's an option. With a few exceptions, cooperatives are ignored by business schools, entrepreneurship programs, and economic & small business development agencies.

At Green Worker Cooperatives we help aspiring entrepreneurs turn their ideas into start-up worker cooperatives, and grow from there. We make it our business to beat the bushes in search of people who want to start worker-owned businesses. I can say with certainty that the overwhelming majority of aspiring entrepreneurs we encounter prefer the idea of a worker cooperative. They want their businesses to contribute to their community, they want a team to support them, and they want the people they work with to be invested in the business. It's rare that we encounter someone who says "I don't want to share the business with other people. I want to be THE boss." Despite the overwhelming feelings in favor of co-ops, it still takes on average, about 2 years for an aspiring entrepreneur we've just exposed to worker cooperatives, to sign up for our 5-month cooperative business boot camp, the Co-op Academy. First, they have to verify that cooperatives are real, then find people they trust to start the business with. Since most sources of information about business startups, don't mention worker cooperatives, and some go as far as to discourage partnerships generally, most people don't get to the stage where they're looking for partners. And when they do, they have to find partners who have also gotten to that same point.



This is why the City Council's Worker Cooperative Business Development Initiative is so important. It builds awareness of worker cooperatives, provides technical assistance for cooperative entrepreneurs, and builds capacity for groups that invest capital and other resources in worker co-ops.

In recognition of the role that cooperatives can play in addressing the economic development of marginalized communities, New York City signed the first ever piece of city legislation to require it's economic development arm to track municipal support of worker cooperatives. Signed in March of 2015, Intro. 423 requires the city to assess how it can better support worker cooperatives, as well as report on the number of city contracts awarded and number of cooperatives that have received assistance from the Department of Small Business Services.

**As a result of last year's WCBDI funding**, groups such as Green Worker Cooperatives, the Center for Family Life, The ICA Group, The Working World, and Urban Upbound were able to create **36 new worker cooperatives**. These as well as other co-ops supported by a range of partners in the initiative created **185 new jobs**. Together we also provided approximately **1,800 technical assistance services to 180 businesses**, while educating 2,300 people about worker cooperatives. And we are on track to reach similar numbers for FY 2018. The Initiative has made remarkable progress, and is **on track to quadruple the total number of worker cooperatives**, since it's beginning in FY 2015.

**This is why our Coalition of partners is requesting the City Council increase its investment in the Worker Cooperative Business Development Initiative from \$3.1 million in FY 2018 to \$3.9 million in FY 2019.** The initiative's success has resulted in an increased demand for worker co-op support services. More people are approaching us looking for help to start worker cooperatives. More community groups are looking to partner in order to help their constituents form cooperatives. As our pool of existing cooperatives has grown over the years, their demand for technical assistance services has grown as well. As such, the infrastructure needed to support the growing cooperative community in New York City is need of a boost. With increased funding, the Initiative will not only continue to develop new cooperative businesses, with another 37 planned to launch by the end of FY 2018, but help them thrive in the long term.

With increased funding in FY 2019 we will be able to increase capacity and broaden our partnerships to spread awareness of worker cooperatives even further to a wider cross section of communities; meet the increased demand for assistance; and help our growing pool of worker cooperatives to grow their revenue and size.

With the continued support of the City Council and the support of Small Business Services, we, the Coalition, will continue to see these businesses grow and witness more individuals and families achieve the financial stability that will ultimately improve not only their lives but also their communities and the city as a whole.



**Testimony by Jesse Laymon,  
Policy Director of the New York City Employment and Training Coalition (NYCETC)  
Before the New York City Council Committee on Small Business  
Chairman Mark Gjonaj  
At the FY 2019 Preliminary Budget Hearing**

**March 9, 2018**

Good morning and thank you for holding this hearing and doing the necessary oversight of the City's Department of Small Business Services, a vital part of our City's ability to affect income inequality and chronic poverty in New York.

My name is Jesse Laymon, Policy Director for the New York City Employment and Training Coalition (NYCETC). NYCETC is an association representing the expertise of over 180 community-based organizations (CBOs), educational institutions, and labor unions that annually provide job training and employment services to more than 800,000 New Yorkers, including public assistance recipients, unemployed workers, low-wage workers, opportunity youth, individuals involved with the criminal justice system, immigrants, veterans, the homeless, the elderly, and individuals with disabilities. The Coalition is the only citywide association exclusively focused on workforce development and has played a key role bringing together the city's workforce community for over 20 years, advancing policy priorities, convening to share information and best practices. The Coalition has a responsibility to give voice on what makes sense to our community to government, policy makers, researchers, the media and funders.

With regard to the Department of Small Business Services, we have 2 question areas that we hope will guide your oversight of the agency today and in the coming months. I will briefly summarize these, and would be happy to return to the committee to testify to any or all of my testimony in more detail.

**Question 1: To what extent is SBS participating in the Mayor's Career Pathways plan, and specifically what portion of the \$60 million annual promise for bridge programs will SBS fulfill?**

Career Pathways is now meant to be the blueprint for all of the City's workforce development plans and services, but some of its top-line commitments aren't being met. Of particular concern is Career Pathways Recommendation #3 (the principle budgetary recommendation),

which is so far off track as to require multi-agency efforts starting this year to achieve the goal by 2020.

That commitment is to New Yorkers whose lack of basic skills is standing between them and a quality job. For people who need literacy, numeracy or English language instruction along with basic job skills, bridge programs have been identified as the key pathway to employment or higher education. The Career Pathways plan promised that the City would budget \$60 million for bridge programs by 2020, but as of now the current level of spending is still less than \$10 million.

*So the Council must ask SBS how much of its total budget it is planning to spend on bridge programs, and what portion of the 2020 goal it intends to take up by that time.*

We believe that SBS must take on responsibility for this goal being met; and while the majority of bridge programs might best exist at DYCD, HRA, or even EDC, SBS should still be spending at least \$10 million by 2020 to do its part to achieve this goal.

**Question 2: What clients are being served by SBS's current services, and what is SBS doing to ensure that those most in need of education and training are getting it?**

Last fall, the Council introduced legislation, Intro 1736, to require SBS to issue an annual report on all the demographic information available about who was receiving services through Workforce1 centers and associated programs.

This legislation was written for good reason: while SBS spends tens of millions of dollars (Federal dollars passed through NYC) each year on the Workforce1 system, it is not clear to our community that the services offered at these sites are getting to the clients and communities that need them most. Currently, we do not know how many of the jobseekers who gained employment thanks to our public workforce system were from each of several higher-needs populations:

- Long-term unemployed
- Justice involved
- Disabled
- Immigrants
- English Language Learners
- Recipients of Public Assistance
- Out of School, Out of Work Youth (who did not complete HS)
- Parents with childcare needs (including young parents)

Understanding to what extent these clients are being served now is essential for calculating how much additional services are required from SBS and other City agencies to meet the full need.

The Council should ask SBS to provide this information today, and if they do not, should consider re-introducing Intro 1736 and legislating the need for SBS to be transparent about who is receiving their services.

Thank you for taking our concerns into consideration, and we look forward to working with the City Council to make sure that the needs of New York City's jobseekers are addressed by EDC and other agencies through this and future City budgets.



#WorkforceAdvocacy

A Coalition with nearly 200 members, we are the voice of community-based organizations, educational institutions and labor management organizations engaged in New York City workforce development. We work together to improve policy, practices & outcomes for the city's workers, job-seekers and employers. We believe all New Yorkers have talent and drive, which if cultivated through quality workforce development programs will improve the lives of workers and their families and make New York's economy more competitive.

## 2018 Policy Platform for Workforce Development in New York

### Invest in Economic Growth for All New Yorkers

#### Overcome Inequality with Career Pathways

New York is still facing our 'tale of two cities'. For some, this is a booming metropolis with more opportunity than ever before, home to a broad array of growing industries and new careers, for others it is a harsh and unaffordable city, where poverty is a powerful trap and opportunity is always just beyond reach. Social services are fiscally strapped, without sufficient resources to both secure the safety net for those left behind and build the pathways for them out of it.

We believe that the only answer is *make bold new investments* that expand economic opportunity and promote equality for New York's workers, with a focus on **preparing New Yorkers for middle-class careers** that are currently beyond their reach. The City of New York must play a central role in preparing these workers by re-focusing its economic development agenda on real people. That means the City must begin to **prioritize graduations and job placements, not ribbon cuttings and tax abatements**.

The blueprint already exists: if the de Blasio Administration truly implemented and funded their own plan for workforce development, **Career Pathways**, the City could re-orient its workforce development system towards developing jobseeker skills, achieving high-quality job opportunities for all.

By doing so, the City would ensure that New Yorkers living in poverty have access to **essential education, quality training and living-wage career tracks**, and that each aspect of the City's workforce and economic development system is geared towards opening the doors to opportunity for New Yorkers who've been left behind in the past. New Yorkers cannot wait years longer for the system to work for them - *now is the time to invest in our workforce*.

#### City Budget / Legislative Priority

##### Implement and Fund Career Pathways

- Increase Funding for Bridge Programs to \$60 Million by 2020, spread across DYCD, SBS, CUNY, HRA and EDC.
- Reorient the Workforce1 System around Career Pathways goals, and publicly report on results for key populations.

*Details on Reverse Side --->*

#### Administration Priority

##### Embed Workforce Development Into All Economic Development

- Economic development initiatives such as New York Works must incorporate relevant workforce training investments.
- The Mayor's Office of Workforce Development must have the power to ensure Career Pathways goals are reached.

*Details on Reverse Side --->*

#### State Budget Priority

##### Establish New Workforce Training Investment

- New York State should devote new resources to workforce training through the newly proposed Consolidated Funding Application.
- The REDCs must use this funding to prioritize communities in need, however, and support proven strategies such as bridge programs.

*Details on Reverse Side --->*



## *City Budget / Legislative Priorities* **Career Pathways Need: Fund Bridge Programs**

Bridge programs are designed to provide workers with very limited skills or English proficiency with the supplemental education they need to take advantage of available jobs and training programs. In order to prepare 100,000+ New Yorkers for new jobs, we must fulfill the goal set in the Career Pathways plan of **\$60 million in annual funding** for bridge programs by FY 2020. As of 2018, the City is far behind track.

The Mayor and City Council can achieve this target by:

- Funding \$15+ Million in Bridge Programs through DYCD, including bridge literacy programs for youth and adults.
- Funding \$15+ Million in Bridge Programs through EDC, aimed at preparing New Yorkers for careers in growing sectors.
- Funding \$10+ Million in Bridge Programs through HRA, helping lift recipients up out of public assistance.
- Funding \$10+ Million in Bridge Programs through SBS, providing training dollars to Workforce1 Community Partners.
- Funding \$10+ Million in Bridge Programs through CUNY, such as CUNY Prep.

### **Career Pathways Need: Prioritize SBS Services for Communities in Need**

For the City's workforce development system to combat persistent income inequality, SBS, the City's primary portal for jobseekers, **must focus on the populations who have the highest unemployment** rates and need workforce services the most.

SBS should begin to achieve this by issuing annual public reports on the number of jobseekers it has served (via either job placement or connections to training) who fall in each high-unemployment population: youth, recent immigrants and english-language learners, people with disabilities, with criminal justice histories, or with limited work experience or educational attainment.

## *Mayoral Administration Priorities* **Include Job Training In Economic Development**

For economic development projects and initiatives sponsored by City entities like the Economic Development Corporation (EDC), **all RFPs should include language requiring developers** to detail how they'll implement a pipeline connecting local workers to trainings and to jobs. All future economic development proposals by public entities should include workforce training as a funded component.

To create more opportunities for local workers, the City **should mandate hiring requirements** for disadvantaged and local workers on projects involving City resources such as land, tax credits, or direct funding. Finally, the City should designate a monitoring agency (such as WKDEV) to ensure development projects achieve their contract terms.

### **Empower the Office of Workforce Development**

The Mayor's Office of Workforce Development (WKDEV) must be able to ensure that key Mayoral priorities such as Bridge Programs are implemented, either through an independent budget or by having review authority over agency budgets.

We recommend that **SBS, HRA, and DYCD** at least should have to **submit their proposed budgets to WKDEV** along with OMB for approval before they are included in the Mayor's FY2020 Budget.

## *State Budget Priority* **Support New Workforce Training Funds**

The State Legislature should support the proposal in Governor Cuomo's 2018 State of the State for a **new \$175 million Consolidated Funding Application** for workforce training through the Regional Economic Development Councils (REDCs).

However, it is imperative that the REDCs choose to grant these dollars to programs that include legitimate workforce training provider organizations, and that they prioritize grants to communities of greater need (such as youth, recent immigrants and english-language learners, people with disabilities, with criminal justice histories, or with limited work experience or educational attainment).

**For more information or to attend our Monthly Coalition Strategy Sessions, contact:**

Jesse Laymon, Director of Policy and Advocacy: [jlaymon@nycetc.org](mailto:jlaymon@nycetc.org)



**TESTIMONY OF**  
**THIRD AVENUE BUSINESS IMPROVEMENT DISTRICT**  
**Michael Brady, Executive Director**  
**before the**  
**New York City Council**  
**Committee on Small Business**  
**Friday, March 9, 2018, 1:00pm – City Hall, Council Chambers**

Good afternoon. Chair Gjonaj, Councilmembers Ayala, Levin, Perkins, and Rivera; thank you for the opportunity to speak today. I am Michael Brady, Executive Director of the Third Avenue Business Improvement District located in the South Bronx. The Third Avenue Business Improvement District is the Bronx's oldest BID, has approximately 200 member businesses that include small, emerging, and micro businesses – some locally owned mom and pops, others are larger franchises – a healthy mix of destination and convenience retailers and service providers. Our business count is slated to grow to 900 by 2019 - and greets over 200,000 visitors daily. We have an assessment driven operating budget of \$426,000. We employ 4 individuals full-time, and supervise contracted supplemental maintenance and security services.

As you may recall on February 28, 2018, I delivered testimony during the Oversight Hearing into the New York City Department of Small Business Services. I want to make very clear that SBS is a partner to the City's business improvement districts. I also want to make clear that partners, in order to strengthen the fabric of the City, should give honest criticism to not just move an agency forward – but to move the City as a whole forward. I would like to further clarify for some members of the Council, that partners do not use the term "bite the hand that feed you;" partners are just that – partners - and exist symbiotically. There are several career public servants at SBS and I want them to know that they are valued, trusted, and respected.

During the hearing it was established that the agency had a FY2018 budget of roughly \$191 million dollars, and employed just over 300 employees. While I realize that those numbers have changed, it does not alter the fact that the agency has programs that seek to enhance the fabric of micro, emerging, and small businesses throughout the city and that there was a willingness to partner with the City Council to strengthen those programs and work with on the ground organizations to provide localized practices to specific communities.

The Third Avenue Business Improvement District would recommend the following areas:

**I. Data and Staffing**

- a. SBS should create a staffing plan that maximizes existing strengths and seeks to ensure that high turnover rates are minimized. SBS must examine the ratio of administrative to front-line service provision staff. SBS should utilize specific resources to streamline data collection processes and CRMs so that staffing may be better utilized for front line service provision instead of data interpretation and collection. These resources should be made available to all SBS partners, including business improvement districts so that data sets like vacancies, district employment statistics, number of microbusinesses and workforce data, and district spending and impact can be better understood.
- b. Expand the number of staff members allocated to business improvement district assistance.
  - i. Specifically in the areas of BID specific intergovernmental relations and BID capacity building.

Several BIDs were formed under past administrations that need significant assistance to "right" themselves. The Third Avenue BID was one of those districts. I am happy to report that we are no longer. However, there are still 8-10 districts city-wide that would benefit from deeper capacity assistance.

**II. Funding for Equitable Business Course / Workshop Offerings**

With appropriate partnership and resource distribution these should be offered more equitably in the outer boroughs. We realize that it may be difficult to engage with outer borough businesses but this is also the very reason more resources should be

distributed – particularly to established businesses that may need enhanced programming to compete with e-commerce, big box stores, and the high impact of commercial taxes.

In reviewing the SBS published workshop and business course listing that is published through your website on Eventbrite we found that over the next two months 37 business courses will be offered in Manhattan, 19 in Brooklyn, 17 in Queens, 5 in the Bronx, and 0 in Staten Island. We did not find marketing materials or translation offerings for these workshops.

### III. Wide Spread Use of Chamber on the Go

Expand Chamber on the Go services to all businesses; not just businesses outside the purview of business improvement districts.

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In addition to the above, very concrete items – I would also ask this Council to investigate what the effect a loss of federal CDBG funding would have on SBS programs, and what safe guards are in place to address that. These programs are vital to on the ground partner executed services and comprise roughly 30% of SBS program budgets.

Furthermore, given SBS's experience and general trends in New York City, I would like to have this Council see how funding may be reallocated to address:

- Commercial Warehousing
- Commercial tax reduction
- Enhancing the tools and funding to the 7-9 Chambers and 75 BIDs to assist with marketing and participating in Chamber on the Go

I know that many individuals, organizations, and groups have strong opinions on the role of business improvement districts – including opinions in this administration that BIDs led to gentrification. Some welcoming them as a method to have property owners pay an additional assessment to assist in maintaining commercial corridors and communities, others linking BIDs with gentrification movements. I traditionally do not weigh in on either side of that argument because the Bronx, and most outer boroughs represent a different model to typical BIDs. You see in my district we do not have the luxury of completing major capital projects, travelling abroad to scout out the latest trends in bus shelter development, or elaborate street scape programs – largely because our programs are making up for over five decades of community disinvestment. Many BIDs in historically under-resourced communities are doing similar work. Our communities never had a real seat at the table, and have slowly developed a BID framework that works for us and works for the communities that we serve. A framework that protects our communities – and by communities I mean all members – our businesses, property owners, residents, homeless, developers, and individuals suffering from mental illness and substance abuse – all are part of our community fabric. And all are represented in this conversation.

It is my hope that this brief conversation today can provide the tools to provide a clearer course for business development in New York City.

Thank you.





**Nontraditional Employment  
for Women**

Hard Hats. Strong Women. Building the Future.

FOR THE RECORD

Nontraditional Employment for Women (NEW)  
Erik Antokal, Workforce Development Officer  
Testimony: Committee on Small Business  
March 9<sup>th</sup>, 2018

I am submitting testimony on behalf of Nontraditional Employment for Women (NEW) in support of City Council funding initiatives that support careers for all New Yorkers, especially those with the least access to opportunity. At NEW, we believe in the impact of a construction career on skills, wealth and economic independence for women and their families, and we have the data to back up that belief. And of course, we especially support a career-centered workforce model that works for those who have historically not had access to a career growth trajectory.

Apprenticeship in construction is a robust career pathway that affords apprentices the opportunity to earn while they learn a skilled trade, sustain themselves and their families. Since 2005 alone, 2,500 of our graduates have secured employment as union apprentices, utility workers, maintenance workers, and in other blue-collar career tracks, all of which offer built-in equal pay for their hard work.

Just one example is the District Council of Carpenters, of which ~20% of NEW tradeswomen are members. 1<sup>st</sup> year Carpenters earn approximately \$20/hour and at Journey level, they earn over \$53/hour, to say nothing of the health and retirement benefits which allow New Yorkers to support their families and communities. And as they progress, they are trained, both in the job and in the classroom, by experts in their craft. These skills and networks are the core of what makes a successful career, and the core of why we do what we do.

But, to get New Yorkers ready to succeed in any long-term career, be it construction or another long-term ambition, the most underserved among us need preparation, de-mystification, and networks. That's where CBOs like NEW come in. The city's programs must continue to support local institutions that provide a "laboratory" - a place and a program where aspirations can be equipped with skills, mistakes can be made, and guiding mentor relationships can be forged. Furthermore, support must be given for social services provided to career-seekers, if we are truly seeking to serve New Yorkers who have the greatest obstacles to long, gainful careers. Finally, "bridge" support to better prepare New Yorkers for the basic requirements of training programs and careers is imperative. Trainings should include computer literacy, basic math, basic reading, and interview preparation, and should be followed with a genuine career pathway, through referrals to sector-specific trainings like those offered by NEW, or key employers with growth options for employees.

NEW gratefully receives and has received support from several City sources that fall under the jurisdiction of the Committee on Small Business: City Council Discretionary funding, Green Jobs Corp, Sandy Recovery Pre-Apprenticeship (from 2016-2017), as well as the Jobs to Build on and Worker Service Center programs through the Consortium for Worker Education. These funding sources are time-tested vehicles by which the supports I've discussed can be enacted, especially via CWE. The Consortium knows the landscape of training and local nonprofits, and is a trusted grantmaking partner of the City of New York, which I encourage you all to support even further with funding for bridge programs, so that more people are ready for training, and holistic, wraparound social services for jobseekers, so that training can be effective. Before New Yorkers take those first few steps down a career path, they need to have these resources in place, or we run the risk of those steps just being jobs, not careers.

Thank you for your time, and for your partnership.

**Founders Affiliate**  
122 East 42<sup>nd</sup> Street, 18<sup>th</sup> Floor | New York, NY 10168  
www.heart.org

FOR THE RECORD

## **Testimony of the American Heart Association**

### **Before the New York City Council Committee on Small Business**

March, 9 2018

Robin Vitale, Vice President, Health Strategies  
American Heart Association | American Stroke Association  
New York City

Good afternoon. Thank you for the opportunity to discuss the importance of access to healthy food for all New Yorkers as it relates to the Fiscal Year 2019 budget.

Every family should have access to the foods that help support a balanced diet and a healthier life. In the Fiscal Year 2019 budget, the American Heart Association asks the city to invest in three key programs that will increase access to healthy food and boost the economy, especially for neighborhoods that need it most.

Access to healthy food has shown benefits that go beyond creating healthier communities. Grocery stores that sell healthy foods help drive the economy in low income neighborhoods by providing jobs and stimulating economic growth. These healthy food retailers can become the economic anchors of a community and attract other complementary businesses to start, including banks, pharmacies, restaurants, and other small businesses. Access to healthy food also means a higher quality of life, which can lead to more people who can work and a decrease in the cost of healthcare.

First, the city should commit an additional \$15 million to help New Yorkers afford fresh fruits and vegetables by expanding SNAP incentives such as Health Bucks. 1 in 5 New Yorkers receive Supplemental Nutrition Assistance Program benefits, which reduce food insecurity and help households rise out of poverty. It also benefits the economy; every \$5 in new SNAP benefits generate \$9 for the local economy. Since more food is being purchased through SNAP, it increases the economic activity for both the producers and the systems that deliver the food, including retailers, wholesalers, and transportation. Farmers' markets that offered Health Bucks saw higher daily Electronic Benefits Transfer sales than farmers' markets that did not offer the incentive. SNAP recipients also can feel a greater sense of community involvement when shopping at farmers markets. Demand and use of Health Bucks has increased over time, and we applaud the city for continuing to innovate in this area. The city should increase funding for SNAP incentives by \$15 million and continue to explore avenues for expanding access not only at farmer's markets but also bodegas and supermarkets, online markets, or other retail venues that allow families to access these resources where they live and shop.

Second, the city should launch a \$10 million Healthy Food Financing Initiative, which will help local grocers to open, expand, and improve grocery stores in neighborhoods that need food and jobs the most. 1.2 million residents of New York City live in lower income communities with limited access to healthy food retail. These same neighborhoods often struggle with high rates of unemployment and diet-related chronic diseases like diabetes and heart disease. While FRESH provides zoning and tax incentives for grocery stores to open or expand in underserved communities, an HFFI leverages both public and private funding to provide low-interest loans and grants specifically tailored for food establishments that may otherwise struggle to secure needed traditional capital. These low-interest loans and grants support the establishment, renovation, and expansion of permanent facilities for the sale of healthy foods in underserved communities, including supermarkets, farmer's markets, mobile markets, and bodegas. HFFI can create jobs for people living in the neighborhood, create markets for farmers, and improve the viability for other retailers to start complementary businesses. Our state's iteration, now no longer being funded as the Healthy Food Healthy Communities Fund, resulted in more than 20 healthy food retail projects, with approximately 450 permanent FTE positions and 630 construction jobs. Given the success of HFFI in New York State and in other regions across the country, New York City should invest \$10 million to launch a local program to support healthy food access and strengthen local economies.

Third, the city should increase funding for healthy corner store initiatives to \$3 million in order to increase the amount of healthy food that is offered in corner stores. Groceries and corner stores are anchors for development in communities; they attract foot traffic and can engage in community development through local programs. Shop Healthy NYC, operated by the Department of Health and Mental Hygiene, is doing important work across the city and \$3 million would allow the program to expand or be supplemented by community-led initiatives in order to better meet the need of New Yorkers.

All three of these programs should use the best available science to set public health-driven goals and involve an evaluation partner identified from the academic research community who is responsible for the collection and annual public reporting of data for evaluation. Healthy food financing and healthy corner store initiatives should be dedicated for projects that will economically benefit low or moderate-income communities that are also identified as most in need of healthy food access.

Given the uncertainty of the federal and state budgets, now is the time for the city to commit local funding to programs that boost the economy of low-income communities and have the potential to lower health care costs. Investing in SNAP incentives, a Healthy Food Financing Initiative, and healthy corner store initiatives will aid in improving the economy in underserved communities. As you continue to work on the Fiscal Year 2019 budget, I hope you will ensure every New Yorker has access to healthy food, no matter where they live.



FOR THE RECORD

March 9, 2018  
FOR THE RECORD

451 Park Avenue South  
4th Floor  
New York, NY 10016

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Fax: 212-683-0404

www.ny-bca.com

Honorable Mark Gjonaj, Chairman  
Committee on Small Business  
New York City Council  
250 Broadway Suite 1847  
New York, NY 10007

Re: Report of the Finance Division on the Fiscal 2019 Preliminary Budget and the Fiscal 2018 Preliminary Mayor's Management Report for the Economic Development Corporation

**Opposition to City-Funded Construction Safety Training**

Dear Chairman Gjonaj and Members of the Committee on Small Business:

I am the Managing Director of the Building Contractors Association, Inc. ("BCA") (see enclosed "Who Are We" document).

The BCA and its contractor members have reviewed the Report of the Finance Division on the Fiscal 2019 Preliminary Budget and the Fiscal 2018 Preliminary Mayor's Management Report for the Economic Development Corporation. The BCA opposes the proposed allocation of almost \$64,000,000 of taxpayer funds for Construction Safety Training.

The BCA firmly believes that this allocation of funding is an unfair taxpayer subsidized benefit to non-union contractors. The unionized contractors that make up the membership of the BCA all pay contributions out of their own pockets to fund various union local training programs. These employer contributions range from \$.50 to \$1.00 per hour, per worker. To subsidize non-union contractors that always pay their workers lower wages is a public slap in the face to unions, unionized workers and unionized contractors. Non-union contractors should not be the direct or indirect beneficiaries of Local Law 196's safety training mandates.

The BCA appreciates your anticipated consideration of its position on this issue. We are always willing to meet with you and the Committee to discuss any and all issues related to New York City's construction industry. If you have any questions, please feel free to call.

Yours truly,

  
John O'Hare  
Managing Director

enc.



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## BUILDING CONTRACTORS ASSOCIATION, INC.

### Who Are We?

The Building Contractors Association, Inc. (“BCA”) is Metropolitan New York’s leading membership association of unionized construction contractors. Since its formation in 1933, the BCA has represented and promoted the general welfare and interests of its construction industry employer members. Among its stated purposes, the BCA has historically provided the unified contractor voice needed to address and enter equitable long-term labor-management relationships.

The members of the BCA represent the finest of New York’s builders. One quarter of the Metropolitan areas largest construction firms are BCA members.<sup>1</sup> Some are multi-generational family owned businesses, one reaching back over 125 years. Others represent the new growth of minority and women owned construction firms. Their projects line the streets and skyline of the City of New York. They have employed generations of unionized construction workers providing solid, well-paying jobs to thousands of New Yorkers. They represent the proud tradition of New York’s quintessential construction industry.

Studies show that New York City’s construction industry generates approximately \$66.3 billion in total spending with expectations that that number could reach \$127.5 billion by the end of 2018.<sup>2</sup> New York City’s construction industry is an economic machine.

BCA members are actively interested in promoting and protecting the varied interests and issues related to New York’s building and construction industry. The BCA is committed to the strength of the City of New York.

#### What we believe:

- Continued commercial and residential development is critical to maintaining the City of New York as the world’s greatest city
- City and State support for public works projects is essential
- Stable labor-management relationships are essential to the well-being of the construction industry
- Construction industry is fully committed to safety first
- Developers, contractors and labor must work together to address high costs of construction work
- Opportunity is the gateway to success

<sup>1</sup> Crain’s, 2017 List of NY Area’s Largest Construction Firms, July 10-23, 2017, pages 11-12.

<sup>2</sup> New York Building Congress 2017 report.

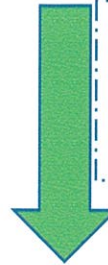
# EXECUTIVE SUMMARY

## DEPARTMENT OF SMALL BUSINESS SERVICES – FISCAL 2019 PRELIMINARY BUDGET

### School Bus Grant Program (New Need)

- \$41.8 million added for the current year
- The total cost of the SBS grant from Fiscal 2014-2018 is approximately \$183 million
- Supports the employment of experienced school bus workers impacted by changes in the Department of Education’s contracts for school bus transportation
- Reliant school-bus company is the only firm receiving this grant

**\$43.9 million or 20.3% decline since Fiscal 2018 Adopted Budget**



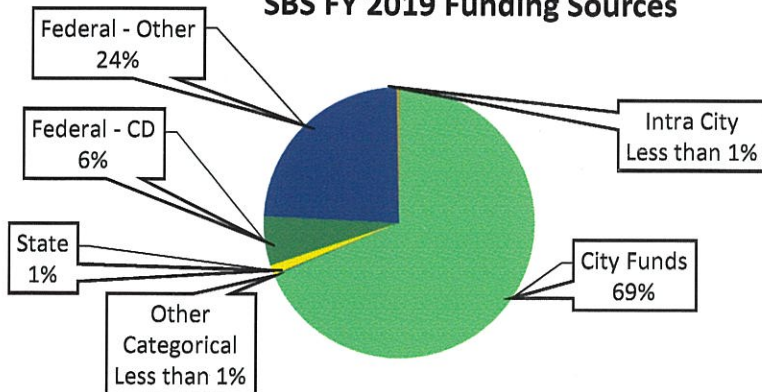
### Highlights

- \$172.2 million budget
- \$21.5 million in Council Initiatives
- 362 full time employees

### Construction Safety Training (New Need)

- Legislation 1477-C
- \$63.9 Million for Fiscal 2018-2022
- 44 headcount increase
- Administer training
- 6,000 firms eligible for the program

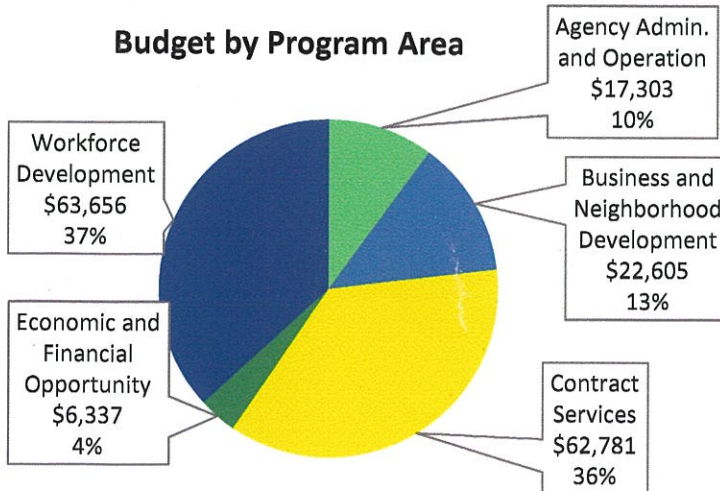
### SBS FY 2019 Funding Sources



### Business Improvement Districts (BIDs)

- 75 BIDs
- Invests \$148 million annually in NYC neighborhoods
- 93,000 businesses served
- 127 public spaces maintained
- 4 million trash bags collected last year

### Budget by Program Area



### Workforce1 Career Centers

- Located in all 5 boroughs
- 21 Centers in total: Bronx (4), Brooklyn (4), Manhattan (4), Staten Island (3), Queens (6)
- 28,170 in Fiscal 2017, 28,455 in Fiscal 2016, 26,952 job placements and promotions.
- 54,816 in Fiscal 2017, 55,647 in Fiscal 2016 and 55,133 in Fiscal 2015 new jobseekers registered through the centers.

Aliya Ali, Senior Financial Analyst  
NYC Council Finance Division

**FISCAL YEAR 2019 PRELIMINARY BUDGET  
TESTIMONY PRESENTED TO  
NEW YORK CITY COUNCIL  
COMMITTEE ON SMALL BUSINESS**

**March 8, 2018**

**Submitted By:  
Building Trades Employers' Association**

Good afternoon Chairperson Gjonaj and members of the Committee, I am Donald Ranshte, Senior Vice President of the Building Trades Employers' Association, (BTEA) representing Louis Coletti, President and CEO, who was unable to attend the hearing today. The BTEA is a trade association representing 26 contractor associations, and 1,200 contractor members responsible for over \$35 billion dollars in economic activity in New York City. Thank you for allowing me the opportunity to testify today on the Fiscal Year 2019 Department of Small Business Services Preliminary Budget.

We appear today asking this Committee to examine, and question, the Administration's proposal to provide almost \$64 million dollars over the next four fiscal years for "Construction Safety Training".



This funding is supposedly allocated for initiatives associated with implementation of Local Law 196 (previously known as Intro 1447C). When passed, LL196 required safety training for all construction workers. We view this as a mandate on private businesses, construction contractors, to train their workforce. In fact, BTEA contractors already do pay for training. BTEA member contractors, under the terms of their collective bargaining agreements, pay for the safety and technical training of their workforce. Worker safety training is the responsibility of the contractor. There should be no tax payer subsidy or public dollars used to pay for worker safety training. Contractors should pay for this training. If you're not prepared to pay for your own worker's training, maybe you shouldn't be working in NYC.

That said, we understand the unique challenges presented by the needs of the day laborer community (also those who don't have the ability to pay). We have been supportive of a pledge by the Administration to allocate \$5 million for these workers to receive training at a publicly funded community based organization or not-for-profit. This was viewed as seed money appropriated to CBO's to start this program, not for non-union contractors to utilize the training for their workforce at

no expense. And, it most certainly should not be made an annual appropriation by the City for four fiscal years.

We have heard that some contractors are already withholding wages from workers to pay for safety training. This is reprehensible and cannot be allowed to happen. Nor, should the city subsidize contractors who don't care enough about the lives of their workers to spend a few dollars on safety training.

Members of the Committee, you can raise the bar of construction safety for all workers, employed by all contractors, not support the half of the industry who feels like they have no part in safety. Thank you.



## **Asian American Federation**

### **Testimony for New York City Council Budget and Oversight Hearings on The Fiscal Year 2019 Preliminary Budget, The Preliminary Capital Plan for Fiscal Years 2019-2022 and The Fiscal 2018 Preliminary Mayor's Management Report Submitted to the New York City Council Committee on Small Business**

March 9, 2018

Thank you to City Council's Committee on Small Business and Chair Gjonaj for providing us the opportunity to submit this testimony. My name is Eric Kim and I am the Small Business Project Manager at the Asian American Federation (AAF). AAF's mission is to raise the influence and well-being of the pan-Asian American community through research, policy advocacy, public awareness, and organizational development. We also come to you today representing our network of over 60 member organizations supporting our community with their work in health & human services, education, economic development, civic participation, and social justice.

The Asian population is the fastest-growing group in New York City, now representing at least 10 percent of the population in 26 out of 51 City Council districts. Additionally, Asian-owned businesses are a vibrant and essential part of the city's economy, accounting for about half of net new economic activity and half of net new paid employment from 2002-2012 in New York City according to the Economic Census. Despite these impressive statistics, many of these entrepreneurs face challenges due to language barriers, confusing regulations, and a dearth of programming to address their specific needs. While their economic output is celebrated, the city's Asian entrepreneurs have difficulty finding the support and resources they need to truly thrive.

As the Administration and City Council work towards a 2018 budget, we invite you to familiarize yourself with the work highlighted in this testimony and urge you to consider our recommendations to support it. We believe that with the Council's leadership, we can meaningfully strengthen our city's ability to support our entrepreneurs and business owners.

#### **Small Business Development**

Asian-owned business provide jobs for new immigrants and span industries as diverse as tech startups, restaurants, taxi drivers and personal care services. There's no doubt that they play a crucial role in our city's economy. However, even without the added challenges of being an immigrant, as 70 percent of Asian New Yorkers are, small business ownership is known to be challenging. Notably, self-employed Asians have lower median wages and earnings than self-employed non-Asians, perhaps in part because they are more likely to have Limited English Proficiency (LEP) and be non-citizens. This makes navigating the already complex world of small business ownership even more overwhelming. Navigating the byzantine world of government requirements and regulations can become potentially prohibitive.

These entrepreneurs need assistance accessing the city resources for small business owners that already exist as well as support in the form of additional programming targeting their specific needs. Currently, AAF is developing programming out of our new EDC-funded office in Flushing, where we are focused on the small businesses on Union Street negatively impacted by the construction of Flushing Commons. This support includes the following:

- Marketing Assistance - Creating promotional events such as beauty salon week, restaurant week, or giveaways to incentivize local customers to visit Union Street.
- Social Media Education - Helping business owners create accounts and understand the utility of social media, which many are currently lacking.
- Community Engagement - Installing banners, engaging businesses with local events such as Lunar New Year celebrations, helping with translation services when needed, and hosting information session with the city and state agencies.
- Beautification - Coordinating signage removal and power washing of streets and signs.
- Media Coverage - Collaborating with more than 10 local ethnic media outlets to cover the overall program and raise the profile of these events within the community.

As this programming grows and produces results, AAF hopes that we will be able to apply this model and lessons learned to other Asian business enclaves who need help keeping pace in this ever-evolving city.

### **Workforce Training**

In addition to supporting our Asian small business owners, ensuring that Asian workers are well-equipped to seek employment is a major economic priority for our community. With half of Asian New Yorkers struggling with LEP and one in four living in poverty, we need to provide programs that address their diverse needs and help them climb the economic ladder. Instead, funding of language training for non-English speakers has lagged in the face of increasing demand for services in the Asian community. Additionally, workforce training is often geared towards large employers, which ignores the reality of the labor needs and existing skills gap with regards to small business employees.

According to CMP, the leading workforce development expert in our community, the focus should be on language immersion to better prepare non-English speakers for the applied use of the language in everyday as well as work settings. Workforce funding should include short-term, “portable” skills, and soft skills training as an alternative to longer term career skills training. This allows for more flexibility to find suitable employment from a broader range of career options, better withstand changing industrial trends, and allow for a quicker skills acquisition time for those who cannot afford lengthy training period and need immediate employment.

Additionally, AAF seeks to help workers understand the specific requirement and protections for their industry. An example of this important work is our program with the State Department of Labor to conduct health and safety trainings for nail salon workers. New immigrant workers are often unaware of the specific health and safety requirements for their industry. Programs that target these workers need to be conducted by trusted voices from their community. Our program involved re-granting to Asian-led community-based organizations already working to organize nail-salon workers to help them conduct the much need health and safety trainings.

### **Recommendations**

To strengthen this important piece of New York City’s economic engine, we request the Committee and City Council consider the following recommendations:

- Bring opportunities for compliance to the community. In the past, one-off compliance assistance days were offered in the neighborhoods to help small business owners deal with citations. Many of these owners have limited English and did not know where to go to deal with compliance issues. By bringing compliance officers and targeted language assistance to the community to deal with outstanding issues and working with trusted community groups, small business owners

were able to both efficiently resolve those issues and learn about how to comply with regulations and avoid future citations.

- Decentralize small business assistance centers and have more staff in the field. For example, Flushing has one of the highest concentrations of Asian-owned businesses. Yet the closest small business assistance centers are in Jamaica and Astoria. Small business owners often do not have time to travel far to get assistance and will look to more local resources. Placing assistance programs in partnership with community groups leverages existing relationships with the business community and makes it more likely small businesses will seek out assistance.
- Fund programs like the Capital Access program as a way to incentivize loans to small businesses.
- Allocate resources to training programs like increasing the availability of adult ESOL programs to help both owners and workers gain language skills.
- Streamline MWBE certification process and improve outreach to immigrant businesses regarding the city's small business procurement process. Increased access can be done via targeted vendor fairs, improved language access, and extended MWBE certification assistance.
- Programs need to be tailored to the specific needs of different Asian business communities and the industries they are in, including increasing the diversity of languages in which programming is offered.
- Build capacity to provide small business assistance in community-based organizations (CBOs) that have existing relationships between with Asian-owned business owners. While some of our member agencies have robust small business programs, many of the emerging Asian communities in New York City have been providing small business assistance in an ad hoc manner. CBOs are the first place Asian small business owners will go for help and the City needs to help ensure the CBOs are properly prepared to offer the assistance.



## **TESTIMONY**

Preliminary Budget Hearing:  
“New York City’s Worker Cooperative Business Development Initiative:  
Worker Cooperatives—A Successful Model for Small Business”

### **Presented to**

New York City Council, Committee on Small Business Services  
Hon. Mark Gjonaj, Chair  
Friday, March 9, 2018

### **Prepared By:**

Saduf Syal, Coordinating Director  
New York City Network of Worker Cooperatives (NYCNoWC)

**New York City Network of Worker Cooperatives**  
495 Flatbush Ave. Suite 2 Brooklyn NY 11225  
Phone: (212) 390-8178

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business.

The New York City Network of Worker Cooperatives (NYC NoWC) is the local trade association representing worker cooperative businesses across New York City. The Worker Cooperative Business Development Initiative has served to bolster our sector, strengthening existing cooperative businesses, which are overwhelmingly immigrant and women owned, and ensuring that worker-owners have a voice. The Initiative Partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensures 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 communities, entrepreneurs, and allied organizations interested in forming cooperatives.

In addition to the creation of and support of worker cooperative businesses, the Initiative partners are working to build relationships and foster effective collaborations with New York City agencies, specifically Small Business Services (SBS). The relationship between the Initiative and SBS has become more effective and symbiotic over FY17 and the previous 3 years of working together under the Initiative. Since the creation of a dedicated staff position working on worker cooperatives within the Business Development Division of SBS, we have increased programmatic collaboration, transparency, and accessibility between the Initiative and SBS. Furthermore, SBS, through internal trainings, has raised awareness amongst its staff about worker cooperatives and thoroughly integrated the Initiative into its customer relationship management database. We are pleased with the continued SBS support of the initiative and we are looking forward to continuing to work with the agency to further integrate the worker cooperative model into their support services. This collaboration will also include events where worker owners and cooperative members can display their businesses while networking with other businesses; events similar to the Annual Worker Coop Fair, which we have held every year since 2015. We are currently working with several city council members and SBS to hold the fourth annual Coop Fair on March 26, 2018. Initiative partners look forward to working with SBS to provide education and support to cooperative businesses and promoting the business model to all New York City residents.



## **TESTIMONY**

Preliminary Budget Hearing:

“New York City’s Worker Cooperative Business Development Initiative:  
Worker Cooperatives—A Successful Model for Small Business”

### **Presented to**

New York City Council, Committee on Small Business Services  
Hon. Mark Gjonaj, Chair  
Friday, March 9, 2018

### **Prepared By:**

Ruth Lopez  
Pa'lante Forward Green Cleaning LLC

**Pa'lante Forward Green Cleaning LLC**  
92-10 Roosevelt Ave. Jackson Heights, NY 11372  
Phone: (347) 845-6674



Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business.

My name is Ruth Lopez. I am one of the worker-owners of the Pa'lante Green Cleaning Cooperative. I am an immigrant who has been in this country for twelve years. Initially, living in this country was very difficult - to obtain a dignified job with a fair wage was very difficult for me and my colleagues of the cooperative. We have some folks who just three years ago were making three or five dollars an hour. It was very difficult to live with those wages in New York before we found our dream called Pa'lante.

We started the Pa'lante cooperative around three years ago and we have been able to totally change our lives. Firstly, we have our own company, ours, where we count on the respect among fellow workers and where we earn fair wages with which allows us to live with dignity in NY and help our families. The organizations that are helping us in this process of starting our own cooperative, like Center for Family Life, the Urban Justice Center and NYC NoWC, have help us not only in our work, but also as individuals, building our capacities around legal and managerial aspects of the business and help us feel proud of what we've achieved with our cooperative. Without fail, still more is needed. We have identified things like space as something that we need, a place where we can conduct our business better, more efficiently. To contract with city agencies is also a dream of ours we aim to reach. This is why I am here, first to thank you for the support that has helped us get to where we are. And secondly, so that you remember us and continue to support the needs we still have. We hope to connect with you all to maximize our dream called Pa'lante and to help other immigrants and small business owners.



## JOINT INDUSTRY BOARD OF THE ELECTRICAL INDUSTRY

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JOHN E. MARCHELL  
Treasurer  
VITO V. MUNDO  
Counsel

JOHN LIU  
Public Member

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BEN D'ALESSANDRO  
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LUIS RESTREPO  
RICARDO ROLLINS  
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### Testimony of Humberto J. Restrepo Executive Director, Joint Industry Board of the Electrical Industry

Fiscal Year 2019 Preliminary Budget  
Meeting of the Committee on Small Business  
March 9, 2018  
250 Broadway, Floor 14 New York City

Good Afternoon Chair Mark Gjonaj and distinguished Committee Members. Thank you for the opportunity to testify at this hearing on behalf of the Joint Industry Board of The Electrical Industry (JIB). My name is Humberto J. Restrepo; I am the Executive Director for the Joint Industry Board of The Electrical Industry.

The JIB is a labor-management organization founded in 1943. It is comprised of Local Union No. 3 of the International Brotherhood of Electrical Workers (I.B.E.W), the New York Chapter of the National Electrical Contractors Association (NYECA) and the Association of Electrical Contractors, Inc (AEC). The JIB is the ERISA administrator for a family of multi-employer benefits plans serving Local Union #3 and its affiliated contractors in the greater New York City area. Local 3 has over 28,000 members, of which 12,000 work as electricians for over 300 employers. For 75 years the JIB has provided thousands of New York City residents the opportunity to develop the skills needed to become New York State certified electricians.

The JIB supported the enactment of Local Law 196 of 2017 that calls for more stringent Construction Site Safety Training requirements. The law goes a long way in reversing the rise of construction site deaths and severe



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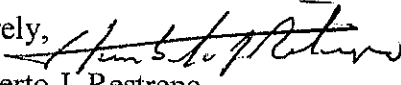
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accidents. It will help provide better protection for the public at large and construction workers whose jobs by nature are hazardous. The JIB is proud of its long and rich history of providing leading electrical industry training through our apprenticeship program and continuing skills and safety enhancement courses. Our industry's commitment to skill and safety training is a significant financial obligation borne by our signatory contractors as part of their collective bargaining agreement with Local Union No. 3. I.B.E.W

Under the New York City Council Fiscal Year 2019 Preliminary Budget the Department of Small Business Services is allocating \$18.7 million for FY 2019-2021 and \$5.3 million for FY 2022 for Construction Safety Training. Construction Safety Training costs ought to be the responsibility of the individual contractors employing a workforce at their construction site and not subsidized by NYC tax payers. This form of subsidy places our responsible contractors at a significant disadvantage and rewards the bad actors in the construction industry. The JIB joins Local Union No.3 I.B.E.W, NYECA and the AEC in its strong opposition to the tens of millions of dollars being set aside by the SBS to provide construction safety training to its competitors. Developing a skilled and safe construction workforce is the responsibility of the individual construction contractor. All contractors should be held to the same standards requiring the training of a highly skilled and safe workforce.

Thank you for the opportunity to testify today.

Sincerely,  
  
Humberto J. Restrepo  
Executive Director

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Eric King

Address: 720 Wall St 9th FL, New York, NY

I represent: Asian American Federation

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 3/9/18

(PLEASE PRINT)

Name: Omar Freilla 407 Morris Park Ave Bx 10460

Address: 1231 Lafayette Avenue Bx NY 10474

I represent: Green Worker Cooperatives

Address: 1231 Lafayette Ave Bx, NY 10474

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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in favor  in opposition

Date: 3/9/18

(PLEASE PRINT)

Name: Osman Ahmed

Address: \_\_\_\_\_

I represent: FPWA

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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in favor  in opposition

Date: 3/9/18

(PLEASE PRINT)

Name: Saduf Syal

Address: \_\_\_\_\_

I represent: NYC Nowc

Address: 495 Flatbush Ave. Brooklyn

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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in favor  in opposition

Date: 3/9/18

(PLEASE PRINT)

Name: Ruth Lopez

Address: \_\_\_\_\_

I represent: Pailante Green Cleaning Cooperative

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Robin Vitale

Address: 122 E. 42nd St. New York NY

I represent: American Heart Association

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: 3/9/2018

(PLEASE PRINT)

Name: Michael Brady

Address: \_\_\_\_\_

I represent: Third Avenue BID

Address: 2825 Third Ave, BK, NY 10455

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: MARCH 9, 2018

(PLEASE PRINT)

Name: DANIEL J. KATZ

Address: 265 W 14 STREET NY NY 10011

I represent: TEAMSTERS LOCAL 553

Address: SAME

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Jesse Layman

Address: \_\_\_\_\_

I represent: NYC Employment + Training Coalition

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Bus

Appearance Card

[ ]

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 3/9/18

(PLEASE PRINT)

Name: Demos Demopoulos

Address: 265 W. 14 ST. NY NY 10011

I represent: TEAMSTERS LOCAL 553

Address: 265 W. 14 ST. NY NY 10011

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

[ ]

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition TO FUNDING

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: HUMBERTO RESTREPO

Address: 158-11 HVA JR. AVE, FLUSHING NY

I represent: JOINT INDUSTRY BOARD OF THE ELECTRICAL INDUSTRY

Address: \_\_\_\_\_

**THE COUNCIL  
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Appearance Card

[ ]

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: DONALD RANSHATE

Address: \_\_\_\_\_

I represent: Building Trades Employers Assoc

Address: 1325 8th Ave, 10th Floor

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*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Andrew Schwartz

Address: 110 William Street

I represent: SBS

Address: 11

*Please complete this card and return to the Sergeant-at-Arms*

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*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Gregg Bishop

Address: 111 William Street

I represent: SBS

Address: 11

*Please complete this card and return to the Sergeant-at-Arms*



**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Jackie Mallon

Address: 110 William Street

I represent: SBS

Address: 11

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Lena Afradi

Address: \_\_\_\_\_

I represent: ANHD

Address: \_\_\_\_\_

*Please complete this card and return to the Sergeant-at-Arms*