

TESTIMONY

BY

COMMISSIONER JONNEL DORIS

NEW YORK CITY

DEPARTMENT OF SMALL BUSINESS SERVICES

BEFORE

THE COMMITTEE ON SMALL BUSINESS AND THE

COMMITTEE ON FINANCE

OF THE

NEW YORK CITY COUNCIL

WEDNESDAY, MAY 20, 2020

Good afternoon Chair Gjonaj, Chair Dromm, and members of the Committee on Small Business and the Committee on Finance. My name is Jonnel Doris 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.

Not only is this my first budget hearing as Commissioner of SBS, but it is also an unprecedented budget season for all of us. As we prepare for Fiscal Year 2021, we know that the City’s current fiscal constraints will mean tough choices ahead. But given COVID19’s catastrophic impact on our economy, SBS’s mission to unlock economic potential for all New Yorkers has become even more critical. I am proud to rise to this challenge and lead SBS as we adapt to our new, evolving reality.

SBS’s Fiscal Year ‘21 Executive Budget is **\$160.8 million** with a headcount of **303 employees**. The Executive Budget includes pass-through funding that is not spent or managed by SBS; we serve as a conduit for funding allocated for other City entities. Of the \$160.8 million, 38.2% or **\$61.4 million** is pass-through funding, which includes: \$25.1 million for the New York City Economic Development Corporation (“EDC”), \$21.2 million for NYC & Company, and \$15.1 million for Governors Island. The remaining **\$99.4 million**, or 61.8% of the Fiscal Year ‘21 Executive Budget, is allocated for SBS’s programs. This funding supports SBS’s mission of unlocking economic potential for all New Yorkers by connecting New Yorkers to quality jobs, building stronger businesses, and fostering thriving neighborhoods. Annually SBS serves over **100,000** jobseekers and more than 21,000 businesses across the five boroughs.

While our mission remains the same, New York City’s small business owners, entrepreneurs, and job seekers are facing a new reality due to the coronavirus pandemic. Just as New Yorkers have been nimble and adaptable in the face of this crisis, SBS must creatively and urgently address the challenges impacting our constituents. We are actively evaluating our programs, services, advocacy, and strategies with the foremost goal of helping New Yorkers persevere through this crisis. As Commissioner, I am fully dedicated to ensuring all New Yorkers can fulfill their

maximum potential through our ongoing business, workforce, and neighborhood support services.

One of SBS's greatest strengths, and one that I am committed to fostering further, is the agency's network of community partners. Beginning in January and February, some of these community partners began to sound the alarm regarding the impact of coronavirus on tourism and business in commercial corridors across the five boroughs. Based on these concerns, we worked quickly to launch two financial assistance programs, the **NYC Employee Retention Grant** and the **NYC Business Continuity Loan Fund**. Through the NYC Employee Retention Grant, SBS has approved financial assistance totaling more than **\$24.7 million for over 3,300 small businesses**. Further, over **300** loans have been approved through the NYC Business Continuity Loan Fund, totaling more than **\$18.5 million** for small businesses. Access to capital remains a major challenge for small business owners at this time and SBS is utilizing all of our tools to connect business owners to the resources they need. Through these new initiatives and our wider financial assistance offerings, including the **Contract Financing Loan Fund**, **WE NYC** financing products, and our **NYC Business Solutions Centers**, SBS has connected small business owners to more than **\$60 million** in financing awards since the start of the pandemic.

While we are proud of the support we have provided to date, we know that there is still overwhelming need from our small business community. As Commissioner, I am committed to thinking creatively about how to effectively and equitably deploy our own resources, but the scale of this crisis requires the resources of the Federal government. The Administration and our agency are dedicated to advocating to the Federal government for additional financial support for our small business owners, workers, and community organizations, as well as working to make these Federal emergency response programs work better for New Yorkers.

In addition to these financing opportunities, SBS has shifted all of our agency operations to support the most pressing needs of small business owners as we weather this pandemic. Our **NYC Business Solutions Center** experts are available remotely to connect business owners with educational resources, help navigating government, and

assistance identifying additional financing opportunities through our network of more than forty lenders and local philanthropic partners. We are also working to ensure New York City small business owners can access their fair share of Federal funds by providing **technical assistance** to business owners applying for the U.S. Small Business Administration (SBA)'s emergency response products and other financial relief opportunities. Technical assistance ranges from overviews of available funding options, to communicating directly with lenders to address questions regarding applications. SBS is providing this technical assistance through **daily webinars, small group sessions, and in a one-on-one setting**, all done virtually. We offer technical assistance in multiple languages and are working with MOIA to expand our non-English offerings so that our immigrant entrepreneurs can access the support they deserve.

As former Director & Senior Advisor of the Mayor's Office of Minority and Women-Owned Business Enterprises (OMWBE), increasing diversity in City contracting and ensuring that the City provides opportunities for **Minority and Women-owned Business Enterprises (M/WBEs)** is one of my top priorities. In addition to connecting M/WBEs with critical information and COVID relief opportunities, SBS rapidly transitioned our capacity building services for M/WBEs, including workshops, mentorship programs, and one-on-one technical assistance, to remote service delivery. To ensure that M/WBE firms have access to emerging contracting opportunities, SBS collaborated with OMWBE and Mayor's Office of Contracting Services (MOCS) to identify M/WBE firms that supply essential services such as medical staffing, IT goods, childcare services, cleaning services, and food services. Preliminary data shows that thus far, more than **200 M/WBE vendors** have been awarded contracts amounting to more than **\$200 million**. Further, we are still making progress towards our certification and utilization goals. April saw the highest number of certification applications submitted during this fiscal year, bringing our total **pool of certified firms** up to more than **9,800**.

To support job seekers and small businesses, SBS's **Workforce1 Career Centers** are available remotely to provide one-on-one assistance with job searches, preparation, and recruitment. Our Workforce1 Career Center staff are focused on recruiting for essential service employers, as well as identifying opportunities that are close to home

for our job seekers so that it's easier for them to safely travel to and from work. Through our Workforce1 system, SBS is currently working with approximately **300** businesses to fill more than **4,000** positions across the city. We are collaborating with agencies, industry, and community partners to address challenges in critical sectors, including partnering with the **Food Czar** team to help grocers and other food system businesses recruit employees, source PPE, and address concerns impacting the food supply chain.

SBS is also working to support the essential workers and small business owners that make up New York City's healthcare industry. The City's healthcare Industry Partnership, the **New York Alliance for Careers in Healthcare (NYACH)** and our Workforce1 System are working directly with nursing homes and community hospitals to provide support in filling urgent staff needs. In response to increased demand for home health aides during the COVID crisis, SBS is planning to soon launch an online **Home Health Aide training** in partnership with CUNY. Under the leadership of Deputy Mayor Thompson, NYACH has worked with agency partners to improve job quality and create pathways within the long-term care sector, which includes home care, nursing homes, and residential facilities for those with disabilities, all of which play a critical role in keeping vulnerable New Yorkers safe during this challenging time. These emergency response and recovery efforts are not only critical to protecting the health of New Yorkers, but also provide opportunities to explore how to improve the long-term functionality of the healthcare system in our city so that it better serves the current and future needs of New Yorkers. We are actively working with different sectors through our **industry partnerships**, including technology, food and hospitality, and manufacturing, to share feedback and realign our work to ensure that we are servicing the current needs of our City.

As I mentioned earlier in my testimony, our network of community partners is crucial to our agency's ability to understand and address the needs of New York City's small business owners. From the onset of the pandemic, we have worked with our community partner network to disseminate information and share details regarding new or ongoing challenges faced by small business owners across the five boroughs. To further utilize the on-the-ground expertise of our community partners and provide support

to neighborhood commercial corridors across the city, SBS is working with our **Neighborhood 360** and **Avenue NYC grantees** to realign their efforts with our COVID response and recovery strategies. SBS also has pivoted our **capacity building resources for BIDs and community-based development organizations** to address challenges caused by the pandemic. Resources include legal support, workshops on strategic planning for non-profits during COVID, and virtual BID roundtables for partners to share best practices and conduct research to support COVID response and recovery efforts.

Ensuring that our constituents have access to the information and resources they need is of critical importance during the COVID19 crisis. Since the onset of the pandemic, SBS has shared information in numerous ways, including through community partners, email correspondence, social media, advertising campaigns on bus shelters, local and national print, and radio broadcast media. We have created numerous resource pages with COVID-specific guidance for small business owners and jobseekers on our website; these new COVID-related pages have seen over **700,000 visits** since the beginning of March.

I want to likewise thank the Council for their partnership in distributing information and advocating for the City's small business owners and job seekers. As we begin conversations about reopening and recovery, our communication and collaboration will be more crucial than ever. The Mayor recognizes that business owners' feedback is essential to reopening all aspects of our society; he has committed to gathering and incorporating the insights of business owners and advocates through the recently launched **Small Business Advisory Council**, and likewise, my door is always open.

I look forward to our continued work together as we help New York City's small business owners, job seekers, and neighborhoods persevere through this crisis. I know New York will persevere and am committed to SBS' mission of equity in recovery now more than ever. Thank you and I would be happy to take your questions.