

1 BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
5 2021-2022 EXECUTIVE BUDGET ON
6 ECONOMIC DEVELOPMENT

6 -----

7 Virtual Hearing
8 Conducted via Zoom

9 February 23, 2021
10 9:37 a.m.

11 PRESIDING:

12 Senator Liz Krueger
13 Chair, Senate Finance Committee

14 Assemblywoman Helene E. Weinstein
15 Chair, Assembly Ways & Means Committee

16 PRESENT:

17 Senator Thomas F. O'Mara
18 Senate Finance Committee (RM)

19 Assemblyman Edward P. Ra
20 Assembly Ways & Means Committee (RM)

21 Senator Anna M. Kaplan
22 Chair, Senate Committee on Commerce,
23 Economic Development and Small Business

24 Assemblyman Harry B. Bronson
25 Chair, Assembly Committee on Economic
26 Development, Job Creation, Commerce
27 and Industry

28 Senator Diane J. Savino
29 Chair, Senate Committee on Internet
30 and Technology

1 2021-2022 Executive Budget
Economic Development
2 2-23-21

3 PRESENT: (Continued)

4 Assemblyman Al Stirpe
Chair, Assembly Committee on Small Business

5
6 Assemblyman Steven Otis
Chair, Assembly Committee on Science and
Technology

7
8 Assemblyman Daniel J. O'Donnell
Chair, Assembly Committee on Tourism, Parks,
Arts and Sports Development

9
10 Senator James Skoufis
Chair, Senate Committee on Investigations
and Government Operations

11
12 Assemblyman Kenneth Zebrowski
Chair, Assembly Committee on Governmental
Operations

13
14 Assemblyman J. Gary Pretlow
Chair, Assembly Committee on Racing and Wagering

15 Senator John Liu

16 Assemblyman Robert Smullen

17 Assemblyman Billy Jones

18 Assemblywoman Marianne Buttenschon

19 Assemblyman Christopher S. Friend

20 Assemblyman Steve Stern

21 Senator James Tedisco

22 Assemblywoman Emily Gallagher

23 Assemblyman Jeffrion L. Aubry

24 Assemblyman Edward C. Braunstein

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3 PRESENT: (Continued)

4 Senator George M. Borrello

5 Assemblyman Robert J. Rodriguez

6 Assemblyman Charles Barron

7 Assemblywoman Alicia Hyndman

8 Senator James Sanders Jr.

9 Assemblyman William Conrad

10 Assemblywoman Vivian E. Cook

11 Assemblyman Michael Durso

12 Assemblywoman Sarah Clark

13 Assemblyman Angelo Santabarbara

14 Assemblywoman Taylor Darling

15 Assemblyman Erik M. Dilan

16 Assemblywoman Deborah J. Glick

17 Assemblyman Kevin A. Cahill

18 Senator Pamela Helming

19 Assemblyman Angelo J. Morinello

20 Assemblywoman Judy Griffin

21 Assemblyman Kevin M. Byrne

22 Assemblywoman Dr. Anna R. Kelles

23 Assemblywoman Jennifer Lunsford

24 Assemblyman Robert C. Carroll

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3 PRESENT: (Continued)

4 Senator Roxanne J. Persaud

5 Assemblyman Jeff Gallahan

6 Assemblywoman Marjorie Byrnes

7 Assemblyman John Lemondes

8 Assemblywoman Jodi Giglio

9 Senator Sean M. Ryan

10 Assemblywoman Jenifer Rajkumar

11 Assemblywoman Carrie Woerner

12 Assemblyman Jarett Gandolfo

13 Assemblywoman Rebecca A. Seawright

14 Assemblywoman Gina L. Sillitti

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12 Norma J. Nowak, Ph.D.
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 17 Mark Alessi
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 18 Business Incubator Association
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 Karen Narefsky
 20 Senior Organizer for Equitable
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 21 Association for Neighborhood
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1 CHAIRWOMAN KRUEGER: Good morning.

2 I'm Senator Liz Krueger. This is the
3 Economic Development budget hearing for the
4 Executive Budget. It is February 23, 2021.

5 I'm joined by my partner in this
6 process, Helene Weinstein, chair of the Ways
7 and Means Committee of the Assembly.

8 Today is the 11th of 13 public
9 hearings conducted by the joint fiscal
10 committees of the Legislature regarding the
11 Governor's proposed budget for state fiscal
12 year '21-'22. These hearings are conducted
13 pursuant to the New York State Constitution
14 and Legislative Law.

15 Today the Finance Committee and
16 Assembly Ways and Means Committee will hear
17 testimony concerning the Governor's proposed
18 budget for the New York State Department of
19 Economic Development/Empire State Development
20 Corporation, the New York State Office of
21 General Services, and the New York State
22 Council on the Arts.

23 Representing each of the agencies, I
24 would like to welcome first Eric Gertler,

1 commissioner and president and CEO of Empire
2 State Development; RoAnn Destito,
3 commissioner of the New York State Office of
4 General Services; and Mara Manus, executive
5 director of the New York State Council on the
6 Arts.

7 Following each of their testimony
8 there will be time for questions from the
9 chairs of the fiscal committees and other
10 legislators on either the fiscal committees
11 or the committee of substance for the topics
12 of that hearing.

13 After the final question-and-answer
14 period there will be an opportunity for
15 members of the public to briefly testify
16 about their views on the proposed budget
17 under discussion.

18 I will now introduce members of the
19 Senate, and then Helene Weinstein, chair of
20 Ways and Means, will introduce members of the
21 Assembly.

22 And I will also be introducing Tom
23 O'Mara, the ranker of the Senate Finance
24 Committee, to introduce his members. And

1 Helene will do the same with
2 Assemblymember Ra afterwards.

3 So let's see if we can figure out who
4 the Senators who are here yet are. We have
5 Senator John Liu. We have -- I'll keep going
6 through and -- Senator Diane Savino, Senator
7 Anna Kaplan, Senator James Sanders,
8 Senator -- excuse me. Lots of
9 Assemblymembers. That might be --

10 THE MODERATOR: Senator Skoufis is
11 here as well.

12 CHAIRWOMAN KRUEGER: Oh, thank you so
13 much. Senator Jim Skoufis.

14 I'm now going to just hand it over to
15 Senator O'Mara to introduce our Republican
16 Senators today.

17 SENATOR O'MARA: Thank you, Senator
18 Krueger {Zoom echo}. Hold on. I've got two
19 devices going at the same time.

20 CHAIRWOMAN KRUEGER: You're getting
21 that double-loop feedback.

22 SENATOR O'MARA: Yeah. Sorry, I had
23 two devices going at the same time. I was
24 getting feedback.

1 We are joined on our side of the aisle
2 this morning by Senator Jim Tedisco,
3 Senator George Borrello, and our ranker on
4 the Commerce Committee, Senator Michael
5 Martucci, at this point.

6 Thank you.

7 CHAIRWOMAN KRUEGER: Thank you.

8 And why don't we pass it over to
9 Helene Weinstein to introduce
10 Assemblymembers.

11 CHAIRWOMAN WEINSTEIN: Thank you,
12 Senator.

13 So we have Assemblyman Bronson, chair
14 of our Economic Development Committee,
15 Assemblyman Stirpe, chair of our Small
16 Business Committee. Assemblyman Otis, chair
17 of our Science and Technology Committee.
18 Assemblyman Pretlow, chair of our Racing
19 Committee. Assemblymembers Aubry,
20 Braunstein, Buttenschon, Conrad, Cook,
21 Darling, Dilan, Glick, Griffin, Hyndman,
22 Kelles, Lunsford, Rajkumar, Seawright,
23 Sillitti, Stern, Woerner. And probably a few
24 more will be joining us shortly.

1 So why don't I turn it to Assemblyman
2 Ra, ranker of Ways and Means, to introduce
3 his members -- I see also Billy Jones,
4 Assemblyman Jones has joined us.

5 Assemblyman Ra, why don't you
6 introduce your colleagues.

7 ASSEMBLYMAN RA: Thank you,
8 Madam Chair. Good morning, everybody.

9 We are currently joined by
10 Assemblyman Friend, who is our ranking member
11 on the Economic Development Committee;
12 Assemblyman Durso, who is our ranker on
13 Science and Technology; as well
14 Assemblymembers Morinello, Byrne, Byrnes, and
15 Lemondes. And I believe our ranker on
16 Tourism, Jodi Giglio, should be joining us
17 momentarily as well.

18 CHAIRWOMAN WEINSTEIN: Before I go
19 back to the Senate, we have Assemblyman
20 Rodriguez. And Assemblyman Zebrowski is with
21 us, I neglected to mention it.

22 So now back to the Senate.

23 CHAIRWOMAN KRUEGER: Great. Well,
24 thank you very much.

1 And so, again, our first testifier
2 today will be the New York State Department
3 of Economic Development and Empire State
4 Development Commissioner, President and
5 CEO -- I guess you just couldn't decide which
6 title to have, so you took them all --
7 Eric Gertler. Welcome.

8 You have 10 minutes to testify, and
9 there's a clock. Everyone all day should be
10 aware of the clock. It's there for whoever
11 is testifying. And if you're asking
12 questions as a legislator and the clock says
13 you have three minutes, that means you have
14 three minutes to ask and get the answer. So
15 if, you know, you decide you want to use all
16 three minutes to give a speech, you're not
17 actually going to get any answers from the
18 person you are asking questions of.

19 I'm sorry, Eric, now I'll hand the
20 microphone to you.

21 ACTING COMMISSIONER GERTLER: Not a
22 problem. Thank you. Good morning, I hope
23 you can hear me well. Great, thank you.

24 Good morning, Chairwoman Krueger,

1 Chairwoman Weinstein, and distinguished
2 members of the Legislature. My name is
3 Eric Gertler, and I serve as the acting
4 commissioner of the New York State Department
5 of Economic Development and as president and
6 CEO-designate of Empire State Development.

7 Thank you for the invitation to
8 participate in today's hearing. I'm honored
9 to appear before you virtually to discuss
10 Governor Cuomo's fiscal year 2022 Executive
11 Budget.

12 One year ago I had the privilege of
13 attending this hearing in person. At the
14 time, the economy of New York State was
15 thriving. The state, under Governor Cuomo's
16 leadership, was experiencing a decade of
17 historic economic growth, setting all-time
18 highs for jobs and wages and achieving a
19 record low unemployment rate.

20 Shortly after I testified, COVID-19
21 hit New York. None of us could have
22 predicted the pandemic which so fundamentally
23 altered our lives in the way it did and still
24 does today. No one could have predicted that

1 the global economy would come to a
2 standstill, that borders would be shut, and
3 that industries would be closed to prevent
4 the spread of a deadly pandemic.

5 Each one of us has been personally
6 affected. We may have lost a loved one. We
7 may have family who are essential workers.
8 Our children or grandchildren may have had
9 school semesters canceled. Our constituents
10 and friends may have lost jobs. And we may
11 know stores and restaurants in our
12 communities that were forced to close.

13 The pandemic has also altered the
14 day-to-day work at ESD. Throughout the
15 agency's history it has been focused on
16 growing the economy, but when COVID-19 first
17 struck, we were called upon to issue guidance
18 that would impact large portions of the
19 state's economy. It broke our heart. But
20 curtailing economic activity to reduce and
21 minimize the virus's spread was a critical
22 component in the state's public health
23 effort.

24 To this end, before discussing the

1 proposed budget I'd like to share some of the
2 ways that ESD assisted the state's public
3 health efforts to combat the coronavirus.

4 First, shutting down the state's economy was
5 unprecedented, and ESD was tasked with
6 developing essential business guidance and
7 working directly with tens of thousands of
8 New York State businesses to determine
9 whether they could remain open and how to do
10 so safely.

11 Second, while the economy was shutting
12 down, the state's need for critical medical
13 supplies was skyrocketing. To address this
14 need, Governor Cuomo issued a call to action
15 for in-state manufacturers to retool or scale
16 up their operations to produce COVID-related
17 products like personal protective equipment.
18 As a result, ESD has awarded more than
19 \$20 million in grants to 36 New York-based
20 companies.

21 Third, beginning in May ESD was called
22 upon to help implement the state's phased
23 reopening plan. Beyond providing guidance on
24 state policies to the business community, we

1 helped launch the New York Forward Business
2 Reopening Wizard, allowing businesses to
3 instantly determine their reopening status,
4 identify industry-specific health and safety
5 guidance, and complete a business safety
6 plan, generating more than 550,000 business
7 searches.

8 In addition to these and other ESD
9 efforts to support the state's public health
10 response, our team was equally focused on
11 protecting and preserving the state's
12 economy.

13 Understanding that small businesses
14 are 98 percent of all businesses in New York
15 State, and employ more than half of our
16 private-sector workforce, ESD launched
17 several efforts to help the survival and
18 growth of small businesses across the state.
19 We provided \$7.5 million in grants to
20 nonprofit organizations, helping small
21 businesses access federal assistance. We
22 launched a \$100 million New York Forward Loan
23 Fund. We provided \$21 million of loan
24 capital to Community Development Financial

1 Institutions to provide Paycheck Protection
2 Program -- PPP -- loans. We launched Empire
3 State Digital, a first in the nation
4 partnership to help small businesses and
5 restaurants to grow their online presence.
6 We partnered with Diageo North America for
7 the "Raising the New York State Bar"
8 Restaurant Recovery Fund, awarding more than
9 \$3 million in grants. We announced the
10 New York Forward Small Business Lease
11 Assistance Partnership to help commercial
12 landlords and tenants reach mutually
13 beneficial lease workouts.

14 Additionally, in the face of disparate
15 race-and-gender-based COVID impacts on our
16 workforce, the role of ESD's Division of
17 Minority and Women's Business Development
18 became even more important. In addition to
19 providing MWBEs with as much COVID-specific
20 support as possible, the division hosted the
21 annual MWBE forum virtually this December,
22 with more than 2,200 registrants.

23 While many at ESD pivoted to support
24 the state's public health and economic

1 responses, other members of our team
2 continued to advance important existing
3 projects. After decades of delays, Moynihan
4 Train Hall was completed on-time and
5 on-budget. We completed the topping-off of
6 the new Belmont Arena on Long Island, and of
7 Cree's semiconductor fab plant in the Mohawk
8 Valley. We worked with Beam Suntory to
9 relocate their global headquarters from
10 Chicago to Madison Avenue in Manhattan, and
11 supported the expansion of in-state
12 businesses like Plug Power, which will build
13 a new gigafactory in the Finger Lakes.

14 Recent economic data reflects this
15 progress, with private-sector jobs growing in
16 New York State every month from April to
17 November and the statewide unemployment rate
18 improving faster than the U.S. in recent
19 months. With the support of our legislative
20 leaders, New York can and will rebuild.

21 As outlined in the Executive Budget,
22 "Building Back Better" begins with funding
23 additional rounds of the Regional Economic
24 Development Council and Downtown

1 Revitalization initiatives, flagship programs
2 that will focus on rebuilding communities and
3 supporting impacted industries.

4 To help jump-start New York's economy,
5 the Governor has also proposed the new
6 Pandemic Recovery and Restart Program,
7 offering \$130 million to help small
8 businesses recover from the pandemic and
9 bring back jobs to New York.

10 New York State has already invested
11 nearly \$500 million to expand broadband
12 internet access to 98 percent of the state,
13 which proved crucial during the COVID-19
14 pandemic. To ensure affordable broadband
15 options for all, the Governor has proposed a
16 first-in-the-nation initiative requiring
17 internet service providers to offer an
18 affordable \$15-per-month high-speed internet
19 plan to all low-income households.

20 The COVID-19 pandemic has also
21 highlighted how a lack of access to
22 affordable childcare can disrupt families and
23 force caregivers, primarily women, to choose
24 between their career and providing daytime

1 care for their child. To help support
2 working parents, the Executive Budget
3 strengthens childcare programs, enacts
4 employer childcare credits, and improves
5 childcare affordability.

6 At ESD, the Excelsior Jobs Program
7 would be enhanced to encourage recipients to
8 invest in childcare facilities and provide
9 childcare services to workers.

10 The Executive Budget also advances the
11 Empire Station Complex by capitalizing on the
12 momentum generated by the recently completed
13 Moynihan Train Hall, furthering Penn
14 Station's expansion and reconstruction and
15 extending the High Line elevated park to
16 provide seamless access from Moynihan.

17 To accelerate the tourism industry's
18 recovery, the Governor has proposed a
19 Rediscover New York campaign, while the
20 New York PopsUp initiative will safely revive
21 the struggling live entertainment sector.

22 As a state we have faced remarkable
23 challenges this year, but together with our
24 legislative partners we will continue to

1 build our economy back better, stronger and
2 more resilient, using a strategy built on
3 four pillars -- creating vibrant communities,
4 developing our workforce and small
5 businesses, incentivizing the growth of
6 export-oriented industries, and fostering
7 innovation to create the jobs of the future.

8 I thank you for your time and the
9 opportunity to speak this morning. I am
10 joined today by Kevin Younis, our chief
11 operating officer, and Pravina Raghavan,
12 ESD's EVP of small business services, and we
13 are happy to take your questions. Thank you.

14 CHAIRWOMAN KRUEGER: Thank you very
15 much.

16 And our first questioner will be chair
17 of the Economic Development Committee,
18 Senator Anna Kaplan.

19 SENATOR KAPLAN: Thank you, Chairwoman
20 Liz Krueger.

21 Good morning, Commissioner. Thank you
22 so much for your testimony.

23 ACTING COMMISSIONER GERTLER: Good
24 morning.

1 SENATOR KAPLAN: I can tell you that
2 I've been discussing this with a lot of my
3 colleagues, and CATs and COEs is something
4 that is on everyone's mind. And I can tell
5 you also that I personally have visited some
6 of these CATs and COEs and have seen
7 firsthand the great work that they do. And
8 of course it's a partnership between the
9 centers, private, and the public.

10 The Executive Budget proposes to
11 consolidate CATs and COEs into a single
12 program. And COEs will be made into CATs for
13 two years, and then all programs will compete
14 for spots, and I think a much reduced number
15 of spots. Can you discuss that and what is
16 the rationale for eliminating some of these
17 centers, since they really do a great job and
18 they also -- not only do they do a lot of
19 good research and come up with different
20 products that are made in New York, but also
21 hire a lot of people throughout the state.

22 ACTING COMMISSIONER GERTLER: Thank
23 you, Senator.

24 As you know, no one has championed

1 innovation more than Governor Cuomo. And
2 innovation is an important part of the state
3 economic development strategy. And these
4 centers are obviously very important for
5 innovation. And as you know, this was
6 something that I also discussed with this --
7 at this hearing last year.

8 Here's how we are looking at it and
9 why we want to, in a sense, move the COEs
10 into CATs. You know, at a time when things
11 are much more competitive, we want to make
12 sure that we're aligning resources in the
13 best possible way for these centers.

14 We also want to make sure that we have
15 predictability and stability with a 10-year
16 designation, as opposed to annual
17 designations. I mean, we are living --
18 working in a knowledge economy that makes
19 things that much more difficult, that much
20 more competitive. We want to make sure that
21 these centers are aligned with the
22 universities and with industry in a way that
23 allows them to be the most effective
24 possible.

1 As you said, as part of this proposal
2 what we are intending to do is having the
3 COEs be designated for two years before they
4 then compete for these then 10-year
5 designations. And that is the reasoning
6 behind the proposal. We want to right-size
7 these centers, we want to align them with
8 those interests of security, stability,
9 giving them the ability to provide the most
10 effective way to be the most successful in a
11 very competitive economic environment. Thank
12 you.

13 SENATOR KAPLAN: Thank you. Thank
14 you. So the CATs and COEs are by design
15 meant to enhance each region, each region's
16 cultural and technical competencies. So for
17 example, Rochester has a CAT in data science;
18 Alfred has a Center of Excellence in
19 ceramics; UAlbany has a Center of Excellence
20 in weather.

21 Given these different specialties,
22 what metrics would be used to determine the
23 winners?

24 ACTING COMMISSIONER GERTLER: Sure.

1 as well into that analysis. So it's not just
2 by state officials, it's also an expert panel
3 that works with us to do the RFP and scoring.
4 And we wouldn't move that process because
5 it's been working very well with our CATs.
6 We would just be enveloping the COEs into the
7 same -- similar process.

8 SENATOR KAPLAN: Thank you.

9 ACTING COMMISSIONER GERTLER: Thank
10 you, Pravina.

11 And the centers are currently split
12 between public and private schools. Would
13 that split be maintained under the new
14 program?

15 ACTING COMMISSIONER GERTLER: So, you
16 know, again on this, you know, I'm going to
17 have Pravina also, you know, add to --
18 elaborate on that.

19 ESD EVP RAGHAVAN: Yeah, the -- we
20 would keep the same type of split to ensure
21 that we have also regional penetration as
22 well as different universities.

23 And it's important to ensure that
24 these universities also get that private

1 support, because that's what makes these
2 programs different from programs across the
3 country.

4 SENATOR KAPLAN: I agree. And I think
5 we should really keep all of them, because I
6 think they all do great work.

7 And I have more questions, but I would
8 also like to go now -- address the MWBE. I
9 know that we've seen a lot of MWBEs have been
10 really affected by this pandemic and have
11 really been suffering. And we have the
12 program to help a lot of the minority and
13 women-owned businesses.

14 I want to know why at this point we're
15 trying to take -- give them a cut where they
16 actually -- this is one program that really
17 could use more funding, not giving them the
18 cut that they are getting right now.

19 Could you address that a little bit
20 for me?

21 ACTING COMMISSIONER GERTLER: Of
22 course.

23 You know, again, as far as our overall
24 economic development strategy, and as you

1 know, championed by the Governor, we want to
2 make sure that everybody can participate in
3 our New York State economy. And, you know,
4 if anything, if we look at our results, we've
5 had really successful results in terms of our
6 MWBE program.

7 On a high level, just to give you some
8 of the high-level data, you know, we've had a
9 29.5 percent participation rate, we've had
10 over \$3 billion in contracts. These are
11 nation-leading numbers.

12 We also in a sense were a victim of
13 our own success. We have, you know, many
14 MWBE firms, 1400 per year that are looking to
15 apply. And we have actually put in, you
16 know, additional ways to speed up that
17 process. We've streamlined the application,
18 we've added staffing resources, you know, to
19 that to make sure to make that easier and
20 faster.

21 And, you know, we think that the
22 funding that we have right now, you know, is
23 sufficient to continue the successes that
24 we've had.

1 I might also note that we've brought
2 on a very critical hire for our MWBE
3 division, a new executive director has
4 joined. And we will continue to focus and
5 improve and ensure that MWBEs who have
6 really, you know, faced disproportionate
7 impacts from this COVID will be the primary
8 focus, and we'll continue to do all that we
9 can for MWBE firms.

10 SENATOR KAPLAN: Thank you.

11 That is definitely on everyone's mind
12 in our conference, and we want to make sure
13 that we help those minority and women-owned
14 businesses, small businesses that have been
15 impacted, get the help that they need.

16 I have one other question with respect
17 to MWBE. What is the status of rules and
18 regulations for personal net worth amended as
19 a result of Chapter 96 in 2019? If you
20 remember, some industries needed a higher net
21 worth, possibly, to be able to do what they
22 were doing.

23 Can you address that?

24 ACTING COMMISSIONER GERTLER: Correct.

1 So on a high level, as you know, in that
2 program we need to have a certain level of
3 net worth in order for, in a sense, companies
4 to graduate, you know, out of that program.

5 You know, my understanding is that we
6 recently raised, you know, that to \$15
7 million. We're now ongoing, engaging a
8 vendor to conduct a study. And, you know,
9 it's obviously an important area that we need
10 to continue to focus on, because we want to
11 make sure that we have as many MWBEs being
12 able to participate in the program.

13 SENATOR KAPLAN: Thank you. I see my
14 time is up; thank you again for answering my
15 questions.

16 ACTING COMMISSIONER GERTLER: Thank
17 you so much.

18 CHAIRWOMAN KRUEGER: Thank you.
19 Assembly.

20 CHAIRWOMAN WEINSTEIN: So we are going
21 to go to Assemblyman Bronson, the chair of
22 the Assembly Economic Development Committee,
23 for 10 minutes.

24 ASSEMBLYMAN BRONSON: Thank you,

1 Chair.

2 And thank you, Commissioner, for being
3 here today. I look forward to working with
4 you in my new capacity as chair of the
5 Economic Development Committee.

6 You know, I'm going to echo the
7 sentiments of the Senator in connection with
8 the Centers for Advanced Technology and the
9 Centers of Excellence. These programs have
10 been proven to be job creators, they provide
11 an educational service to our students, and
12 they're located in colleges and university
13 campuses across the state, as was noted, both
14 private and public. You know, and they've
15 done so -- continued to provide the
16 service -- while enduring cuts here and there
17 over the years.

18 So I think we should not be tinkering
19 with those programs right now, especially in
20 the midst of COVID-19. So not a question
21 there, but a statement of where I think we
22 should be as we go through budget
23 negotiations.

24 I really want to hone in, though, on

1 the past year. And you know to contain the
2 spread of COVID-19 and to protect the lives
3 of New Yorkers, many measures have been
4 implemented and continue in 2021, albeit with
5 adjustments that have really devastated the
6 state's economy and have had a real impact on
7 our families throughout the state --
8 unemployment records through the roof,
9 actually.

10 Businesses have endured state-mandated
11 shutdowns, they have had their capacity and
12 operational restrictions given on them, costs
13 associated with COVID-19. All of this has
14 really impacted the economy. And I get it,
15 because we wanted to protect and keep our
16 families healthy.

17 What I really want to know is in the
18 budget as proposed by the Governor, in our
19 area, what can you identify as the key
20 components that will help us retain and
21 create jobs, will meet the needs of our
22 families from an employment standpoint and
23 mend our economy, particularly in an
24 inclusive way, to ensure communities of color

1 and other marginalized individuals can fully
2 participate in the economic recovery.

3 So, you know, overall, what's the
4 strategy that is in the Executive's budget?

5 ACTING COMMISSIONER GERTLER: So, you
6 know, first of all let me, you know, echo
7 what you said. It has been a very
8 challenging year. We know that many
9 individuals, employees, businesses have been
10 affected. I have talked to many, you know,
11 businesses, employees, presidents, workers,
12 and it's been tough, it's been tough
13 everywhere.

14 And so, you know, we think that we
15 have a budget that helps New York State
16 continue in its recovery and help to rebuild
17 this economy. If we go back to before COVID
18 started, and in fact we go back to the month
19 before COVID, we were seeing an economy that
20 was showing record private employment and
21 record unemployment. So, you know, this is
22 an economy that has been built up under the
23 Governor to the point of being incredibly
24 successful prior to COVID.

1 You know, now there's a number of
2 different focuses that we need to have.
3 First of all, we need to focus on small
4 businesses. Small businesses, you know,
5 represent the backbone of our economy:
6 98 percent of businesses are small
7 businesses. And I can assure you that we
8 have a number of programs to help with small
9 businesses. I identified a number of those
10 during my testimony.

11 You know, we have used -- you know,
12 for example, we created the New York Loan
13 Fund that has been helping not just small
14 businesses but MWBE firms, which are also
15 critically important, who have also received
16 a disparate impact from COVID.

17 And many of those small business
18 programs, they will -- you know, they will
19 continue. We talked about the MWBE efforts
20 that we're making, and we're going to
21 continue to focus on MWBEs. We're going to
22 continue to focus on businesses that have not
23 been able to get the same access to capital,
24 that have not been able to get the same

1 resources. Those are important components of
2 our strategy.

3 I'd also like to cite the Governor's
4 infrastructure program -- largest
5 infrastructure program in the country, over
6 \$300 billion. We've seen the success of that
7 infrastructure program with the building of
8 bridges, airports, Moynihan Train Hall, which
9 was completed on January 1st of this year, it
10 opened to the public. All of those projects
11 add thousands of construction jobs, providing
12 new opportunities to workers.

13 We're also going to continue to ensure
14 that -- you know, that we see as much money
15 from the federal government. You know, as
16 the Governor has said at many of his press
17 conferences, we were ground zero, we were the
18 epicenter of COVID, and we expect fair
19 funding for our budget, that as well, to help
20 the state government put money into important
21 institutions throughout the state.

22 And then lastly -- and I could
23 obviously continue and go on and on, but I
24 think, you know, the return in funding of our

1 Regional Economic Development Councils -- we
2 have had a very successful economic program
3 whereby we've seen a bottoms-up approach from
4 the regions throughout the state.

5 I mean, just one statistic, there's a
6 case where over the last, you know, 10 years
7 or so we've invested about \$7 billion, over
8 8,000 projects, and seen a return of
9 \$18 billion. That is money well spent.
10 Those are investments well spent. And we
11 think with all of those programs, and
12 adhering to ESD's, you know, mission and our
13 four-points mission of workforce development,
14 livable communities, incentivizing export
15 industries, and investing in innovation, that
16 is the formula for making sure that we're
17 going to see a return to the economy that we
18 had before COVID.

19 ASSEMBLYMAN BRONSON: So -- and thank
20 you for that response. You know, I'd like to
21 hone in a little bit, though. You mentioned
22 98 percent of our businesses are small
23 businesses. I'm not sure exactly what you'll
24 define as small businesses. I'll use a

1 hundred or less employees.

2 But the -- you know, the Regional
3 Economic Development Councils, which I'm
4 supportive of -- you know, but they leave out
5 small businesses. I mean, they -- you know,
6 small businesses aren't at the table for the
7 most part. They're not included in the
8 decision-making processes, generally
9 speaking. And frankly, I'm not sure if
10 relying on that program and some of the
11 historical programs are really going to get
12 to the need for a full recovery of small
13 businesses.

14 How do you see REDC and, you know,
15 Downtown Revitalization and some of the other
16 programs -- how do you see them actually
17 having a direct impact on these small
18 businesses?

19 ACTING COMMISSIONER GERTLER: Right.
20 So, you know, two parts to your question. I
21 will come back to -- on the REDC very
22 quickly, because if I understood correctly,
23 you also asked about other programs.

24 And, you know, we're also putting

1 forward a \$130 million pandemic recovery
2 program that -- you know, \$50 million for
3 restaurants, \$50 million for small businesses
4 and \$30 million for musical and theatrical
5 tax credits. You know, those also are a
6 means by which we will continue to help the
7 economy recover. There's money coming from
8 the federal government as well.

9 You know, in terms of, you know, the
10 REDCs, you know, as we -- and through those
11 programs, investing in the, you know,
12 regional projects, those are with those who
13 are on the ground who are identifying, you
14 know, the best, most effective projects. And
15 businesses, small businesses help in any
16 number of ways. Even if it's focused on a
17 much larger project, there are construction
18 jobs, there are, you know, contracts related
19 to that. There's investments in small
20 businesses as well. There's any number of
21 ways that allow us to rely on these -- on
22 these REDCs who are focusing on, you know,
23 what they feel is best for their regions.

24 You know, and that's why the success

1 of it as a bottoms-up economic development
2 strategy.

3 ASSEMBLYMAN BRONSON: Yeah, I respect
4 that. I do think, though, we have to
5 acknowledge that a lot of the small
6 businesses in our communities throughout
7 these regions aren't fully participating in
8 that process, and we need to correct that.

9 So thank you, Commissioner.

10 ACTING COMMISSIONER GERTLER: Thank
11 you, sir.

12 CHAIRWOMAN WEINSTEIN: Before we go to
13 the Senate, I just wanted to acknowledge
14 we've been joined by Assemblymembers
15 Gallagher, Barron and Fahy.

16 So now to the Senate.

17 CHAIRWOMAN KRUEGER: Thank you very
18 much.

19 I'm looking quickly. I think we've
20 been joined by Senator Martucci and
21 Senator Sanders -- I think I mentioned him
22 earlier. If there are other Senators here,
23 you know, let me know and I'll introduce you
24 a little later.

1 Our next questioner is the chair of
2 Internet and Technology, Diane Savino.

3 SENATOR SAVINO: Thank you,
4 Senator Krueger.

5 Good morning, Commissioner.

6 ACTING COMMISSIONER GERTLER: Good
7 morning.

8 SENATOR SAVINO: Nice to see you.

9 I also want to echo the comments made
10 by Senator Kaplan and Chair Bronson with
11 respect to the CATs and the COEs. I love
12 that. It sounds great, CATs and COEs.

13 I want to talk a bit about the
14 economy. As you know, we watched it shut
15 down, literally, during the pandemic. No one
16 ever thought we'd see New York City, let
17 alone New York State, come to a grinding
18 halt, but we did. It was necessary to
19 achieve what we had to do, which was reduce
20 the spread.

21 Getting people to work from home,
22 getting children to remote learning -- and
23 none of it would have been possible had it
24 not been for the internet. We wouldn't have

1 been able to do anything. Businesses
2 literally would have come to a grinding halt.
3 But we were able to shift people to remote
4 learning, remote work, because of the
5 internet. And thank God for that.

6 But one of the things we're still
7 failing at across the state is broadband
8 access. You know, the FCC a couple of years
9 ago awarded \$20 billion to fully fund
10 broadband across rural regions. As you know,
11 originally New York did not -- was not
12 eligible for that because we had a faulty
13 data analysis that said that we had
14 98 broadband coverage across the state when
15 we really didn't.

16 I know the Governor is proposing in
17 his budget that there will be a \$15 a month
18 broadband service -- by the way, that already
19 exists, in case people don't know that. The
20 large internet service providers already
21 provide a discounted rate for people. People
22 don't seem to know that.

23 But what I'm trying to figure out is
24 what can we do to actually achieve

1 point out, is critical. It's even more
2 critical today. That has been the way by
3 which people have had to, you know, engage at
4 school, it's been a way that people have had
5 to work. And as we're learning, it's the way
6 that we're now doing some of our public
7 hearings.

8 The positive part and the fortunate
9 part for New Yorkers is that the Governor
10 started to look and -- look at initiatives to
11 expand our broadband access about four to
12 five years ago with creating the
13 Broadband Office, which is here at ESD. And
14 with -- you know, with that it was really way
15 ahead of the curve and, you know, enabled
16 New Yorkers to have much better access than
17 many other parts of this country, if not all
18 parts of the country.

19 And, you know, at a time of crisis
20 when you have so many people on the same
21 network, obviously there can be some issues.
22 But let me -- let me respond to your numbers.
23 At present we have a commitment to
24 99.9 percent availability of broadband

1 throughout the state. You know, that
2 represents -- of that, 99 percent of that is
3 critical fiber, you know, infrastructure. We
4 have completed 98 percent of the work to date
5 in terms of our broadband access.

6 And, you know, even in places where --
7 in rural areas where it's been hard to reach
8 or, you know, third parties have not wanted
9 to provide access, we have done two things.
10 We have ensured that there is satellite
11 access, so at least there's 25 megabits per
12 second access to broadband. And we've also
13 worked with the federal government to get
14 \$100 million to deploy for rural access.

15 And then lastly, you know, you're
16 correct, we are putting forward a program for
17 \$15 a month for low-income families.
18 Everybody should have access. You know,
19 based on our numbers we think now -- and
20 based on the efforts of our team -- we really
21 have, you know, gotten to the point where
22 it's not so much about access and
23 availability now, it's now about
24 affordability. And we need to make sure that

1 there's not the continuing divide. And
2 that's why we want to make sure that
3 low-income families can also access
4 broadband.

5 SENATOR SAVINO: Well, I think we all
6 agree with that. But if you would speak to
7 Altice -- which is Optimum -- if you'd speak
8 to Spectrum and Verizon, they will tell you
9 they have a low-income option. For some
10 reason or other, there is not enough
11 widespread information about it. And many --
12 what we found during the pandemic is many
13 people were getting access to the internet
14 especially through their phones, through
15 their phone carriers, and so they didn't
16 think that they needed to purchase additional
17 coverage. But that's a discussion for a
18 different day.

19 I want to shift to a different topic
20 in the few minutes I have left with respect
21 to the hospitality industry.

22 I'm, you know -- as we all know, the
23 restaurant and hospitality industry has been
24 crippled by this pandemic, and many of them

1 are never going to recover. There are many
2 restaurants that will never come back. And I
3 know that you've spoken about a loan program
4 and a -- what is it, a \$50 million loan
5 program. Many of the restaurants, they don't
6 need more loans. What they need are grants.

7 So what can we do to provide direct
8 relief to restaurants? I have a piece of
9 legislation that I've introduced that would
10 create a grant program funded through a fee
11 placed upon the commercial general liability
12 coverage carriers, who quite frankly have not
13 paid out a single claim of business
14 interruption insurance on any of these
15 restaurants.

16 We also are very concerned about the
17 excessive fines that have been placed on many
18 of the restaurants by the State Liquor
19 Authority. So with the one hand the
20 government will give a grant, and with the
21 other hand they'll issue a fine.

22 So what can we do to help these
23 restaurants get back up on their feet, and
24 also our seasonal industries? You know, I

1 represent Coney Island. The Governor has
2 only just last week announced that Coney
3 Island will be able to reopen on April 9th.
4 It has been closed for 19 months. And they
5 could not really qualify for some of the
6 federal assistance because of the seasonal
7 nature of their workforce. They didn't
8 qualify for the full PPP money.

9 So what can we do to help these types
10 of industries that have really been so
11 devastatingly affected by the pandemic?

12 ACTING COMMISSIONER GERTLER: Right.
13 Well, you know, let me first echo your
14 comments. We have seen, you know, many small
15 businesses, certainly these restaurants, that
16 have absolutely struggled over the past year.
17 And, you know, our heart goes out to these
18 businesses, to the workers. And, you know,
19 as you know, the restaurants are not just
20 places of work, they also add to the culture
21 and the life and the diversity of what we
22 offer in New York State and what makes
23 New York State so special.

24 So -- so you're right, we do need to

1 help restaurants get back to work. And we
2 have a number of different programs. You
3 know, first of all, I might add before
4 discussing one of the programs that the
5 Governor has announced over the last number
6 of weeks, you know, the reopening of
7 restaurants, you know, indoor dining, some of
8 the amusement parks now are starting to
9 open -- still at limited capacity, because we
10 still need to balance what is a public health
11 crisis with an economic, you know, recovery.

12 So one program which we are proposing
13 is what we call a Restaurant Return to Work
14 Tax Credit. And this is focused on those
15 restaurants that faced additional
16 restrictions during the COVID crisis. These
17 are the restaurants in New York City that
18 were closed down or those in Orange or
19 Red Zones. And in this case, these are tax
20 credits so that we can help these restaurants
21 bring their workers back. There's a formula
22 that can be used that shows the difference
23 between their low point and when they're
24 hiring people.

1 But essentially what it is is that
2 it's a \$5,000 credit per employee, up to 10,
3 so up to \$50,000 for each of these
4 restaurants. There's a way to fast-track
5 that, because we do want to get these
6 restaurants, you know, back online.

7 You know, it's -- it really is -- you
8 know, it really is critical. And look, I
9 also hope that, you know, as the weather gets
10 better, you know, people will also go to
11 these restaurants. As the vaccines increase
12 and people maintain social distances, they
13 can do so in a safe way, because we still do
14 have a public health crisis ongoing.

15 SENATOR SAVINO: Thank you. Perfect
16 timing.

17 CHAIRWOMAN KRUEGER: Thank you.

18 Perfect timing indeed.

19 Assembly.

20 CHAIRWOMAN WEINSTEIN: Let's --
21 Assemblyman Stirpe, do you have questions?

22 So we'll go to Assemblyman Stirpe for
23 10 minutes.

24 ASSEMBLYMAN STIRPE: Thank you,

1 Helene. Good morning, Commissioner. How you
2 doing?

3 ACTING COMMISSIONER GERTLER: Good
4 morning, sir. How are you this morning?

5 ASSEMBLYMAN STIRPE: Okay.

6 As chair of the Small Business
7 Committee, I really appreciate your previous
8 statement that New York really needs to focus
9 on small business.

10 And just a couple of comments. My
11 previous chair of Economic Development,
12 Harry, had asked some questions about the
13 REDC. And I asked some of those questions
14 last year, and I was told that 70 percent of
15 loans and grants and things go to small
16 businesses. I'm not real sure what that --
17 how you categorize those small businesses,
18 because I know most of the businesses in
19 Central New York that got those kinds of
20 grants, and they're companies usually called
21 mid-size companies. You know, there's
22 hundreds of employees, et cetera, that are
23 there.

24 So, you know, my question about that

1 or my comment is I know the people who make
2 up the REDC, you know, committees, and
3 they're usually captains of industry.
4 There's a few labor representatives, because
5 there's construction involved and stuff like
6 that. But if you could tell me how many
7 members of REDC commissions are successful
8 coffee shop owners or daycare providers or
9 people like that, that may have more insight
10 into real small businesses and how we can
11 help them and what projects would make them
12 more successful. Any idea?

13 ACTING COMMISSIONER GERTLER: Sure.
14 And I'm going to give you some context and
15 then I'm going to have our chief operating
16 officer, Kevin Younis, add to that.

17 But, you know, as you point out and
18 I've said before -- I don't want to spend,
19 you know, a lot of time, small businesses are
20 absolutely critical. We know that over
21 50 percent of people -- workers in New York
22 work in small businesses. So it is a -- it
23 is a critical part of our economic
24 development strategy.

1 And, you know, with the REDCs, I've
2 met with a lot of the REDCs. You have
3 individuals there that work in all sorts of
4 different businesses with different focus.
5 You know, a care for -- you know,
6 manufacturing small businesses, you will see
7 all of those individuals around the state in
8 the different REDCs.

9 But perhaps Kevin Younis, our chief
10 operating officer, can add more dimension to
11 that, please.

12 ESD COO YOUNIS: Thanks, Eric.
13 Apologies, Assemblyman, I ran down the hall
14 real quick so I missed half your question.

15 ASSEMBLYMAN STIRPE: The question was,
16 you know, as far as the makeups of the REDC,
17 you know, committees and commissions, how
18 many -- like I said, how many coffee shop
19 owners are members of those boards? How many
20 daycare center owners are members of those
21 boards? How many of those types of
22 businesspeople who have more insight into the
23 really small business community?

24 ESD COO YOUNIS: Sure. You know, I

1 think the place where we see that
2 participation is -- there's a ton of
3 subcommittees, right? So we have a -- each
4 region typically has a childcare
5 subcommittee, they might have a Main Street
6 subcommittee. So there's -- I think you will
7 see those guys on the actual REDCs, but then
8 you will see them a lot more heavily in the
9 subcommittees, which really inform the work
10 of the REDCs.

11 So, you know, if we're talking about
12 childcare, we look to the Finger Lakes or the
13 Central New York childcare subcommittee.
14 They meet, they talk to folks and they get
15 recommendations. So I think there's a good
16 representation.

17 ASSEMBLYMAN STIRPE: Okay. Okay,
18 thanks.

19 You know, Commissioner, we talked
20 about broadband, and there's been this
21 ongoing dispute. You know, the Governor is
22 saying 98 percent has access to high-speed
23 broadband, and everybody else says it
24 doesn't.

1 Last year former Assemblyman Sean Ryan
2 had a bill that set out to form a commission
3 and do a mapping of high-speed broadband so
4 we know where it is and how much it is and
5 things like that. I think it was A6679.

6 This year we're going to put it in the
7 budget. And the message, of course, for the
8 veto was that it was a fiscal -- had fiscal
9 implications and should be in the budget.
10 This year it is going to be in our one-house
11 budget again. I'm sure it will be in the
12 Senate one-house budget also.

13 Is there any reason that it won't end
14 up in the budget? And any reason why we
15 don't want to know exactly who has high-speed
16 broadband and who doesn't and where it is?

17 ACTING COMMISSIONER GERTLER: You
18 know, absolutely no reason not to.

19 We -- in terms of our -- absolutely no
20 reason not to know all of the data. All our
21 programs have always used the best available
22 data to ensure that we are following up and
23 implementing what we say we're going to do,
24 to make sure that we have the right -- you

1 know, the right access and availability for
2 New Yorkers.

3 We work with -- we work with third
4 parties to make sure that we're reaching, you
5 know, every possible place that -- you know,
6 that we can. And, you know, in large ways,
7 which I said this earlier, it's now less
8 about sort of availability, it's now about
9 affordability.

10 But the reason why we feel that -- or
11 let me put it another way. Congress passed
12 what was the Broadband Data Act in 2020.
13 That will provide the data that's needed and
14 will provide and generate granular broadband
15 data so that we can have it. So it seemed
16 that that would be in a sense duplicating
17 efforts when we'd be -- when the federal --
18 when Congress has instructed the FCC to
19 provide that.

20 I mean, there is no dispute that we
21 want to make sure that we have the best
22 possible data. We believe we do use the best
23 possible data. And, you know, there's no
24 dispute in terms of making sure that we have

1 the most complete broadband availability.

2 ASSEMBLYMAN STIRPE: Okay. Let's talk
3 a little bit about workforce -- I'll call it
4 redevelopment.

5 It's pretty well known that probably a
6 third or more of the restaurants and
7 hospitality businesses will never reopen.
8 They've closed permanently. So there are
9 thousands, tens of thousands of people who
10 work in those businesses. A lot of them are
11 relatively low-skilled people, but there are
12 lots of jobs that are going to be around in
13 New York State. You know, I know that there
14 were estimates there were 90,000 unfilled
15 jobs in New York State over the past year or
16 so.

17 So I'm just wondering, what is the
18 administration's plan to retrain these
19 workers to fit into the jobs that will be
20 available?

21 ACTING COMMISSIONER GERTLER: Let me
22 say, first of all, I agree with you. You
23 know, even beyond having the pandemic, we're
24 living through an economy where we're seeing

1 a lot of changes. It's becoming a more and
2 more knowledge economy. We want to make sure
3 that, you know, we have the right workforce.
4 That's only been exacerbated by COVID that
5 has, you know, made sure that we've got to
6 even focus even more on workforce
7 development. A disparate effect of COVID on
8 many of those who are unskilled and in
9 low-income areas. So a critically important
10 issue.

11 The Governor put forward in 2019 a
12 large workforce development initiative.
13 We've already seen hundreds of projects
14 supporting training and development and
15 employment, you know, coming out of that.
16 Workforce is -- and the focus on workforce
17 goes across many agencies. It's an effort
18 that is multi-agency. To go back to your
19 point on the REDCs, the REDCs also focus on
20 workforce development.

21 And then lastly, you know, ESD, my
22 agency, is on many of the workforce
23 committees. We have also put forward and
24 expanded the ETIP program to provide training

1 much.

2 Our next questioner is Senator John
3 Liu.

4 SENATOR LIU: Thank you, Madam Chair.

5 And welcome, Commissioner Gertler,
6 once again. Last year we congratulated you.
7 I'm not sure how you feel now, but --

8 (Laughter.)

9 SENATOR LIU: -- congratulations
10 anyway.

11 ACTING COMMISSIONER GERTLER: Nice to
12 see you.

13 SENATOR LIU: As you can tell, many of
14 my colleagues in both houses are very
15 concerned about our small businesses. And in
16 fact we always -- everybody says, including
17 the Governor, says that small businesses are
18 the fabric, are the engine behind our entire
19 state's economy.

20 And yet your testimony highlighting
21 the assistance for small businesses during
22 the pandemic, our numbers are -- just seem
23 paltry compared to some of the economic
24 development deals that have been given in

1 recent years to major corporations.

2 So my question for you is, what's
3 going on with the job creation targets for
4 all of those deals? Have they been put on
5 pause this past year, or is your agency still
6 holding those corporations accountable?

7 ACTING COMMISSIONER GERTLER: So a
8 number of different points there to address.

9 I think, you know, first of all, we're
10 proud of the work that we've done for small
11 business. We've made sure during a very
12 difficult year that we've increased capital
13 to these small businesses in many different
14 ways. We've had a number of different
15 programs, I've talked about them already --

16 (Overtalk.)

17 SENATOR LIU: Yes, you have, so you
18 don't have to talk about them again. You
19 know, what's going on --

20 ACTING COMMISSIONER GERTLER: So I'm
21 not going to get into -- you know, and I know
22 that you're referring to many of the deals we
23 have particularly, you know, upstate. I can
24 tell you that certainly, you know, prior to

1 COVID, all of those deals were on track to
2 meet their -- meet their numbers.

3 You know, this year we did face, you
4 know, a pandemic that created a lot of
5 hardship for these businesses. What we did
6 do is businesses that were facing milestones,
7 they could apply for a one-year
8 administrative relief on their milestones, on
9 their job numbers, on their loans and --

10 SENATOR LIU: So they could get a
11 one-year pause.

12 ACTING COMMISSIONER GERTLER: It's a
13 one-year pause. And, you know, it really
14 was -- and that was something that was
15 available to all of our -- all of our
16 grantees.

17 SENATOR LIU: So all of -- like, for
18 example, if somebody had an April deadline,
19 an April 2020 deadline, it would have been
20 extended to April 2021, and --

21 ACTING COMMISSIONER GERTLER: Yes,
22 sir, it would have been extended by one year.
23 We did that across -- across the board.

24 SENATOR LIU: Terrific. All right.

1 And what about that database that half
2 a million dollars was allocated towards for
3 development, the database with the economic
4 deals in New York State?

5 ACTING COMMISSIONER GERTLER: Sure.

6 SENATOR LIU: On pause also, or --

7 ACTING COMMISSIONER GERTLER: No. No.
8 We are moving forward on that. And look, as
9 you know, we're -- as an agency, we've also
10 been, you know, stretched. We've had a team
11 that's worked very hard. You know, at times
12 we've worked remote --

13 SENATOR LIU: Do you know the time
14 frame on which that database --

15 ACTING COMMISSIONER GERTLER: No,
16 I'm -- no, sir, I'm going to give you a time
17 frame. Because that will be coming out --
18 coming out very soon.

19 And I can tell you, as you know, I'm
20 not -- I'm not looking to make an excuse.
21 You know, often with a technology system
22 there's -- you know, it takes a little bit
23 longer --

24 SENATOR LIU: Does "very soon" include

1 a time in 2021?

2 ACTING COMMISSIONER GERTLER: Yes,
3 sir. Yes, sir. I would say it's a matter of
4 weeks, if not a matter of --

5 SENATOR LIU: A matter of weeks?
6 Excellent.

7 ACTING COMMISSIONER GERTLER: We -- we
8 are -- you know, there are --

9 SENATOR LIU: Last question for you,
10 what are you going to do to help the Bills
11 win?

12 (Laughter; overtalk.)

13 CHAIRWOMAN KRUEGER: No more
14 questions, John, you're past the clock.
15 Sorry.

16 SENATOR LIU: Thank you, Madam Chair.

17 ACTING COMMISSIONER GERTLER: Good to
18 talk to you, sir.

19 CHAIRWOMAN KRUEGER: Thank you,
20 Senator Liu.

21 Assembly.

22 CHAIRWOMAN WEINSTEIN: We go to
23 Assemblyman Otis, the chair of our Science
24 and Tech Committee, 10 minutes.

1 ASSEMBLYMAN OTIS: Commissioner,
2 welcome.

3 And I think one of the things that --
4 difficult things in the last year that you
5 did not mention in your testimony is the work
6 that the folks at ESD had to do with the
7 Department of Health and other agencies in
8 understanding how the pandemic hit individual
9 businesses. And there's a lot of micro-work
10 that your folks had to get into to try and
11 deal with a very challenging situation.

12 So I just want to recognize that was a
13 new task for {Zoom freeze} -- ESD and a lot
14 of time put into that.

15 ACTING COMMISSIONER GERTLER: Thank
16 you.

17 ASSEMBLYMAN OTIS: I'd like to go
18 first to small business issues that you're
19 already hearing some about. We have a lot of
20 small businesses in the state who had either
21 very temporary or longer-term closures
22 because of the pandemic and now are
23 struggling to reopen. They have back rent,
24 they haven't been able to maybe pay insurance

1 costs, mortgages, situations like that.

2 And so I think the request that I
3 would make, and would appreciate some comment
4 on, is the need for us to -- especially with
5 federal dollars coming in -- find some models
6 that provide really relief to these
7 businesses that right now are sitting on the
8 ledge of being able to fully reopen and
9 survive or going under.

10 And I use the word "relief" because
11 they may need some money just to pay some of
12 that back rent or help negotiate -- and I
13 know ESD has been helpful on tools for
14 negotiation -- but for them to be able to
15 stay open. And so as one of the previous
16 questioners indicated, loans aren't always
17 the ticket. I think the tax credit is
18 helpful. But what can we do in terms of
19 looking at actual grants to very small
20 businesses?

21 And I note in today's news the Biden
22 administration for the PPP program has given
23 a higher priority to businesses who have 20
24 or fewer employees. And so we should

1 probably be pivoting and trying to create
2 some metrics to identifying these really
3 small -- whether they be restaurants,
4 retailers, non-for-profits that are trying to
5 survive and need help.

6 Any additional comments on this sort
7 of unique problem?

8 ACTING COMMISSIONER GERTLER: Well,
9 you know, as I've said before, we've seen so
10 many businesses that have faced unprecedented
11 challenges in the last year. And let's
12 also -- and we want to do as much as we can
13 and we intend to do as much as we can. We
14 also need to face the reality of dealing
15 with, you know, the fiscal constraints of,
16 you know, the current times.

17 But I would respond by a number of
18 different ways. First of all, we are working
19 to ensure that we're getting as much federal
20 funding as we can. Just to give you one
21 example, we used \$7.5 million to help
22 nonprofits get federal assistance for our
23 small businesses. That turned out to be
24 roughly helping 64,000 small businesses

1 throughout the state, and getting access to
2 about \$380 million. So those are significant
3 numbers.

4 We also have the recovery program
5 whereby we are looking to -- I already talked
6 about the \$50 million to restaurants, but
7 it's also \$50 million to small businesses
8 that have been in those sectors that have
9 been particularly hard-hit, like the arts,
10 accommodations, entertainment.

11 And that's a means by which we are
12 providing tax credits to help those
13 businesses return. Those are \$5,000 for up
14 to 10 employees, so it's a total of 50,000.
15 That's a \$50 million program.

16 And then, you know, I will just say
17 that our Small Business Division is focused
18 relentlessly on all of the different ways
19 that we look to support small businesses,
20 particularly those that -- and you're
21 right -- that need that capital. We created
22 the New York Forward Loan Fund to provide
23 low-interest loans. And, you know, we're
24 proud that in that fund about 65 percent of

1 those that are taking those funds are
2 MWBE firms.

3 So we're really trying to make sure
4 that those that have not able to access
5 capital will be able to access capital.

6 I hope that answers your question.
7 There are just so many different things that
8 we're looking to do to help these struggling
9 small businesses.

10 ASSEMBLYMAN OTIS: That is great. And
11 I just think we need to redouble that focus,
12 and finding some new tools would be great.

13 To the internet deployment issue --
14 and I would just share what I'm hearing from
15 some of my upstate colleagues in more rural
16 areas, but even folks in urban areas where
17 there are dead zones, and situations in
18 New York City where just specific apartment
19 complexes, because they're maybe not --
20 there -- maybe the view of the telecom
21 companies is there are not a lot of people
22 there that are going to spend money on
23 higher-level services.

24 The deployment gaps in this state are

1 primarily geared around where telecom
2 companies don't want to invest in the
3 infrastructure because they don't think
4 they're going to get the money back from
5 customers who are buying additional services.
6 So some of this is a Public Service
7 Commission issue, some of it a broader issue
8 in terms of what we're going to require of
9 them.

10 But where we have gaps, you can map
11 them or not map them, but everyone knows the
12 gaps are where the companies don't want to
13 spend the money. And to the extent that
14 you're communicating with some of those
15 companies as well, we need to provide
16 incentives or direction, and then we can fill
17 those gaps.

18 And this is apart from the good
19 efforts that the administration has been
20 pursuing in the last few years to expand
21 broadband. But that's really where the gaps
22 continue to be, and even with those
23 incentives the companies just don't want to
24 go where they don't want to go.

1 ACTING COMMISSIONER GERTLER: Right.
2 Well, I want to give you, you know, one
3 example where I think, you know, colleagues
4 in my agency, with our Washington office,
5 worked relentlessly to get \$100 million in
6 awards from the FCC's Rural Digital
7 Opportunity Fund.

8 Initially we were ruled categorically
9 ineligible. Through their efforts, they went
10 back to the FCC, got \$100 million. That
11 money will be used to help to ensure that we
12 are expanding internet access and service to
13 any other areas in rural parts of New York
14 that need, you know, that access.

15 As I said, you know, our program,
16 we've received at this point 99.9 percent
17 commitment. We're at 98 percent right now.
18 You know, we certainly want to make sure that
19 there's accessibility, availability for all.
20 But, you know, we believe on those numbers
21 it's no longer a question of access and
22 availability, it's a question of
23 affordability. We need to make sure that
24 low-income families also have access.

1 Be that as it may, we are continuing
2 to make sure that, you know, those have the
3 highest possible speeds on their broadband,
4 and, you know, and we'll continue to work on,
5 you know, any of the gaps that we see. We
6 have third-party validators and providers
7 that help us make sure. But suffice it to
8 say that, you know, broadband -- and this has
9 been, you know, reinforced during COVID -- is
10 absolutely a critical utility for workers,
11 for students, for families in this age.

12 ASSEMBLYMAN OTIS: Thank you for that.

13 And I'd also like to circle back to
14 the arts again and a special need to focus on
15 the needs of these very small arts
16 organizations around the state, whether they
17 be for-profit or not-for-profit. These are
18 the ones that are really going to be going
19 under, and we do not want to lose them. They
20 are also big job creators, they are a part of
21 the economic life of our state.

22 And so as you -- I know we'll be
23 hearing from the Council of the Arts later,
24 but I think we have to find ways to view

1 those organizations, they are small
2 businesses also, having some relief and
3 keeping them going.

4 And with that, I will yield back the
5 last 45 seconds of my time, unless you have
6 additional comments about the arts.

7 But thank you for all that ESD does,
8 and we are looking forward to a new round
9 from the Regional Economic Development
10 Councils that will be very helpful.

11 ACTING COMMISSIONER GERTLER: Thank
12 you. I will just add very quickly that we do
13 need to support employment for artists
14 throughout the state. And we also recognize
15 the importance on a cultural level, and the
16 diversity that it adds to New York State.
17 That's one of the reasons -- the diversity,
18 you know, in the arts, that makes New York
19 State so special. So I agree, we need to
20 help these people get back to work.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Before we go to the Senate, I
23 neglected to mention that we were joined by
24 Assemblymembers Gallahan and Gandolfo a while

1 ago.

2 Now we go to the Senate.

3 CHAIRWOMAN KRUEGER: Thank you very
4 much.

5 And we've been joined by Senator Pam
6 Helming.

7 And our next questioner is Senator
8 James Sanders, from Queens.

9 SENATOR SANDERS: Good morning,
10 Commissioner.

11 ACTING COMMISSIONER GERTLER: Good
12 morning, sir.

13 SENATOR SANDERS: Since time is not my
14 friend, I'm going to go straight to
15 questions.

16 The New York Federal Reserve spoke of
17 a 40 percent loss in Black businesses as of
18 August, and by now I would argue that there's
19 at least a 60 percent loss, and growing.

20 Has anyone done a study of the impact
21 of waiving the MWBE requirements on -- during
22 the COVID crisis, sir?

23 ACTING COMMISSIONER GERTLER: So,
24 look -- first of all, let me share with you

1 that, you know, we understand the difficulty
2 for many small businesses, and particularly
3 the MWBE firms have been severely impacted
4 during COVID. So, you know, what we've done
5 is a number of different things to improve
6 the process so that we can ensure that more
7 MWBEs can be part of our program.

8 SENATOR SANDERS: That wasn't my
9 question, sir. I was wondering have we
10 looked at what the impact of waiving the
11 requirement for MWBEs has been? I'm the
12 father of MWBEs, sir, I know it well.

13 ACTING COMMISSIONER GERTLER: Okay,
14 sir. You know, I'm not sure what
15 requirements would be waived. You know, we
16 need to make sure that it withstands the
17 constitutional challenges. But perhaps, you
18 know, Kevin Younis can add, you know, to
19 that.

20 ESD COO YOUNIS: Sure. Thanks, sir.

21 Thanks, Senator.

22 It is -- you're referring to the
23 requirements that the businesses be owned or
24 controlled by Ms and Ws?

1 SENATOR SANDERS: No, the
2 requirement -- in the time of emergency, the
3 requirement of 30 percent was waived.

4 Let me go from there to something that
5 perhaps you guys do have. The CARES Act
6 allowed for grants to be given to small
7 businesses. Why didn't New York State use
8 this better? In fact, why didn't it use --
9 go for grants to small businesses?

10 ACTING COMMISSIONER GERTLER: You
11 know, I'm going to have Pravina, who runs
12 our, you know, Small Business -- I would just
13 say that I think that that is a, you know,
14 question that I would say that our Department
15 of Budget would be, you know, more in a
16 position to, you know, to answer that.
17 But -- and you certainly --

18 SENATOR SANDERS: I'll tell you what,
19 gentlemen, I'm not trying to -- my time is
20 not my friend. Can I meet with your new
21 executive director and perhaps -- I'm not
22 trying to embarrass either of you.

23 ACTING COMMISSIONER GERTLER: Of
24 course. Of course. We're happy to do that.

1 throughout this pandemic and reopening, and
2 guidance and all of that. So thank you for
3 that.

4 ACTING COMMISSIONER GERTLER: Thank
5 you.

6 ASSEMBLYMAN RA: I just wanted to
7 circle back to the CAT and COEs, in
8 particular regarding stakeholders and
9 companies that work with those entities. I
10 know there was a proposal -- not exactly the
11 same as this, but there was a proposal last
12 year to kind of merge the two. I know a lot
13 of those stakeholder organizations expressed
14 opposition to that, and I believe are doing
15 so again this year.

16 I'm just wondering what kind of
17 outreach there has been in the interim time
18 between last year's budget when that proposal
19 to consolidate this program was made, and
20 this current proposal, and whether there --
21 you know, those companies' views on working
22 within these entities have been taken into
23 account in this year's proposal.

24 ACTING COMMISSIONER GERTLER: Sure.

1 You know, I think it's fair that I
2 have Pravina Raghavan, who runs our Small
3 Business and does most of those
4 communications with our centers. Pravina,
5 can you please join?

6 ESD EVP RAGHAVAN: Sure. Thank you
7 very much, Eric.

8 Assemblyman, we've been actually
9 working with both the stakeholders and the
10 universities. We have been doing outreach
11 with them. Part of this proposal is actually
12 just to ensure that the CATs and COEs can go
13 through that competitive process and also, as
14 Eric has mentioned before, increase the
15 designation from one year for the COEs to 10.

16 And we continue to keep the same
17 principles that are both in the CATs and
18 COEs, which is working with the private
19 sector. And we have been working with them
20 to, you know, ensure they understand the
21 principles. One of the things coming back
22 from last year's hearing was it wasn't a long
23 time to do the switchover, which is why we've
24 included two years, to make sure they're

1 automatically designated and then put into
2 the system that we do with the CATs normally.

3 So we've been working on that.

4 ASSEMBLYMAN RA: Well, thank you.

5 And I join my colleagues with regard
6 to my concerns. These programs have been
7 great about leveraging private investment, so
8 we want to make sure that we're working with
9 those stakeholders, all of those companies
10 that are working with the universities, and
11 make sure that we continue to have that
12 success from an economic development
13 standpoint.

14 I want to move over to a different
15 issue, which -- there's a funding that's
16 included for the Economic Development
17 Initiatives. I know in the past there's been
18 funding allocated for things like advertising
19 for, you know, different programs like
20 START-UP NY. And I'm just wondering if you
21 can give me any idea in terms of how that
22 funding was utilized last year and if there's
23 perhaps an opportunity to maybe repurpose or
24 open up some of that funding to, you know,

1 regional or local chambers of commerce or
2 regional, you know, groups, pro-business
3 groups, to just promote the importance of,
4 you know, shopping locally and helping get
5 our local small businesses up and running and
6 thriving again.

7 ACTING COMMISSIONER GERTLER: So, you
8 know, let me say -- and I'll also have Kevin
9 Younis respond.

10 But, you know, in the past year we've
11 seen obviously tourism be greatly affected by
12 COVID. You know, we had extraordinary
13 numbers of visitors visiting New York prior
14 to COVID. I'm sure you know, you know, the
15 numbers, north of 260 million people annually
16 and incredible -- you know, over a
17 \$100 billion in economic impact.

18 But -- and we know that for so many
19 reasons those industries, many of the
20 industries within tourism have been closed
21 down, you know, and cut back. We did a
22 number of things in the past year to help
23 create some awareness; we did virtual -- you
24 know, virtual tours at some of our high

1 destinations. And I think all of this, and
2 knowing that tourism is so critical to
3 New York, is why the Governor has announced
4 that we would do a Rediscover New York
5 tourism marketing initiative to help to get
6 the tourism -- those tourism numbers back.

7 There are, you know -- it -- suffice
8 it to say it's such a, you know, critical
9 industry and adds so much to -- not just
10 economically, but to the spirit of this
11 state.

12 Kevin, perhaps you can add to some of
13 the other initiatives. I think we were also
14 asked about what we did last year.

15 ESD COO YOUNIS: Yeah, thanks
16 Assemblyman.

17 Quickly to your question about what we
18 did with the funding, the DI funding,
19 frankly, we didn't use a lot of it, given the
20 limitations around travel and what have you.

21 But this year we have included once
22 again the Market New York funding, and you
23 know, that's a \$15 million fund that is both
24 available for capital investments and

1 marketing, local marketing. So that goes
2 through the Regional Council process, and
3 that's once again available.

4 ASSEMBLYMAN RA: Thank you.

5 ACTING COMMISSIONER GERTLER: Thank
6 you.

7 CHAIRWOMAN WEINSTEIN: Senate?

8 THE MODERATOR: Senator Krueger,
9 you're on mute.

10 CHAIRWOMAN KRUEGER: Thank you. I
11 think it helps when I unmute, doesn't it?

12 Let's try Senator Martucci without my
13 mute on. Thank you.

14 SENATOR MARTUCCI: Thank you,
15 Chair Krueger. And thank you, Commissioner,
16 for joining us today.

17 My question circles back to a question
18 that was asked by Chair Kaplan just in the
19 beginning of the hearing, and it's with
20 respect to the CATs and the COEs.

21 New York continues to decline when you
22 look at the really important metrics -- R&D
23 activity, patents filed, companies in tech,
24 STEM jobs and degrees. You know, in the 2020

1 Bloomberg Innovation Index, New York has
2 dropped two spots to 14th. The Milken
3 Institute State Technology and Science Index
4 has us falling from 11th in 2014 to 21st in
5 2020. And New York continues to decline with
6 respect to these important issues, but places
7 like New Jersey and Connecticut and
8 Massachusetts outperform us again and again.

9 My concern is, why would we continue
10 to cut funding to successful economic
11 development programs like the CATs and the
12 COEs? Shouldn't we be increasing the state's
13 investment in these and competing against
14 other states, rather than competing against
15 ourselves?

16 ACTING COMMISSIONER GERTLER: You
17 know, when we look at, you know, our state
18 economy -- and I went through some of the
19 statistics earlier -- you know, pre-COVID we
20 had seen some of the best metrics in our
21 state economy in the history of the state.
22 We saw private-sector jobs at all-time high,
23 unemployment at an all-time low.

24 I don't think there is any other state

1 that invests and champions innovation like
2 New York does. You know, we do have the
3 Innovation Centers throughout the state.

4 But what we're doing here is at a time
5 when we're in an increasingly competitive
6 knowledge-based economy, what we're trying to
7 do is make sure that we're aligning the
8 resources in a better way, providing the
9 predictability and the stability that these
10 centers need to be able to be even more
11 innovative and respond to exactly -- you
12 know, some of the things that you talked
13 about, but being more competitive, ensuring
14 that there's better technology that
15 industries can ultimately use.

16 And when you have this 10-year window,
17 you're adding more stability for these
18 centers to be able to respond to critical
19 needs.

20 You know, we've seen, you know, other
21 statistics that I -- you know, when we look
22 at the number of workforce that have STEM
23 degrees -- I talk to businesses all the time.
24 Businesses want to be in New York State

1 because of our talented workforce. We
2 continue to have strong venture capital that
3 wants to invest in New York State. The NIH
4 money that comes to the state is among the
5 highest in the nation.

6 So I think that there are so many
7 different statistics -- you know, as one
8 famous author said: There's lies, damn lies
9 and statistics. The statistics that I look
10 at show a very positive economy, certainly
11 pre-COVID -- a \$1.7 trillion, thereabouts,
12 GDP economy.

13 Look, our economy, like all others,
14 faced challenges over the last year. You
15 know, given the talent of our workforce, the
16 leadership that we have in this government
17 stemming from the Governor, all of the
18 different programs that we have, the
19 innovative -- the innovations that we're
20 seeing, the technology companies, the health
21 companies -- I do strongly believe that this
22 state will, as the Governor likes to say,
23 build back better.

24 SENATOR MARTUCCI: Thank you,

1 Commissioner. I certainly appreciate your
2 time today.

3 And again, I would just reiterate that
4 certainly from my perspective, I would prefer
5 to see a model that, again, didn't have these
6 CATs and COEs competing against each other
7 but rather, you know, utilizing the resources
8 that we have to be more competitive with our
9 nearby neighbors in Connecticut and
10 Massachusetts.

11 But again, thank you for your time.
12 And thank you, Chair Krueger, for allowing me
13 to ask questions today.

14 ACTING COMMISSIONER GERTLER: Thank
15 you.

16 CHAIRWOMAN KRUEGER: Thank you very
17 much.

18 Assembly.

19 CHAIRWOMAN WEINSTEIN: Yes, we go to
20 Assemblyman Friend, the ranker on Economic
21 Development.

22 ASSEMBLYMAN FRIEND: Thank you,
23 Chairwoman.

24 And I'd just like to start with that,

1 the CATs and COEs, and say that I am
2 concerned with the possibility of elimination
3 of the COEs and the possibility that some of
4 those COEs may not actually receive that
5 10-year standing.

6 I understand that that would be --
7 provide more certainty for them to operate,
8 but they have differences in the way that the
9 two operate. I mean, the CATs go ahead and
10 they leverage that private interaction with
11 businesses, and the COEs rely on the
12 university support. So they are similar, but
13 not exactly the same way. And during my time
14 at the University of Buffalo, I saw
15 advantages to both models.

16 So I think that going forward, we're
17 eliminating one of the avenues that we have
18 for our research development within our
19 universities to be brought to market.

20 But I don't want to really hang on
21 that issue. I appreciate everything that
22 you've talked about with trying to support
23 our workforce development. We see that
24 happening a lot in our community colleges,

1 and I'd like to see that that would continue.
2 They need an awful lot of help going forward.

3 We definitely need a lot of support
4 getting our education, K-12, back up and
5 running to full five-day-a-week classes.
6 We're going a year now where our students
7 have not been in school and have not had that
8 opportunity for the interaction and the
9 learning, the stimulation that's going on
10 there, and that's going to have a massive
11 impact on our community colleges later on and
12 our universities going forward, as well as
13 economic development currently.

14 With the impact of COVID and
15 everything that ESD has had and the Governor
16 has done with his executive orders to allow
17 businesses to be able to operate under the
18 current climate, what regulations might you
19 think -- that the Governor suspended --
20 should remain permanently eliminated?

21 ACTING COMMISSIONER GERTLER: I'm
22 sorry, what? I missed the --

23 ASSEMBLYMAN FRIEND: I was just
24 asking -- during COVID the Governor has

1 suspended, by executive order, several
2 regulations within New York State. Are there
3 any of those that you would recommend that
4 New York -- that we would go ahead and pass a
5 law to eliminate those regulations?

6 ACTING COMMISSIONER GERTLER: So, you
7 know, first of all, with -- you know, I agree
8 with you, you know, these businesses have,
9 you know, faced enormous challenges over the
10 last year. I think first and foremost, you
11 know, what we need to do is -- and again, to
12 state the obvious, we're dealing with a
13 public health crisis and we need to defeat,
14 you know, COVID-19. We need to ensure
15 that -- to continue with our program of
16 vaccination. We need to continue to ensure
17 that we're adhering to all of the health
18 guidelines that have been put forward by
19 Department of Health.

20 And, you know, in doing so, that will
21 enable us, as the Governor has done over the
22 last few weeks, is to open up more and more
23 businesses. We need to get to the point
24 where people are able to go into, you know,

1 into congregate settings. We need to be able
2 to support more dining, more of these
3 settings. You know, in terms of -- so -- so
4 that's first and foremost. You can't have,
5 you know, over a long period of time, you
6 know, our businesses subject to these reduced
7 restrictions.

8 The Governor is right in the sense of
9 we have to maintain these guidelines to
10 protect the health and safety of New Yorkers.
11 But, you know, our hope -- and exactly what
12 the Governor has been doing over the last few
13 weeks is opening up more and more of the
14 economy. Let's get to that point.

15 And, you know, in the interim, in
16 terms of any specific questions, I would
17 defer to the Governor's council on regulatory
18 issues. You know, we're focused on making
19 sure that, you know, the businesses, as they
20 open up more and more, have what they need in
21 terms of capital access, support, the
22 technical assistance, and so on.

23 ASSEMBLYMAN FRIEND: Since my time is
24 running short, I'll just make some comments

1 and recommendations.

2 It was recently suggested, possibly,
3 that the MWBE 30 percent was put on hold.
4 I'm not quite sure that I've heard anything
5 about that. But even so, given the
6 possibility of still COVID transmission, we
7 have a bill that would have the MWBE set by
8 the region that it's currently -- that you're
9 in.

10 So in the Southern Tier, we don't have
11 30 percent MWBEs available for many of our
12 businesses, so we end up having to go and
13 bring people out of Syracuse, New York City,
14 or even out of the state to come in and
15 fulfill those MWBE requirements.

16 And it would make more sense to spur
17 more MWBEs within the region and to have the
18 MWBE requirement be similar to what you
19 actually have within that region.

20 My other comment goes to broadband.
21 And a lot of people have talked about
22 affordability or availability. Within the
23 Southern Tier, availability is still a huge
24 issue, and it has been. And I appreciate

1 everything that the Governor has done to try
2 to bring up more availability, but I just
3 have a recent report from the Ithaca Area
4 Economic Development Board that says the
5 PERM 75, a New York State DOT permitting
6 requirement that became effective in November
7 of 2020, authorizes DOT to enact a use and
8 occupancy on fiber optic cable that runs
9 along state right-of-ways.

10 This requirement, on average, is
11 \$15,000 per mile to the cable company, and
12 it's 26 to 80 cents per foot per year on an
13 annual rental fee. This requirement --

14 CHAIRWOMAN WEINSTEIN: Assemblyman,
15 your time is up. Do you want to just
16 conclude?

17 ASSEMBLYMAN FRIEND: Yeah.

18 So basically the PERM 75 is yet
19 another one of those things that's holding us
20 back from having more broadband within the
21 Southern Tier, within rural parts of the
22 country -- rural parts of the state. And I'd
23 appreciate if you would help to support the
24 removal of that fee. Thank you.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 We go to the Senate.

3 CHAIRWOMAN KRUEGER: Thank you.

4 Senator Jim Skoufis.

5 SENATOR SKOUFIS: Thanks very much,

6 Madam Chair.

7 And thank you, Commissioner, for your
8 testimony. And I certainly appreciate the
9 enormity of the work that you've been a part
10 of over the past year and moving forward.

11 I want to circle back to an issue that
12 I think one of my Assembly colleagues very
13 briefly touched on, but I didn't quite get
14 the full answer that he perhaps and I
15 certainly were looking for. And that is I've
16 had concerns for quite some time about the
17 operations of these Regional Economic
18 Development Councils, REDCs. But
19 specifically, I want to ask about these
20 so-called recovery plans that the councils
21 have been working on.

22 It's my understanding that in an
23 effort to come out of this pandemic and
24 retool, if you will, the money that's

1 appropriated to these REDCs, in lieu of the
2 traditional awards that they dispense,
3 they're developing these recovery plans.

4 Our Senate staff has been asking your
5 team -- perhaps you personally, I don't know,
6 but certainly your office -- for these
7 recovery plans throughout the state for at
8 least the past four months. And to date, on
9 February 23rd, we still do not have what
10 these recovery plans are, what they look
11 like, the details, et cetera.

12 So I'm asking you today if you can
13 please make a commitment that, let's say this
14 week, your office will share with the
15 Legislature -- who appropriates these
16 hundreds of millions of dollars for the
17 REDCs -- that you will share these recovery
18 plans with us this week.

19 ACTING COMMISSIONER GERTLER: So, you
20 know, thank you for your comments up front in
21 terms of all the great work that this agency
22 has done and I can only tell you that it's
23 been a privilege to be able to lead this
24 agency during these difficult times. So

1 thank you for that.

2 To get to your question, I mean, we
3 rely on the REDCs in so many different ways.
4 And we've spent a lot of time discussing,
5 planning, you know, thinking. And we rely on
6 the work that they do and the reports that
7 they provide in order to guide our thinking
8 in terms of how we think about our broad
9 economic development plans. And, you know,
10 the work that they have done in working with
11 us -- you know, that work had never been
12 finalized. And --

13 SENATOR SKOUFIS: But if I could just
14 interject, so just to cut to the chase here
15 with 30 seconds. When can the Legislature
16 expect you will share these plans with us?

17 ACTING COMMISSIONER GERTLER: So, you
18 know, let's -- you know, let me do this and,
19 to your point, cut to the chase.

20 You know, let me follow up after, you
21 know, this hearing and figure out a timing of
22 what we can do about those reports and see
23 how we can share those. So --

24 SENATOR SKOUFIS: Okay.

1 ACTING COMMISSIONER GERTLER: -- that
2 should be -- that should be soon. I -- I --
3 so we can follow up on that.

4 SENATOR SKOUFIS: Okay. My time has
5 expired. Thank you.

6 CHAIRWOMAN KRUEGER: Thank you.
7 Assembly?

8 CHAIRWOMAN WEINSTEIN: Yes, I think we
9 are now going on to members for three
10 minutes. Assemblywoman Rajkumar.

11 ACTING COMMISSIONER GERTLER: I'm
12 sorry, I can't hear anything if anybody's
13 talking. I apologize.

14 CHAIRWOMAN KRUEGER: Nobody's talking
15 yet. We're looking.

16 CHAIRWOMAN WEINSTEIN: We're looking
17 for her. If she's not here, why don't we go
18 to Assemblyman Stern.

19 THE MODERATOR: She's here. She's
20 coming on, I do believe.

21 CHAIRWOMAN WEINSTEIN: Okay.

22 ASSEMBLYWOMAN RAJKUMAR: Hi, I'm here.

23 ACTING COMMISSIONER GERTLER: Here we
24 go.

1 ASSEMBLYWOMAN RAJKUMAR: Thank you.

2 Pardon my video.

3 Good morning, Commissioner Gertler,
4 and thank you for your efforts to help the
5 New York economy rebound from this pandemic.

6 I have three questions, I'll ask them
7 all quickly. First is on ESD's issuing of
8 cash grants. Given our enormous budget
9 challenges right now, and so many health and
10 human services needs, I'm curious why ESD
11 still gives cash grants to some private
12 businesses. Wouldn't it be better, instead
13 of cash grants, to offer job tax credits?
14 Which I know you call Excelsior Job Credits.

15 Cash is tight right now, and needs are
16 great, and Excelsior tax credits are pay for
17 performance, so don't drain cash in the
18 short-term. I'm curious to hear your expert
19 thinking on the matter.

20 My second question is on the
21 representation of South Asian Americans in
22 the MWBE programs. South Asians comprise a
23 large chunk of my constituency. They include
24 people from the Indian subcontinent as well

1 as Indo-Caribbeans from Guyana and Trinidad.

2 Is ESD committed to ensuring that MWBE
3 programs are available across the spectrum of
4 minority communities, including for the South
5 Asian communities that make up such a vital
6 part of my district?

7 And finally, does ESD have any role in
8 supporting any community college workforce
9 development initiatives in Queens?

10 Thank you.

11 ACTING COMMISSIONER GERTLER: Great.
12 Thank you. I'm just running down those
13 questions.

14 I'm going to also turn to my
15 colleague, you know, Kevin Younis to also
16 focus on some of those questions.

17 So let me start first, you know, with
18 your first question, which is an important
19 part of what we do in terms of economic
20 development. Clearly we use the Excelsior
21 tax credits as -- in multiple ways. That is
22 an important part of our program when we look
23 to attract businesses, you know, to New York,
24 for example.

1 And those are performance-based. When
2 we do -- when we do grants, those grants,
3 don't forget, also have clawbacks. We make
4 sure -- and I think this is the key to which
5 we do -- in which we do business development,
6 that -- and by the way, those grants also go
7 to, you know, nonprofits. They're
8 performance-based. If the grants do not --
9 if those that are awarded the grants do not
10 do what they're supposed to do, they get
11 clawed back.

12 The same thing with the Excelsior tax
13 credits. They only get awarded once they
14 achieve the -- you know, it's tied to the
15 performance. And that's -- you know, and
16 that is absolutely critical.

17 I think in the interests of time, what
18 I can do is follow up on the other two
19 questions. I certainly don't want to not
20 answer those. But what I will do is I'll
21 have my office come back to respond to the
22 other two to you. I apologize.

23 ASSEMBLYWOMAN RAJKUMAR: That would be
24 great, thank you.

1 ACTING COMMISSIONER GERTLER: Thank
2 you.

3 CHAIRWOMAN WEINSTEIN: To the Senate.

4 CHAIRWOMAN KRUEGER: Thank you.

5 We've been joined by Senator Roxanne
6 Persaud and Senator Sean Ryan. But the next
7 questioner is Senator Borrello.

8 There you are, George.

9 SENATOR BORRELLO: Okay, thank you
10 very much, Madam Chair.

11 Commissioner, thanks for being here
12 today.

13 Let me start off by saying thank you
14 for -- during the beginning of the pandemic,
15 when we had the lockdown, I can tell you that
16 I worked closely with Empire State
17 Development in the Western New York region,
18 and they did a fantastic job helping
19 businesses to figure out, you know, their
20 reopening and if they qualify.

21 When I was previously county executive
22 of Chautauqua County, I was also a member of
23 the REDC, and I appreciate the work that's
24 done there. Which leads me to my question.

1 You know, I think that -- and I don't
2 really know if anybody asked this before; I
3 don't think so. We're looking at the CFAs
4 and what the status is right now. I know it
5 basically has been more or less on pause. I
6 have many businesses and many organizations
7 asking me about the CFAs. So if you could
8 give us an update on what the status is.

9 ACTING COMMISSIONER GERTLER: Great.
10 Thank you. I will say very quickly -- I'm
11 going to turn this over to Kevin Younis --
12 but, you know, I'm proud of the work that our
13 team in Western New York continues to do and
14 the work they continue to focus on there.

15 But in the interests of time, Kevin
16 Younis, can you please respond to the CFA
17 question?

18 ESD COO YOUNIS: I sure can. Thanks,
19 Eric. Thanks, Assemblyman {sic}.

20 I think, pretty simply, we expect to
21 have the round of REDCs open this year again,
22 you know, with the full 750 that we typically
23 do.

24 SENATOR BORRELLO: Okay. So in a

1 similar timing, a similar, you know, time
2 frame so we can have an idea when?

3 ESD COO YOUNIS: Yeah, I -- you know,
4 obviously, given COVID, anything can change.
5 But I think our expectation is somewhere --
6 is similar to the same process we've done in
7 past years, timing and anything else.

8 SENATOR BORRELLO: Okay. All right.
9 Well, that's a relief --

10 ESD COO YOUNIS: The focus will be a
11 lot more on the COVID recovery, we would
12 expect, in terms of available resources. But
13 yes.

14 SENATOR BORRELLO: Yeah. Well,
15 absolutely. And certainly I think we all
16 know that the hospitality industry has been
17 hard-hit, and that would certainly be an
18 important focus.

19 You know, and I do -- I will, just in
20 my remaining time here, Commissioner, I will
21 take you to task on one thing. You mentioned
22 that the reason that broadband is not
23 expanding is because businesses don't want to
24 do it. And I would strongly encourage you to

1 look at and speak with broadband providers.
2 The tax on fiber has dramatically decreased
3 and even killed some projects. We've got the
4 DOT that's charging a fee to -- or requiring
5 companies to re-survey the same areas just to
6 run fiber on existing poles.

7 So I would ask you, and I've brought
8 this up many times before -- ask you to look
9 at what New York State is doing to
10 unfortunately, you know, hamper the expansion
11 of broadband, particularly in rural areas.
12 You know, right now my opinion of the
13 expansion of broadband in our rural areas are
14 self-inflicted wounds. And I would strongly
15 encourage you to help look at how we can
16 solve that.

17 So thank you.

18 CHAIRWOMAN KRUEGER: Thank you.

19 Assembly.

20 CHAIRWOMAN WEINSTEIN: We go to

21 Assemblyman Stern.

22 ASSEMBLYMAN STERN: Yes. I'm on?

23 Thank you.

24 ACTING COMMISSIONER GERTLER: There we

1 go.

2 ASSEMBLYMAN STERN: Thank you. Thank
3 you, Madam Chair. Thank you, Commissioner.

4 Like many of my colleagues from both
5 the Assembly and the Senate, I'm very
6 concerned about the CATs and COEs. So
7 currently CATs are awarded a 10-year
8 designation and in two years, under the
9 Governor's proposal, there would be 14
10 10-year contracts awarded to the new CATs.

11 So I understand the balance that we're
12 trying to strike between competition and
13 continuity under this proposal. But is there
14 a concern that if these awards are going to
15 be made at substantially the same time for a
16 10-year period, that we might actually be
17 reducing competition?

18 I'd like to get your thoughts on that,
19 Commissioner, and then also lend my voice
20 again to my colleagues' in support of the
21 CATs and COEs. We've seen that this is a
22 demonstrably, quantifiably successful
23 program, exactly the kind of program that we
24 should be supporting, not cutting, as we come

1 out of the pandemic to build back better.

2 Thank you.

3 ACTING COMMISSIONER GERTLER: Sure.

4 No, I appreciate that. And given I've, you
5 know, talked quite a bit about the CATs, you
6 know, COEs discussion, I'm going to have
7 Pravina Raghavan, who heads our small
8 business, I'm going to have her address that
9 comment in terms of how we do the competitive
10 nature after the two-year designation.

11 ESD EVP RAGHAVAN: Thank you,
12 Commissioner Gertler.

13 Thank you, Assemblyman.

14 I understand the concern. We do not
15 look to eliminate COEs or the number, so I
16 just want to make sure. We also know that
17 those are areas that we need to focus on from
18 a technology perspective. And so the
19 competition, as we do for the CATs, many get
20 redesignated easily because it is areas that
21 we are creating jobs and thriving in the
22 economy. We do not expect that to be a
23 problem in the two years.

24 But it also gives us time to sit there

1 and see if there's a different face and work
2 with them to see the competition process. So
3 it would be similar to what we do, which is
4 an RFP. We don't have all the CATs compete
5 at the exact same time as well. There is a
6 rotation to make sure that they're evenly
7 distributed, between two to four per year,
8 usually, in non-COVID years.

9 ASSEMBLYMAN STERN: Very good. Thank
10 you.

11 ACTING COMMISSIONER GERTLER: Thank
12 you.

13 CHAIRWOMAN WEINSTEIN: Back to the
14 Senate.

15 CHAIRWOMAN KRUEGER: Okay, thank you.
16 Senator Sean Ryan, Buffalo.

17 SENATOR RYAN: Thank you very much.

18 Good morning, everybody.

19 I would echo the comments of other
20 people from Western New York that ESD did a
21 great job early in the pandemic of really
22 being clear and concise with local
23 businesses, especially in the manufacturing
24 field, to make sure those essential supply

1 chain businesses stayed open. So, you know,
2 kudos on that.

3 ACTING COMMISSIONER GERTLER: Thank
4 you.

5 SENATOR RYAN: I'm also going to, you
6 know, echo the other comments, Commissioner,
7 which is that, you know, I know we rely on
8 the REDCs, which I think's a good idea to get
9 these regionally flavored economic plans.

10 But it kind of -- you know, that
11 theory flies in the face of getting rid of
12 the CATs and the COEs, because those are
13 specifically regionally based. And I bet
14 that the REDCs really weren't consulted about
15 whether they think we should get --
16 consolidate, you know, lop a lot of them off,
17 because I think they're a vital part of each
18 different region's economic development plan.

19 So did you consult with all the REDCs
20 before we made this proposal?

21 ACTING COMMISSIONER GERTLER: So, you
22 know, again, as earlier in the hearing -- and
23 I'm going to have Pravina talk. You know,
24 Pravina discussed all the different ways that

1 we had outreached to members of the community
2 regarding the CATs and COEs. And as I said,
3 last year this was a proposal that we brought
4 up, there was, you know, some -- you know,
5 some feedback, which is why we changed it to
6 a two-year designation.

7 But, Pravina, perhaps you can also
8 discuss, you know, some of the discussions
9 you've had with the REDCs and some of the
10 other community members on the reasons for
11 the change.

12 ESD EVP RAGHAVAN: Yup.

13 And first I'd just like to say that we
14 are not getting rid of any CATs or COEs, or
15 eliminating any. It would be the exact same
16 number. I understand that we're moving one
17 program into another, so there is a
18 confusion, but there will be none gotten rid
19 of. And we're not reducing the number
20 either.

21 So we have done outreach, both with
22 the communities as well as the universities,
23 as private stakeholders who use the network,
24 to ensure that we had a seamless transition.

1 Once again, the reason we are doing this is
2 to ensure that we have the upcoming --
3 supporting the right technology to increase
4 both jobs regionally but also across the
5 state, as well as making sure that we have a
6 long tail to make some of this technology
7 prevail. And as I said, the CATs are 10
8 years, and so that is what we've been doing.

9 But we have been working with the
10 communities when we've been looking at these
11 proposals, as requested last year.

12 SENATOR RYAN: Sure. Well, I hope you
13 keep open ears to the feedback that you're
14 getting today, which is pretty uniform.

15 And as I'm running out of time, I
16 would like at some point to get an update on
17 the Tesla gigafactory in Buffalo and how that
18 is recovering from the pandemic, and how
19 we're going to, you know, put the new job
20 measurement rules in place now post-pandemic.

21 So, Commissioner, if we can do that
22 offline, I would appreciate it.

23 ACTING COMMISSIONER GERTLER: Of
24 course. I will make sure that we follow up

1 with you, sir, after this hearing.

2 SENATOR RYAN: Thank you very much.

3 ACTING COMMISSIONER GERTLER: Thank
4 you.

5 CHAIRWOMAN KRUEGER: Thank you.
6 Assembly.

7 CHAIRWOMAN WEINSTEIN: Yes, so we go
8 to Assemblyman Byrne, for three minutes.

9 ASSEMBLYMAN BYRNE: Thank you,
10 Commissioner. I'm sorry I have to jump on
11 and off, because we have separate committee
12 meetings, so I don't want to be overly
13 redundant with some of my colleagues'
14 questions that I think were already asked.

15 But I do have another question or at
16 least a follow-up regarding the Restaurant
17 Return to Work Tax Credit. My understanding
18 is it's restricted to places that had Orange
19 and Red Zone declarations. My question would
20 be, you know, these restaurants all
21 throughout our state have been hit hard by
22 the state shutdowns, and the state was sole
23 real decider in determining who could
24 operate, what phases they could operate for

1 outdoor and indoor dining, et cetera.

2 So why are we having this distinction
3 for this tax credit for Orange and Red Zone
4 areas only?

5 ACTING COMMISSIONER GERTLER: Yeah.
6 You know, we -- you know, I certainly
7 understand that restaurants throughout the
8 state, businesses throughout the state were
9 affected by COVID.

10 You know, it wasn't the -- you know,
11 the state made the decisions in terms of, you
12 know, the numbers and the percentages. But
13 we didn't make the decision to have a global
14 pandemic hit New York State. And so, you
15 know, this has been a crisis that has been a
16 global and public health crisis coincided
17 with an economic crisis, and we've had to
18 make sure that we are protecting the safety
19 and health of New Yorkers.

20 Now, because it's also been an
21 economic crisis, it's also been -- you know,
22 there's also fiscal challenges. And so we've
23 had to think about what are the most -- you
24 know, perhaps the best focus in terms of

1 restarting the restaurant industry.

2 We know -- I've talked to restaurant
3 owners around the state; we know that, you
4 know, restaurants have been hurt. What we've
5 been trying to do is -- given the fiscal
6 constraints, is focus on those that had the
7 additional restrictions imposed on them --
8 the restaurants that were closed down, like
9 in New York City, or those that were in
10 Orange and Red Zones.

11 And so, you know, it's a \$50 million
12 fund. And, you know, to ensure that that --
13 you know, that money was -- you know, that we
14 were able to provide to restaurants, we were
15 looking at those that had the additional
16 restrictions.

17 Now, that --

18 ASSEMBLYMAN BYRNE: Commissioner, I'm
19 running out of time. I have less than
20 30 seconds left. So I'm not, you know,
21 attributing a global pandemic to your
22 department, so I hope you don't interpret my
23 question that way. And I understand the
24 state had to make restrictions.

1 But, you know, often in state
2 government we get in this mode of picking
3 winners and losers, and unfortunately this
4 has kind of highlighted that and, you know,
5 there's been negative effects on people
6 throughout the state, not just in those
7 areas. We want to help everybody.

8 So I just wanted to highlight that
9 distinction. So I hope we get some more
10 assistance to those restaurants as well.

11 Thank you, Mr. Commissioner.

12 ACTING COMMISSIONER GERTLER: Thank
13 you.

14 CHAIRWOMAN WEINSTEIN: Before we go to
15 the Senate, Assemblyman Santabarbara has
16 actually been with us for quite a while, and
17 I neglected to announce him.

18 Now we go to the Senate.

19 CHAIRWOMAN KRUEGER: Nice to see you,
20 Assemblymember Santabarbara. You know, the
21 squares are so small, your best friend can be
22 staring at you and you're not sure who's on
23 the screen with you today.

24 I'm going to take this time for

1 myself, thank you.

2 So we had had a little conversation
3 before today, and I asked you about the
4 program where the Governor took \$175 million
5 from various parts of the state budget and
6 merged them into one to cover worker
7 retraining and employment programs. You were
8 going to get me the master list, I think, of
9 how that \$175 million is being spent
10 annually.

11 I don't know whether you've had a
12 chance to put that together yet. I looked
13 online and I could not find that anywhere.

14 ACTING COMMISSIONER GERTLER: I have
15 some of the information here in our office.
16 We'll send you that information, Chairwoman.

17 CHAIRWOMAN KRUEGER: Great. And we'll
18 share it with everyone, because I think
19 everyone is very interested. Sometimes we
20 forget, we start new programs and then nobody
21 ever goes and takes a look and sees how
22 they're doing. And certainly this is a time
23 when we need to be smartly investing our
24 funds that are for specific mandated

1 purposes, such as getting people ready to
2 enter the labor market -- or the new labor
3 market that will be evolving out of this
4 pandemic moosh we are in.

5 On that note, can you also explain to
6 me -- it's Part AA in the TEDE bill, and it
7 reopens the Brownfields Development Grants
8 for companies who applied back either in 2010
9 or earlier than 2010, so it's been over
10 11 years. It's been companies who already
11 got the first part of the grant, which was
12 money for the remediation of the actual
13 brownfields pollution, but have not gotten
14 the economic development portion, I guess
15 because they never built or completed
16 building something.

17 But we realized many years ago this
18 was too generous a program, and we changed
19 the rules of the road. So why suddenly would
20 we in 2021 be reopening this program to
21 people who had applied before 2010, I believe
22 was the year. So I'd love a list of who's
23 going to be eligible and how much money you
24 think that's going to cost the state.

1 ACTING COMMISSIONER GERTLER: Okay.
2 You know, for -- as I understand on the
3 proposed Brownfield Tax Credit extension,
4 it's to extend those where their period was
5 set to expire from March 30, 2020, through
6 the end of this year. And it was a two-year
7 extension.

8 That being the case, we will provide
9 to your office answers to the questions that
10 you want on the Brownfield Tax Credits.

11 Kevin Younis, is there anything else
12 you want to add to that?

13 ESD COO YOUNIS: Yes, thanks, Eric.

14 Senator, this was solely related --
15 the intent was solely related to COVID. So
16 in many instances folks were in the middle of
17 projects where they would have qualified for
18 work expenditures and had to stop. So this
19 was just in recognition of getting -- for
20 folks who otherwise would have been eligible
21 for expenditures in work had COVID not
22 stopped their project, and this allows them
23 really to be eligible for what that would
24 have been for.

1 CHAIRWOMAN KRUEGER: So, Kevin, is it
2 normal that under this program it can be
3 10 years later and it's still not completed?

4 ESD COO YOUNIS: I think so, yeah. If
5 that is the current time frame that --
6 that -- at least for those getting into the
7 program, you know, 10 years ago, they had
8 that amount of time to do the projects.

9 CHAIRWOMAN KRUEGER: Okay. So yes,
10 I'd be very interested in seeing that.

11 Then really growing out of much of the
12 conversation today with people asking about
13 different programs, some that got delayed for
14 last year and are being asked to be
15 restarted, some that seem like they're not
16 going to have enough money to keep going even
17 though people are raving about them -- do we
18 ever take a look at and say we've tried an
19 awful lot of different models of economic
20 development in New York State, here are the
21 ones that worked and here are the ones that
22 didn't work?

23 Do we have a list of like our 10 best
24 and our 10 worst? I think we can learn a lot

1 from them.

2 ACTING COMMISSIONER GERTLER: You
3 know, it's a great question, Chairwoman.

4 We certainly go through our programs
5 on a regular basis. You know, we go through
6 and continuously look at, you know, our
7 programs, we're looking at the effectiveness
8 of them. You know, we will -- as I said, in
9 a matter of weeks we will release our
10 database of incentives, you'll be able to
11 track, you know, those programs. You know,
12 that will be searchable, downloadable, we'll
13 be updating that quarterly.

14 Certainly on the REDCs we provide, you
15 know, the statistics of how those programs
16 are doing.

17 So we're constantly, you know,
18 measuring it. We're certainly accountable to
19 all the public dollars. So, you know, that
20 is an important part of what -- you know,
21 what we do. I can tell you that certainly
22 90 percent of our projects meet the
23 performance levels that we've set. We do
24 cost-benefit analysis on every single

1 program.

2 You know, Kevin, do you want to, you
3 know, add to anything that I've said?

4 ESD COO YOUNIS: No, Eric -- the only
5 thing I would add, Senator, is I think you --
6 the challenge -- right, we do -- we want to
7 make sure we're focusing on the best
8 programs.

9 The nature of what we do, as you know
10 very well, is what is economic development
11 and what is success. And so different
12 programs do different things. And there's
13 just so many, from MWBEs to film to
14 Excelsior, you know, it's just -- different
15 programs have different measures, and it's
16 hard sometimes to put them all in one bucket
17 and say which -- just different metrics,
18 right? And so it's hard sometimes to say
19 this one's better than that, because they
20 just -- their goals are different.

21 CHAIRWOMAN KRUEGER: I would agree,
22 although then I would probably modify my
23 question: Give me the top five goals, and
24 then give me the top 10 best and worst within

1 each parameter. Because you're right, there
2 are different goals for different programs.

3 But surely it shouldn't be that hard
4 for us to be able to come up with --
5 particularly because you're talking about
6 having metrics -- the list of the best and
7 the worst. Because I can certainly think of
8 a few of the worst.

9 But I'm not sure we ever do look at
10 them that way, and I think it's really
11 valuable each year to be taking a look at
12 what we did put our money into and say, you
13 know, we tried, that was worth a try, not a
14 good model, versus, Wow, look at what we got
15 out of this one, we should be replicating
16 that, we should be, you know, celebrating
17 that one and encouraging that.

18 So that's just a suggestion, but I
19 think it would be really valuable.

20 ACTING COMMISSIONER GERTLER: Well,
21 you know -- and thank you for that
22 suggestion. I can just assure you that with
23 every program that we have, we are going
24 back, we're measuring ourselves against

1 the -- you know, against the performance of
2 each of those, against those goals.

3 And as Kevin rightly pointed out, you
4 know, it's just different if it's part of an
5 economic development program versus an MWBE
6 program versus a job attraction versus a park
7 related to something.

8 So -- but, you know, we're happy to
9 and I'm certainly happy to have that
10 conversation with you after the hearing and
11 show you some of the different metrics that
12 we use as part of all of those different
13 types of programs.

14 CHAIRWOMAN KRUEGER: And I appreciate
15 that, and I know, you know, we're all
16 "New York Strong" and we think we do the best
17 ever of anyone. But I know that in national
18 studies we come out pretty low on how much
19 money we spend on economic development
20 without getting return for our money.

21 So I really do think it's not just a
22 hypothetical, it's worth a serious look in
23 New York State as to how much of our taxpayer
24 dollars we're putting into programs that we

1 claim exist so that we can create new
2 economic activity and new job opportunities
3 for the State of New York. And I'm just not
4 sure that if we take a hard look, we're going
5 to be so happy with the results. But the
6 fact is if we don't take a hard look, we're
7 not going to learn from the mistakes we've
8 made either.

9 And on that note, Opportunity Zones, a
10 Trump administration model that has been
11 written up almost on a national level as what
12 will prove to be a very expensive and useless
13 program. It's a federal program, I get it,
14 and we were told, come up with I guess
15 geocoded maps of what areas would fit the
16 qualifications. And I'm not sure what's
17 happened since. But I'm very worried about
18 the State of New York using up its tax
19 dollars on this program, which pretty much
20 everyone I believe in economics thinks was a
21 scandal waiting to have the story written.

22 So what do we know about Opportunity
23 Zones right now?

24 ACTING COMMISSIONER GERTLER: Yeah,

1 just, you know, very quickly. ESD's role was
2 to -- in partnership with our sister agency,
3 HCR, we designated, you know, the zones. It
4 is a federal program. Actually, Pravina led
5 those efforts at ESD so, you know, she can
6 provide even more detail.

7 CHAIRWOMAN KRUEGER: And yet she will
8 have to do so by reaching out to me after
9 this hearing, because my clock is at zero, so
10 I'm not allowed to let her answer now.

11 But you'll follow up with me, right?

12 ACTING COMMISSIONER GERTLER: We
13 absolutely -- we absolutely will.

14 CHAIRWOMAN KRUEGER: Thank you.

15 ACTING COMMISSIONER GERTLER: Thank
16 you.

17 CHAIRWOMAN KRUEGER: Assembly.

18 CHAIRWOMAN WEINSTEIN: Next we have
19 Assemblywoman Buttenschon, three minutes.

20 ASSEMBLYWOMAN BUTTENSCHON: Thank you,
21 Chair. And thank you, Commissioner, for
22 being here today.

23 I want to support the comments of
24 Chair Stirpe regarding small business needs

1 and including those owners on our REDC teams,
2 as well as Chair Otis's comments about the
3 importance of reviewing innovative thinking
4 that may come from other states.

5 I want to thank your regional staff
6 for the support with Cree and currently with
7 Remington Arms and the new Roundhill company,
8 as we see in Ilion, New York. This is so
9 important. And I'll talk further offline
10 with you.

11 As ESD provides assistance and
12 guidance to build back and reopen our
13 businesses, the Governor makes information
14 public through press conferences and then it
15 appears there's a lag of when your office has
16 this information to bring to our businesses.
17 Our businesses are eager to open and want
18 clarity on this. I wanted to know if you're
19 aware of this and if you see a way to remedy
20 it.

21 My second question: Many of my
22 colleagues discussed broadband concerns, and
23 I do concur with them. However, you did
24 mention the \$15 a month program, and I'm

1 wondering if there's any compensation for our
2 small internet businesses, as they will be
3 offering a reduction to their customers and
4 who will be able to pick up that difference?

5 And finally, I am still hearing from
6 our minority and women-owned businesses that
7 put in timely applications, and they find
8 that the process is still quite lengthy and
9 the turnaround is still very slow. I wanted
10 to know if you're aware of it and if you have
11 any remedies for this.

12 Thank you.

13 ACTING COMMISSIONER GERTLER: Great.
14 Thank you for those questions.

15 Let me see, let me start with the last
16 question first on the MWBEs. And we're
17 certainly, you know, constantly in touch with
18 all of our applicants. We have emphasized
19 streamlining the application and making it
20 much easier to complete. In fact, we've
21 streamlined it by 30 percent.

22 What we've also done is we've also
23 done outreach with third parties to help to
24 complete that application so that when it

1 comes in, there's much less back and forth of
2 going through that. You know, clearly that
3 program has had, you know, a great deal of
4 success, I've cited the numbers --

5 ASSEMBLYWOMAN BUTTENSCHON: Yes, you
6 have, and thank you for that information.
7 But I want to say that I'm still hearing that
8 there's problems. So thank you.

9 ACTING COMMISSIONER GERTLER: Okay.
10 Okay. Well, you know, we continue to look
11 for ways to improve the process. We've done
12 a number of different things recently to
13 improve it, as I said -- streamlining it,
14 adding staff, using third parties. It's an
15 important part of what we do.

16 We emphasize the work that we do at
17 MWBE, and we'll continue to look for ways to
18 respond. I apologize, I'm out of time. I'm
19 happy to talk to you afterwards about the
20 information flow and about the broadband.

21 Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 Senate, do you have any more?

24 CHAIRWOMAN KRUEGER: I'm looking, and

1 I do not think we do. So I think, Assembly,
2 you should just make a run for it here.

3 CHAIRWOMAN WEINSTEIN: We will, we
4 have about a dozen members, so we'll just go
5 through the list. And, Senator Krueger, you
6 can stretch your legs for a few minutes.

7 So next we have Assemblyman Rodriguez.

8 Robert?

9 ASSEMBLYMAN RODRIGUEZ: Great. Can
10 you hear me? Great. Thank you, President.

11 So I want to focus on a couple of
12 questions. Of the \$100 million New York
13 Forward Loan Program, how much of that has
14 been deployed and how much is left, at this
15 point?

16 ACTING COMMISSIONER GERTLER: So the
17 New York Forward Loan Fund was put together
18 during the height of COVID. So let's just
19 provide some context. That was at a time
20 when many of the small businesses and many of
21 the MWBE businesses were unable to -- you
22 know, to access any source of -- any source
23 of funds. And so what we put together was a
24 \$100 million fund and -- you know, of which

1 the state had \$20 million in loan loss
2 reserves.

3 At this point I would say that it's
4 about -- just slightly under \$40 million has
5 gone out the door. There's about \$60 million
6 still to be deployed.

7 What I might also note -- and this has
8 been -- you know, this was a goal of the fund
9 and one of the reasons for developing this
10 fund. Almost 66 -- two-thirds of the money
11 have gone to MWBE firms. And that was
12 critical because the whole point of that was
13 to help companies, particularly MWBEs, that
14 were having trouble accessing traditional
15 capital sources.

16 So, you know, we're very pleased with
17 the percentage of money that's going to
18 MWBE firms.

19 ASSEMBLYMAN RODRIGUEZ: Okay. Well, I
20 certainly echo my colleagues' concerns about
21 the cut to the MWBE resources, but I don't
22 want to spend any more time on that issue, I
23 think you've gotten the message on that.

24 ACTING COMMISSIONER GERTLER: Sure.

1 ASSEMBLYMAN RODRIGUEZ: I want to
2 focus the rest of my time on the restaurant
3 initiatives, and speaking specifically about
4 a program that I've brought forward to the
5 Executive that I think is an important model,
6 going on the Senator's comments about models
7 that work.

8 We have seen, in places like East
9 Harlem, the five boroughs, things like
10 the World Central Kitchen, where we're able
11 to support restaurants to deal with food
12 insecurity. That actually is a model that
13 will help the restaurants be able to ramp up
14 capacity, provide meals for places that are
15 food-insecure.

16 You know, that, coupled with on
17 February 2nd President Biden passed an
18 executive order to allow the FEMA cost share
19 for those programs that deal with food
20 insecurity and restaurants to allow them to
21 support -- to cover 100 percent of the costs
22 associated with this program.

23 So I think there's an opportunity.
24 We've made the ask of -- you know, that

1 ASSEMBLYWOMAN GALLAGHER: Okay. Can
2 you see me and hear me?

3 CHAIRWOMAN WEINSTEIN: Yes, we can.

4 ACTING COMMISSIONER GERTLER: I can.

5 ASSEMBLYWOMAN GALLAGHER: Okay, great.

6 Thank you so much for taking my
7 question. I know you've had quite a few
8 questions on commercial rent debt and the
9 crisis confronting small businesses, but I do
10 want to drill down on it since it's a crucial
11 part of restoring our local economies. Even
12 before the pandemic, commercial rents in
13 New York City were astronomical, artificially
14 inflated by commercial mortgages that require
15 minimum rents, which are then further
16 distorted by those mortgages that are
17 securitized and traded by financial
18 institutions.

19 The result is high-rent blight, and
20 you could see it in vacant storefronts all
21 across the city even before the shutdown last
22 year.

23 Here in the 50th Assembly District
24 we've lost more than a hundred small

1 storefront businesses, and many more are
2 hanging on by a thread. I continue to be
3 concerned that there's nothing that's been
4 laid out here today or in the Governor's
5 Executive Budget to propose to meet the scale
6 of this crisis. But there are some ideas out
7 there that I think could help and that I'm
8 hoping you can respond to.

9 Would Empire State Development support
10 legislation or policies that would void
11 minimum rent terms in existing future
12 commercial mortgages? And would your
13 department support the imposition of
14 graduated vacancy taxes for landlords that
15 sit on vacant storefronts for extended
16 periods of time?

17 ACTING COMMISSIONER GERTLER: You
18 know, thank you for those questions.

19 Let me tell you what we have been
20 focused on at ESD. I think the question
21 of -- that you bring up of, in a sense,
22 mortgage regulation, I think that's, you
23 know, a question that, you know, my
24 colleagues at Department of Financial

1 Services are more expert at responding to.

2 I will tell you that, you know, we
3 have put forth a number of different
4 important, you know, proposals and programs
5 to help in this case. As you know, the
6 Governor extended the commercial eviction
7 moratorium. That's been critical at a time
8 when we know so many businesses are
9 struggling.

10 We also had the New York Forward Small
11 Business Lease Assistance Program to help
12 small businesses and landlords work out a
13 mutually beneficial agreement.

14 And we've also had the New York
15 Forward Loan Fund, which works with both
16 small businesses and it also works with small
17 landlords and nonprofits to help in that
18 situation.

19 I've also been heartened to see that,
20 you know, a lot of landlords throughout the
21 city and the state, you know, understand and
22 recognize the issues here and, you know, the
23 crisis that we're facing, the way many of
24 their tenants have struggled. And they have

1 independently worked on resolutions with
2 their tenants to keep them.

3 So I think there's a lot going on
4 here, and I think that there's other
5 questions that are probably better for other
6 agencies that can give you the detail that
7 you're looking for. But thank you for those
8 questions.

9 Thank you.

10 CHAIRWOMAN WEINSTEIN: Is
11 Assemblywoman Griffin back?

12 THE MODERATOR: Yes, she is here.

13 CHAIRWOMAN WEINSTEIN: Okay, great.

14 ASSEMBLYWOMAN GRIFFIN: (Muted.)

15 THE MODERATOR: We can't hear you.
16 Try talking while you're muted. No, we still
17 can't hear you.

18 ACTING COMMISSIONER GERTLER: It says
19 you're muted. I'm sorry, I don't hear her
20 question.

21 CHAIRWOMAN WEINSTEIN: Judy, we
22 can't -- we can't hear you. So it must be --
23 we can give you a second to figure it out.
24 Otherwise, we'll move on and -- we have quite

1 a few members -- we'll come back to you.

2 ASSEMBLYWOMAN GRIFFIN: Can you hear
3 me now?

4 CHAIRWOMAN WEINSTEIN: Yes.

5 ASSEMBLYWOMAN GRIFFIN: Okay, perfect.

6 Okay, I don't know why that took so long.

7 Thank you, Chairs. Thank you for your
8 patience.

9 Good morning, Commissioner Gertler.

10 ACTING COMMISSIONER GERTLER: Good
11 morning.

12 ASSEMBLYWOMAN GRIFFIN: I represent
13 southwestern Nassau County, which is full of
14 struggling businesses which are under 25 and
15 50 people. Many are restaurants, bars,
16 florists, small clothing stores, delis,
17 bakeries, ice cream shops, salons, bowling
18 alleys, gyms, fitness centers, dance studios
19 and theaters.

20 These businesses are the heart of each
21 community I represent, and they really seem
22 to have been left out of support and
23 assistance. And, you know, I always hear of
24 the bigger businesses getting the assistance.

1 And so my question is -- like now I'll just
2 give you all the questions and see if you
3 have time to answer them.

4 Can I expect to see any awards given
5 out to them in 2021, you know, from either
6 the -- you know, from any of the programs?
7 Or is it more likely that -- like from the
8 REDC awards? Or is it more likely the
9 Pandemic Recovery and Restart Program would
10 support them?

11 I'm also wondering will any funding be
12 allocated to the Small Business Development
13 Center in Farmingdale and around these
14 centers across the state so you could have a
15 more regional look at this and more regional
16 help for these businesses in every community
17 on Long Island and across the state.

18 Those are my questions. One more, if
19 you have time, would be I'm really excited
20 about the Baldwin DRI, it's almost complete.
21 I'm just wondering what the update is when
22 we're going to hear the final selection of
23 projects.

24 So if you can answer any of those

1 questions, I'd greatly appreciate it.

2 Thank you.

3 ACTING COMMISSIONER GERTLER: Thank
4 you.

5 Where to begin. But let me start with
6 our emphasis on small business. You know,
7 that's critical. I've said it multiple times
8 during this hearing, but it's worth
9 repeating: You know, small businesses are
10 the backbone of this economy. And that is
11 why we have implemented and have, you know,
12 many different programs to help small
13 businesses.

14 So, you know, we know that small
15 businesses across the state have struggled
16 during COVID. One of the programs that we
17 have put forward for small businesses is one
18 that is a \$50 million recovery program.
19 That's focused on those that are in the
20 hardest-hit industries. You mentioned some
21 of those -- arts and entertainment and
22 recreation, you know, tourism. And, you
23 know, those businesses are eligible up to --
24 it's a \$50 million program and they're

1 eligible up to \$50,000, \$5,000 credits for 10
2 employees.

3 In the time, what I will just say is
4 that as part of our, you know, program where
5 we've used \$7.5 million to help small
6 businesses -- you know, we supported the
7 SBDCs through -- I think that's a critical,
8 you know, part of the ways that we're
9 helping.

10 And what I'll do, in the interests of
11 time, is I'll have our Small Business
12 Division follow up with you with the many
13 different programs that we have, and we'd be
14 happy to do so. So thank you.

15 ASSEMBLYWOMAN GRIFFIN: Thank you.

16 CHAIRWOMAN WEINSTEIN: We go to
17 Assemblyman Jones.

18 ASSEMBLYMAN JONES: Yes. Hello. Hi,
19 Commissioner, how are you? It's great to be
20 with you today.

21 ACTING COMMISSIONER GERTLER: Hello,
22 how are you?

23 ASSEMBLYMAN JONES: Good.

24 I only have a short time, so I'm going

1 to get right in it, get my questions off and
2 my comments, and hopefully you can answer
3 them.

4 Broadband, I know it's been brought
5 up. I apologize, I've been in and out of
6 Zoom meetings and committee meetings myself.
7 You know, we talk about all the obstacles and
8 getting broadband to our rural areas and
9 actually to everywhere in New York. I heard
10 you say something about it's no longer a
11 question of accessibility, it's now
12 affordability. I tend to be on the -- you
13 know, I will respectfully disagree with you,
14 and I can bring you up to the North Country
15 and take you to some places where we don't
16 have that accessibility. There's many
17 reasons for that. I would like to see this
18 program expanded, extended.

19 You know, our small companies up here
20 are trying to get our customers hooked up,
21 but we have many obstacles that New York
22 State keeps putting in their way. I heard
23 the DOT tax mentioned in that.

24 My question is, I like the idea of

1 \$15 broadband and \$15 internet service. How
2 are we going to pay for it? How is -- who is
3 going to pay for that? I don't see anything,
4 you know, in the budget that can pay for this
5 expansive program on that.

6 My second -- I know MWBEs were
7 mentioned. I'm sorry, this program is not
8 working. It's not getting our minority and
9 women-owned businesses certified, it's just
10 not. I can tell you horror stories about
11 people that I know, that women own these
12 businesses and they can't prove to your
13 agency that they own these businesses, and
14 it's heartbreaking. I've heard of couples
15 actually going to get divorced to try to
16 prove that the woman owns the company.

17 Something has to be done. I have one
18 case in particular -- and I know we can't
19 talk individual cases here, but where they've
20 called for three years to the agency. We --
21 they get ahold of my office, we call them,
22 they say, Oh, well, we're still investigating
23 it. They don't get a call back for six
24 months.

1 I don't know, this program has to
2 be -- there has to be something done. I can
3 talk to Kevin about it offline. I'm not a
4 grandstander, I'm just -- we're very
5 frustrated with some of these things. So if
6 you can just, you know, comment -- answer my
7 first question, comment on my second. I
8 respectfully do this, we can talk about it
9 offline, but we need some answers for some of
10 these women-owned businesses.

11 ACTING COMMISSIONER GERTLER: Sure.
12 And again, I would be happy, in the interests
13 of time, to also talk to you offline.

14 You know, with respect to the MWBE
15 program, you know, I have to say that -- you
16 know, let's look at the statistics. We,
17 really truly have a nation-leading program,
18 29.5 percent participation rate, over
19 \$3 billion annually. And let's go through
20 all the ways that we've improved that
21 program.

22 On broadband, we continue to look for
23 ways to ensure that we have accessibility,
24 but we have a 99.9 percent commitment on

1 broadband. We're at 98 percent right now.
2 And even still, the team is relentless in
3 finding others ways to continue to ensure
4 that we have the very best broadband for the
5 peoples of New York.

6 The example that I cite is that even
7 though New York State was ruled to be
8 categorically ineligible for the FCC's Rural
9 Digital Opportunity Fund, the team at ESD,
10 with our Washington office, was able to
11 secure \$100 million to continue our efforts
12 to ensure that we've got the critical fiber
13 infrastructure in rural areas around New York
14 State.

15 So, you know, I want to make sure that
16 you realize that we are continuing,
17 notwithstanding the levels of success that we
18 believe that we've had and the foresight that
19 the Governor had four or five years ago to
20 invest \$500 million to ensure that we had
21 nation-leading broadband -- we are still
22 continuing to make sure that we deliver the
23 very best broadband that we can to all the
24 peoples of New York, and at an affordable

1 rate.

2 ASSEMBLYMAN JONES: Okay, thank you.
3 I'd love to speak with you offline on a few
4 of those issues.

5 ACTING COMMISSIONER GERTLER: Thank
6 you. Of course, sir. Thank you.

7 ASSEMBLYMAN JONES: Thank you.

8 CHAIRWOMAN WEINSTEIN: We go to
9 Assemblyman Conrad.

10 ASSEMBLYMAN CONRAD: Thank you, Chair.
11 And thank you, Commissioner, for being
12 here. I know it's a long day and we're all
13 hopping around.

14 ACTING COMMISSIONER GERTLER: Thank
15 you.

16 ASSEMBLYMAN CONRAD: I want to
17 speak -- first of all, I appreciate your
18 comments early on about your -- the approach
19 of bottom-up economic development. I'm a
20 firm believer in that and making New York
21 State resilient. I'm a big fan of the
22 43North start-up in Western New York, as well
23 as I want to speak about the advocacy for
24 small businesses my peers have here today.

1 But right now I believe that we're in
2 a transformational economy. You know, the
3 COVID crisis has, you know, rapidly pushed
4 things that maybe were going to be five or
5 10 years away, from internet sales and so on.

6 But I want to talk particularly about
7 small business, particularly what we call
8 gazelles, or Tier 2 companies. I don't know
9 if you know what I'm referring to, these --
10 they make up 3 to 5 percent of small
11 businesses, and they are companies that are
12 producing things that are scalable and unique
13 that are going to be exported. And I know
14 you spoke on that earlier.

15 My question is, what are we doing
16 right now -- I know that the GRE in Rochester
17 has a pretty impressive program of economic
18 gardening: Targeting these companies,
19 recruiting them, identifying the assets,
20 creating resource partners for them and
21 putting together a delivery system to a
22 targeted audience.

23 My question is -- and I know that
24 COVID has certainly put, you know, other

1 things on your priority plate. But where are
2 we in maybe scaling out that type of program
3 and focusing on these companies and getting
4 away from what I call these Tier 3 companies,
5 these big large companies where we kind of do
6 that trickle-down approach and where they
7 come in, but they tend to commoditize
8 wages -- you know, they try to pay as little
9 as they can.

10 Where are we in shifting from the
11 Tier 3 to a Tier 2 emphasis?

12 ACTING COMMISSIONER GERTLER: Well,
13 first let me say that I had not heard of the
14 concept "gazelles." I have heard of the
15 concept "unicorns." So I hope if you don't
16 mind if I actually start to use that concept.

17 (Laughter.)

18 ASSEMBLYMAN CONRAD: Not a problem.

19 ACTING COMMISSIONER GERTLER: So -- so
20 thank you.

21 ASSEMBLYMAN CONRAD: Mine's not
22 mythical, though. Mine's not mythical, okay?

23 ACTING COMMISSIONER GERTLER:

24 (Laughing.) Well, we'd like to then -- I'd

1 like to ensure that we see more gazelles and
2 more unicorns in New York State.

3 But, you know, be that as it may, just
4 a few things. We -- and you're absolutely
5 right, COVID accelerated many of -- many
6 aspects of our economy, whether it's been the
7 inequities and the disparate effects that
8 it's had on small businesses, or it's forced
9 companies to deal with the digital realities
10 of -- that they face as a business.

11 So, you know, in no priority, there
12 are so many things that we do in this area,
13 so many different resources. During COVID we
14 did initiate a program called Empire State
15 Digital, which is a series of partners to
16 help small businesses be able to start to be
17 more digital-fluent, be able to do more, you
18 know, online, have a digital presence.

19 And then very quickly, in the
20 interests of time, we use many of our centers
21 around the state that help small and medium
22 and even large businesses. We have our
23 manufacturing extension partnerships, and
24 certainly we use economic incentives. So

1 there's a whole range of tools that we use.

2 But happy to talk to you offline about
3 that as well. And thank you for sharing the
4 expression "gazelles."

5 ASSEMBLYMAN CONRAD: You're welcome.

6 ACTING COMMISSIONER GERTLER:

7 (Laughing.)

8 ASSEMBLYMAN CONRAD: Thank you.

9 CHAIRWOMAN WEINSTEIN: So we go to
10 Assemblywoman Giglio.

11 ASSEMBLYMAN GIGLIO: Yes, hi. I just
12 have a question about the -- there's a bill
13 that's being proposed right now, it is
14 Bill Number A3190, which has \$500 million, is
15 what I'm being told, so that commercial
16 property owners that have small businesses
17 that rent from them can access some of that
18 funding to offset the rental costs or the
19 rental lease dollar amount.

20 So I'm wondering if that's funded, the
21 \$500 million, in support of this bill to keep
22 our Main Streets alive.

23 ACTING COMMISSIONER GERTLER: I
24 apologize, I'm not familiar. That may not be

1 an ESD initiative, so I -- Kevin, are you
2 familiar with this? I apologize, I'm just
3 not sure about what you're referring to.

4 ESD COO YOUNIS: No, I'm not either,
5 I'm sorry.

6 ACTING COMMISSIONER GERTLER: We're
7 happy to look into it and come back to you.
8 But I apologize, I don't have any background
9 on that.

10 ASSEMBLYMAN GIGLIO: Yeah, that would
11 be great.

12 And then my second question is about
13 tip credits for -- the hospitality industry
14 is eligible still for the tip credits, or was
15 through 2020. And in 2021 it was taken away
16 for the car washes and for the nail salons.
17 And I'm just wondering, those are small
18 businesses also that are struggling through
19 this pandemic, and what we can do about
20 getting those tip credits back to those small
21 business owners, so that it's not just the
22 hospitality industry.

23 ACTING COMMISSIONER GERTLER: You
24 know, Pravina, do you want to provide some

1 insight on that, please?

2 ESD EVP RAGHAVAN: We could look into
3 it. We will work with your company. At the
4 moment we haven't been looking through the
5 legislation to figure out which industries
6 yet, we're still doing the analysis to see
7 which have been most impacted by COVID.

8 But we will get back to you on that.

9 ASSEMBLYWOMAN GIGLIO: Okay, and then
10 having --

11 (Overtalk.)

12 ACTING COMMISSIONER GERTLER: I
13 apologize. Sorry.

14 ASSEMBLYWOMAN GIGLIO: That's okay.
15 Having a former Grumman facility in my
16 district, in the Town of Riverhead, they have
17 a buyer for a \$40 million contract for a
18 10 million square foot buildout, and they
19 seem to be held up in New York State DEC and
20 other regulatory agencies where they can't
21 get the subdivision map approved.

22 What is ESD doing to help them to try
23 and get that subdivision map approved so that
24 the sale can occur and we can start creating

1 the jobs that we lost when Grumman left?

2 ACTING COMMISSIONER GERTLER: You
3 know, it sounds like this is an issue right
4 now that DEC is -- you know, is addressing.
5 We're happy to, after this hearing, to talk
6 to our colleagues at DEC to see if there's --
7 that there's anything we can do to help.

8 I'm also happy to discuss this with
9 our regional office out there and see what
10 else we can do. And look, obviously in these
11 times, you know, we care about jobs, we're
12 focused on jobs. So let's see what, you
13 know, what help we can provide.

14 ASSEMBLYWOMAN GIGLIO: That would be
15 great. They've had unmanned aerial vehicle
16 companies, they've had offshore wind
17 interested in coming, manufacturing. They
18 have runways. And it's been since 2016 that
19 they've been trying to get this subdivision
20 map approved.

21 ACTING COMMISSIONER GERTLER:
22 Understood. I'm happy to follow up with you,
23 and we'll look into it.

24 ASSEMBLYWOMAN GIGLIO: Thank you.

1 ACTING COMMISSIONER GERTLER: Thank
2 you.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 We go to Assemblywoman Seawright.

5 ASSEMBLYWOMAN SEAWRIGHT: Thank you,
6 Chairwoman Weinstein. And thank you,
7 Commissioner Gertler. We're fortunate to
8 have your vast experience both in the private
9 and public sector in this important
10 leadership position.

11 I just have two quick questions. I
12 represent Cornell Tech on Roosevelt Island
13 and Marymount Manhattan College on the
14 Upper East Side. So what is being done with
15 our private colleges as well as our public
16 CUNY and SUNY to encourage graduates to go
17 into some kind of a career pipeline with
18 business and with industry as they contribute
19 to the tax base once they graduate?

20 I think it's important to our economy
21 and the vitality of our economics that we
22 include these graduates in some kind of
23 pipeline program.

24 ACTING COMMISSIONER GERTLER: I agree.

1 You know, first of all, thank you for
2 those kind remarks. All I can say is that
3 it's been a privilege leading ESD, and I'm
4 backed by an incredibly talented and
5 hardworking team at the agency who have
6 worked tirelessly over the past year.

7 You know, certainly as part of the
8 Governor's Workforce Development Initiative,
9 that's been a program that goes across
10 agencies. SUNY and CUNY play a critical role
11 in that. You know, there's many ways
12 specifically they do it. But what is -- and
13 obviously all that work needs to continue.

14 We have seen a number of successes
15 coming that from that. I know when we're
16 talking to companies, they want to be in
17 New York because of our talented workforce
18 because of the STEM degrees that they have.
19 And we are seeing that among that younger
20 group, we're seeing an increasing number of
21 young in New York, sort of 25 to 34 age and
22 those that now have college degrees and STEM
23 degrees.

24 So I think that's an indication that,

1 you know, that the work that we're doing on
2 workforce development and the work that
3 our -- that SUNY and CUNY are doing to help,
4 you know, enhance that pipeline is also
5 working. It's as critical as ever in a
6 post-COVID world.

7 So thank you for that question.

8 ASSEMBLYWOMAN SEAWRIGHT: And I just
9 have a quick second question on MWBEs.

10 ACTING COMMISSIONER GERTLER: Sure.

11 ASSEMBLYWOMAN SEAWRIGHT: What is the
12 planned outreach to encourage MWBE firms to
13 have an opportunity to participate in the
14 broadband projects?

15 And I also want to just echo the
16 remarks of Assemblywoman Buttenschon and
17 Assemblyman Billy Jones on -- you know, I
18 have constituents calling my office looking
19 for help with their MWBE licenses, and it's
20 very frustrating.

21 But it's an important program, it's
22 one that I believe in, and I would like to
23 know what the plan is for greater outreach so
24 that MWBE firms can participate in the

1 broadband projects.

2 ACTING COMMISSIONER GERTLER: Well,
3 thank you. Let me just say very quickly, in
4 the interests of time, that there's been
5 significant outreach. And that outreach has
6 not gone unabated during COVID. There's been
7 a number of virtual -- you know, outreach,
8 there's been training. And we had our annual
9 MWBE Forum in December, all done virtually,
10 2200 registrants. So the work that that
11 group does did not stop during COVID. Lots
12 of different outreach, both on the state
13 level and on a regional basis.

14 So -- and we'll continue to look for
15 other ways to reach out to this community.
16 So thank you.

17 ASSEMBLYWOMAN SEAWRIGHT: Thank you,
18 Commissioner.

19 CHAIRWOMAN WEINSTEIN: We go to
20 Assemblywoman Fahy now. Thank you.

21 ASSEMBLYWOMAN FAHY: Thank you,
22 Commissioner. Thank you for being here
23 today.

24 ACTING COMMISSIONER GERTLER: Thank

1 you.

2 ASSEMBLYWOMAN FAHY: We really
3 appreciate you and so much of your work.

4 So much has been covered, so forgive
5 me if some of this is repetitive, as I was
6 dealing with some other committees as well.

7 But I just want to reiterate what you
8 heard so much about -- small business, small
9 business, small business. Right? And
10 including those jobs. It is the lifeblood of
11 the economy.

12 But the work -- you know, I am pleased
13 that we're getting through to Washington. We
14 have to really target out our smallest
15 businesses and tie it to bringing back
16 workers. We're hearing a lot from the
17 creative economy, from artists and others.
18 So tying this to jobs, so much of it is truly
19 important.

20 Broadband access, it's -- the
21 affordability is one of my key concerns. I
22 know you've heard a lot about that.

23 So now I want to switch to bigger
24 issues, not small business. Two issues.

1 Wadsworth, I know your agency was a little
2 bit involved in the redo and the proposal to
3 redo and consolidate all the Wadsworth
4 science labs here in Albany. Last year that
5 was -- well, the last few years it's been a
6 \$750 million proposal. While it's not in the
7 Governor's budget, my understanding is
8 there's still sort of a commitment.

9 And so I just need to reiterate to you
10 and to others that that would be the biggest
11 public investment here in the Capital Region
12 since SUNY Poly or since the investment in
13 Global Foundries. So it's that big, it's
14 that important. So I just want to get that
15 on your radar screen. I know you would be
16 involved even though the funding was coming
17 through DOH. But it is -- it would be the
18 biggest economic driver here.

19 So we are still looking for that. I
20 know it didn't make it in the 30-day
21 amendments either.

22 A question, now, switching gears again
23 to another big event. There's a lot of talk
24 federally about the Highways to Boulevards.

1 And I know you have helped lead some of the
2 efforts out in Buffalo on the Skyway proposal
3 there or the reimagining or tearing down some
4 of the Skyway. I know you've been involved
5 somewhat in Syracuse.

6 As you know, I've been talking a lot
7 about reimagining 787 here in Albany. You've
8 helped lead the efforts in Buffalo. Just
9 wondering if that is on your screen. As you
10 know, we need to reimagine it and get a
11 serious study first before we can even get in
12 line for the 10 billion -- 10 billion -- that
13 Chuck Schumer is talking about in Washington.

14 So just wondering if you have heard
15 much about this. And again, it would be -- I
16 know we overuse the term, but it would be
17 absolutely transformative here in the Capital
18 Region, and the goal of course is to reclaim
19 the waterfront and reunite some communities
20 that were cut off from that waterfront as
21 well as the communities themselves.

22 So just wondering if you've been
23 involved or have this and --

24 ACTING COMMISSIONER GERTLER: So, you

1 know, very quickly, I'll just -- in
2 20 seconds, Buffalo Skyway involved that --
3 you know, that challenge started to bring
4 about a lot of inspiration. And, you know,
5 our Department of Transportation is working
6 through those issues.

7 And, you know, we'll -- you know,
8 obviously there's a lot of work still to be
9 done related to Buffalo, Buffalo Skyway. But
10 that challenge really kicked things off and
11 really led to a lot of different ideas.

12 On Wadsworth, you know, a huge --
13 hugely important institution in New York,
14 vital during COVID. You know, doing so much
15 great work. That is led by -- you know, by
16 DASNY, but obviously critical.

17 And then on your last point, you know,
18 suffice it to say that there's been, you
19 know, no governor that has emphasized
20 infrastructure like Governor Cuomo,
21 \$306 billion program on infrastructure. So
22 that, obviously, all things infrastructure
23 are a focus of this administration. So -- so
24 thank you.

1 ASSEMBLYWOMAN FAHY: Look forward to
2 working with you. Thank you so much.

3 ACTING COMMISSIONER GERTLER:
4 Likewise, thank you so much.

5 ASSEMBLYWOMAN FAHY: Thank you, Chair.

6 ACTING COMMISSIONER GERTLER: Great,
7 thank you.

8 CHAIRWOMAN WEINSTEIN: Sure.
9 Commissioner, we still have about eight
10 Assemblymembers. You okay going through, or
11 do you need a quick break?

12 ACTING COMMISSIONER GERTLER: I'm
13 okay. I would -- let's continue, that's
14 fine.

15 CHAIRWOMAN WEINSTEIN: Okay. Just
16 wave if --

17 ACTING COMMISSIONER GERTLER: Okay.

18 CHAIRWOMAN WEINSTEIN: So we go to
19 Assemblyman Woerner now.

20 ACTING COMMISSIONER GERTLER: Thank
21 you, though.

22 ASSEMBLYWOMAN WOERNER: Thank you so
23 much, Chairwoman.

24 And thank you, Commissioner, for being

1 here and for your comprehensive testimony.

2 I want to quickly just give a shout
3 out to your team at ESD for the great work
4 that they did in the pandemic, managing the
5 essential business process and so forth.
6 Really solid performance. Thank you so much.

7 I want to lend my voice to the voices
8 you've already heard about the
9 availability of broadband -- or, rather, the
10 lack of availability of broadband throughout
11 the rural communities particularly that I
12 represent, although it's true in some of our
13 suburban communities as well.

14 You know, my question, however, is --
15 has to do with whether we are, in your
16 opinion, getting as much for the dollar as we
17 should be. The Governor put in \$500 million
18 into the Broadband Program, not a small
19 amount of money. But based on some research
20 I've been doing, since the -- since before
21 2015, the cost per mile was \$3400. After the
22 Broadband Program started, that cost per mile
23 rose to \$16,000. And prior to 2015, the
24 make-ready costs associated with any

1 particular project were about 33 percent of
2 the total project. After 2015, those
3 make-ready costs grew to greater than
4 50 percent of the cost of the project.

5 This is important because the
6 broadband companies are taxed based on the
7 cost of construction. So their property tax
8 is based on the cost of construction. And
9 the net result of all of this additional cost
10 is that where prior to 2015 the break-even
11 case for a broadband company was four houses
12 per mile, it's now seven houses per mile.

13 So my question for you is, as you go
14 forward with broadband in this state -- and
15 we do need to do more for broadband -- what
16 will your agency do to help control the costs
17 of these projects so that the state
18 investment goes as far as it might go?

19 ACTING COMMISSIONER GERTLER: Sure.

20 First of all, I just want to thank you
21 again for those kind comments about the staff
22 at ESD. I can tell you firsthand that we
23 have some of the most committed public
24 servants at ESD who worked around the clock

1 to help New Yorkers around the state. You
2 know, I know so many people have worked
3 hard -- everybody in the Legislature and
4 other agencies -- and it's just nice to
5 recognize that, and I wanted to provide that
6 shout-out for my team here at ESD who have
7 really done extraordinary work. So thank
8 you.

9 I'm going to have Kevin Younis talk
10 about the costs. But, you know, if you go
11 back to when the Governor announced the
12 Broadband Program and \$500 million, at that
13 time 30 percent of New Yorkers lacked access.
14 And almost -- somewhere in the neighborhood
15 of I think two-thirds, but a huge number of
16 people upstate didn't have access.

17 So now we have commitments to
18 99.9 percent. I mean, that is, you know, a
19 remarkable accomplishment. That is
20 significant improvement. And quite frankly,
21 as I've said this before, had that not
22 started and the Governor, had he not had the
23 foresight to be investing in broadband many
24 years ago, we would have had, you know, real,

1 real problems, you know, during COVID.

2 So, Kevin, can you please address some
3 of the costs and some of the issues that we
4 saw?

5 ESD COO YOUNIS: Sure. Thanks, Eric.

6 Thanks, Assemblywoman.

7 I'll be real quick. There's a lot
8 smarter people than me in our broadband
9 office, but I have had a chance to work
10 closely with a number of them. It's
11 interesting, I think your observation -- you
12 know, my hunch is because these are the
13 hardest-to-reach places.

14 You know, before our program providers
15 were going to areas where it was relatively
16 affordable to do so. Our program was
17 designed to go to harder-to-reach places, and
18 I think that's one of the reasons you might
19 see a higher cost.

20 The other thing you referred to is
21 the --

22 ASSEMBLYWOMAN WOERNER: The cost
23 comparison -- excuse me. The cost comparison
24 is actually rural program to rural program.

1 So this was cost in the North Country and
2 then cost in northern Washington County. So
3 it is a -- they are comparable projects.

4 ESD COO YOUNIS: Yes. So again, I
5 will -- we will certainly have some folks
6 talk to you. And I know as we've looked,
7 particularly as you get further and further
8 into the rural areas, the make-ready work
9 becomes more and more expensive. In some
10 cases, you know, we see poles that haven't
11 been replaced in 50 years. And so I know
12 there's a lot of make-ready costs on -- up in
13 those programs.

14 But, you know, I would be happy to get
15 our folks to have a more detailed
16 conversation with you.

17 ASSEMBLYWOMAN WOERNER: Thank you.

18 CHAIRWOMAN WEINSTEIN: We go to
19 Assemblyman Smullen.

20 ASSEMBLYMAN SMULLEN: Thank you,
21 Chair.

22 Thank you, Commissioner. I really
23 appreciate the opportunity to speak with you
24 today.

1 I've got four questions. I'll ask
2 them rather quickly and then circle back
3 around to the first question. Because I know
4 I've got three minutes and we've got lots to
5 discuss.

6 The first question relates to
7 broadband. And specifically, what tool does
8 the Broadband Program Office use to measure
9 speed and connectivity to rural areas in
10 New York?

11 The second question has to do with the
12 CFA rounds. Will there be another Downtown
13 Revitalization Initiative in this round? If
14 not, should our municipalities look towards
15 next year to resubmit those applications --
16 {inaudible}.

17 The third question is, was
18 Remington Arms considered to be labeled an
19 essential business in this pandemic? And if
20 it was not, why wasn't it labeled an
21 essential business?

22 And then the fourth question is, what
23 is the percentage of women business
24 applications, certifications in upstate

1 New York under the MWBE certification program
2 that have been actually approved? What was
3 approved?

4 So circling back to broadband, I won't
5 echo what my colleagues have said, but I hear
6 from schools to say that their kids cannot be
7 online, they're on the wrong side of the
8 digital divide. I hear from seniors that
9 want to do telehealth that they can't do it.
10 I hear from people in the Adirondacks that I
11 represent that they would love to live here
12 but they can't telecommute to their jobs in a
13 dense urban area or a large suburban area.
14 And I also hear from businesses that really
15 want to have high-speed connectivity so they
16 can compete in the marketplace.

17 So going back to the question, how is
18 the Broadband Program Office actually
19 measuring what my citizens in the
20 118th Assembly District in upstate
21 New York -- are they using a tool like
22 speedtest.net, which does house-level data,
23 or are they still using census-level data to
24 get to that question?

1 Because I know -- you said there was
2 some FCC money out there. I'd really love to
3 see that FCC money go to get to the bottom of
4 it for these folks. Whether they get the
5 broadband through terrestrial or whether they
6 get most of it through terrestrial and the
7 rest of it through wireless, it doesn't
8 matter, we just need to get it to them.

9 So how are we measuring it for our
10 citizens?

11 ACTING COMMISSIONER GERTLER: You
12 know, I very much appreciate the specificity
13 of your questions and I want to make sure to,
14 you know, give you, you know, the same
15 specificity on our answers. So, you know, we
16 certainly use a number of third-party, you
17 know, resources and maps to figure that out.
18 Let me get to you the specific ways that we
19 do that.

20 You know, we've got pretty granular
21 information on many of these things, but I
22 don't want to, you know, say something
23 inaccurate, so I will come back to you on
24 that. We'll have our broadband office come

1 to you.

2 ASSEMBLYMAN SMULLEN: I really
3 appreciate that, Commissioner, because I know
4 there are tools out there like speedtest.net
5 that get down -- you know, they've got
6 servers everywhere, and they can ping your
7 mobile phone and tell you right now what
8 you're getting right here in the LOB.

9 So let's double down on getting to the
10 bottom of it for these folks. People in the
11 Town of Stratford would appreciate it. Thank
12 you.

13 ACTING COMMISSIONER GERTLER: Yeah,
14 we'll do that. And in the interests of time,
15 I'll come back to you on the other questions.

16 But very quickly, yes, there will be
17 another DRI round this year. Thank you.

18 ASSEMBLYMAN SMULLEN: Thank you, sir.

19 ACTING COMMISSIONER GERTLER: Thank
20 you.

21 CHAIRWOMAN WEINSTEIN: We go to
22 Assemblywoman Kelles now.

23 ASSEMBLYWOMAN KELLES: Thank you so
24 much for your time. I'm just going to jump

1 right into comments and questions, given the
2 time frame.

3 I do want to add my voice in concern
4 with respect to broadband. At this point I
5 do respectfully disagree that we have
6 98 percent coverage. Would love to get that
7 data on how it's collected.

8 And I know there was a bill that was
9 put forward last year that would have had a
10 full assessment, but it was vetoed, which was
11 a bit concerning. And I recommend reviewing
12 Congressman Brindisi's analysis that he did
13 last year that actually shows the lack of
14 coverage in at least the Southern Tier.

15 And I did, with this, also want to add
16 my concern about the DOT's PERM 75 tax that
17 is significantly hurting broadband expansion.

18 So jumping to my questions, one on
19 childcare -- I'm just going to run through
20 the three of them really quickly -- one on
21 childcare being so critical for economic
22 recovery. I'd love to see the release right
23 away of the emergency CARES aid that was
24 given that still has not been released. And

1 I'm curious what plan the Governor has for
2 supporting sufficient subsidies for
3 income-qualifying families. That was my
4 first question.

5 My second question, I wanted to ask
6 about the NYSTAR program that uses state
7 monies to leverage big federal science grants
8 and helps to create and keep high-tech jobs
9 in New York. I know I saw that the budget
10 process cut that funding from 6 million to 5
11 million, so I just wanted to hear your
12 comments on that.

13 And lastly, the 76West Business
14 Competition, it's very important to my
15 district. And up until now it's been running
16 through NYSERDA. But I understand that the
17 idea was that ESD was going to fund its
18 continuation through 2023 and get funded
19 through the Upstate Revitalization Fund. Is
20 this still the plan?

21 So those are my questions.

22 ACTING COMMISSIONER GERTLER: Okay. I
23 think -- well, let me start with your first
24 question. Thank you, those are all, you

1 know, very important questions and -- let's
2 get to childcare, because childcare is
3 critical. And, you know, if anything, COVID
4 exposed the need for even -- you know, even
5 better support of childcare across the state.

6 You know, ESD will be using its
7 incentive tax credits to be able to support
8 childcare both in terms of a facility and in
9 terms of an ongoing program. And that
10 obviously complements the Governor's larger
11 program, you know, to invest to reduce the
12 burdens of parent subsidy copays and also
13 provide start-ups in areas where you can't do
14 childcare.

15 In the interests of time, in terms of
16 New York STAR, you know, Pravina is on -- we
17 have lots of information. Let us come back
18 to you on both, you know, 76West
19 Competition -- I was there, a great
20 competition. We want that to -- you know,
21 we've loved seeing, you know, all the
22 successes come out of that. So let's come
23 back to you on those other two questions.

24 ASSEMBLYWOMAN KELLES: Thank you.

1 ACTING COMMISSIONER GERTLER: Thank
2 you.

3 CHAIRWOMAN WEINSTEIN: So now we go to
4 Assemblywoman Lunsford.

5 Is Jennifer here?

6 ASSEMBLYWOMAN LUNSFORD: Hello. Thank
7 you so much. I want to pick up on childcare
8 as well. You know, I think that this
9 pandemic has really highlighted something for
10 us that we have long known, which is that
11 childcare is an economic issue.

12 So I'd like to ask if ESD has any
13 programs, either existing or in the works, to
14 help promote access to childcare and to
15 support businesses that are providing
16 childcare access as a benefit. To that end,
17 I also want to ask about whether access to
18 childcare is a criterion in the REDC project
19 assessment process in each region.

20 And then I have a second CFA question,
21 which is whether you are evaluating
22 sustainability and environmental justice as
23 part of that evaluation process.

24 ACTING COMMISSIONER GERTLER: Sure.

1 You know, I just responded to some of the
2 ways that childcare is being handled by ESD.
3 I'm going to have Kevin Younis come and
4 provide more color on that, but suffice to
5 say I agree with you.

6 We've seen some of the issues with
7 respect to childcare. Just to, you know,
8 repeat the -- we're going to use some of our
9 Excelsior Tax Credits to ensure that we can
10 support businesses as they build, you know,
11 childcare facilities or support programs.
12 This is also an area where there's other
13 agencies and other programs that are working
14 on this.

15 And then last year this was -- last
16 year or two years ago -- Kevin will remind
17 me, we'll share it -- childcare was an
18 important focus of the REDCs. So, Kevin,
19 perhaps you can add some more flavor to that.
20 Thank you.

21 ESD COO YOUNIS: Yeah, thanks, Eric.

22 Thanks, Assemblywoman.

23 To Eric's point, the proposal this
24 year is to include Excelsior credits, make

1 credits available for childcare provisions.
2 So, you know, currently the Excelsior program
3 does jobs, investment. It would also
4 include -- I may have the numbers backwards,
5 a 5 percent refundable tax credit on capital
6 investments related to childcare and then
7 6 percent related to operating costs for
8 childcare. And maybe I got the 6 and the 5
9 backwards, but -- so yeah, we're doing that.

10 And I think clearly the regional
11 councils always talk about childcare. It's
12 something that they've been focused on for
13 years, a number of projects have been
14 advanced through that process. And I would
15 expect, you know, given all the things we've
16 heard over the last year, to see that to be a
17 pretty strong priority in the regional
18 councils this year.

19 ASSEMBLYWOMAN LUNSFORD: Thank you.
20 And can you also speak to the sustainability
21 and environmental justice component of CFAs,
22 whether that's being considered?

23 ESD COO YOUNIS: Eric, I can jump in a
24 little bit on that one if you want.

1 ACTING COMMISSIONER GERTLER: Sure.

2 ESD COO YOUNIS: Our focus -- so
3 there's two things that I think we've been
4 very involved in. You know, the ongoing
5 CLCPA, bringing that up online. But ESD,
6 last year we advanced what we call the Green
7 Tax Credit, so essentially a much more
8 generous tax credit. It's kind of like
9 Excelsior, again, but much more generous,
10 associated with green investments.

11 And then, as you know, there's a lot
12 of these facilities, electricity generation
13 facilities that have closed down, and the
14 impact on the communities. We had a fund
15 we've been administering for a number of
16 years, and that has I think significant new
17 funding added this year to continue helping
18 communities transition to, you know, green
19 energy production, and maybe they lost a
20 facility that was a strong economic
21 development provider in their region.

22 ACTING COMMISSIONER GERTLER: Great.
23 Thank you, Kevin.

24 CHAIRWOMAN WEINSTEIN: Is Assemblyman

1 Durso still here? I know he had to go to a
2 committee meeting. I think I skipped him by
3 error.

4 ASSEMBLYMAN DURSO: I'm still here.

5 CHAIRWOMAN WEINSTEIN: Actually, as
6 ranker you get five minutes. But you don't
7 have to use it all.

8 (Laughter.)

9 ASSEMBLYMAN DURSO: Thank you,
10 Chairperson.

11 And I'm sorry, Commissioner, they gave
12 me five full minutes, but I'll try and make
13 it as quick as possible.

14 ACTING COMMISSIONER GERTLER: Thank
15 you.

16 ASSEMBLYMAN DURSO: So really just
17 more a couple of comments. I'll just roll
18 through in regards to a couple of issues
19 everybody else spoke about, one being
20 broadband. Obviously I think it's a very
21 important initiative. Even here on Long
22 Island we still have areas that don't receive
23 it properly. They may actually count as
24 saying that they receive broadband access,

1 but it -- whether it's through satellite or
2 means that -- they don't have a proper
3 connection. So obviously when you're doing
4 work like that where you need broadband
5 access for it, and then not having the proper
6 connections, it makes it a little harder on
7 them.

8 And also in certain areas that don't
9 have access to more than one company. We
10 have two major carriers here on the island
11 for broadband, and some areas, even
12 specifically talking about Babylon or even
13 Brookhaven areas, only have access to one
14 company. So therefore the competition level
15 as far as -- pricing goes through the roof
16 for them. So I think obviously pushing to
17 get access to both companies in those areas
18 would be helpful, not only for businesses but
19 for students that would be home or people
20 that are working from home going forward.

21 Also speaking about other things that
22 everybody else had touched on, obviously
23 Ms. Lunsford was just talking about
24 childcare, facilitated childcare. Here on

1 Long Island we want to be included in that,
2 obviously, any monies that go forward. I
3 believe Assemblywoman Kimberly Jean-Pierre
4 had sent a letter to the Governor asking for
5 funding for those childcare initiatives here
6 on Long Island.

7 Obviously small businesses here need
8 help. You know, here in Massapequa Park,
9 where I'm from, we were actually stuck in the
10 Yellow Zone for a number of months, and a lot
11 of our small businesses suffered. So
12 obviously anything we could do going forward
13 to help them I think would be huge.

14 Going through a couple of issues,
15 tourism here on Long Island -- I know that
16 there was a small cut. Well, any cut's not
17 good, but I hate to say small, but looking
18 around 1.36 million for the local tourism
19 matching grants. You know, obviously, again,
20 talking about small businesses here on
21 Long Island, whether it's hotels, motels,
22 some of our businesses out east and local
23 businesses, we count on, believe it or not, a
24 lot on tourism here on Long Island, whether

1 it's in the Oyster Bay area where we're going
2 to visit Teddy Roosevelt's home, or on to
3 Fire Island or -- I mean, on Long Island we
4 have a lot to offer.

5 So being able to have those tourism
6 matching funds going forward I think will be
7 helpful to the small businesses and the
8 tourism businesses in general here on the
9 island.

10 I know I'm just throwing a lot at you,
11 Commissioner. I'm sorry, I just want to make
12 sure I get it all in.

13 ACTING COMMISSIONER GERTLER:

14 Understood.

15 ASSEMBLYMAN DURSO: Obviously -- and
16 then just speaking about it, and I know it's
17 kind of an all-encompassing thing, but you
18 spoke about the Governor's workforce
19 initiative. Obviously going forward here on
20 Long Island, New York State, New York City,
21 obviously infrastructure, having skilled
22 labor is helpful. And that goes along with
23 everything, whether it's we need broadband
24 access for students and businesses, whether

1 we need -- you know, and that obviously
2 includes internet and computers and these
3 small businesses and having these skilled
4 laborers going forward.

5 Some of the cuts to some of our BOCES
6 programs here in New York State, the
7 consolidation of the funds, I think is only
8 going to hurt students and people going
9 forward, learning those skilled labors --
10 skilled trades, excuse me. And trades
11 doesn't mean, anymore, so much as someone
12 like myself who went to carpentry school and
13 learned to bang a hammer and nails -- now it
14 goes into computer technology. You know, as
15 we were speaking about before, whether it's
16 robotics, whether -- all the way down to some
17 of our small businesses with -- like my
18 daughter wants to be a baker.

19 So having those minority and
20 women-owned businesses opening up in the
21 future, we need to train them going forward,
22 and what better way to do it early in their
23 careers than in high school, and showing them
24 that there is other programs available to

1 Thank you to both chairs. And thank you,
2 Commissioner, for your testimony and
3 responding to all these questions today.

4 I know there's been -- I've been --
5 I've had my hand up for quite some time, but
6 people ahead of me have also talked about the
7 broadband issue, and I wanted to bring that
8 up again. I know my colleagues Carrie
9 Woerner and Billy Jones and a number of other
10 members have brought up the issue of
11 broadband.

12 You know, I have to also respectfully
13 disagree with the 98 percent number. We
14 spoke to the Broadband Office about the way
15 this is calculated. And I don't know if it's
16 a mapping issue or if it's just other
17 calculation, but I can tell you in my
18 district -- I represent Montgomery County,
19 Albany County, Berne and Knox, those -- I
20 just got a letter from the supervisor talking
21 about the lack of broadband there and why so
22 much money was invested in New NY Broadband
23 and they're still waiting for service.

24 But in addition to that, there are

1 pockets in these rural communities that are
2 still, you know, not able to do online
3 learning, businesses that weren't able to
4 make the transition during this time to
5 online, sell their products online and
6 they've had to close their doors because of
7 that.

8 So it's a real issue. I'd like to --
9 going forward, I'd like you to explore
10 options of funding another round of broadband
11 that could address these rural communities.

12 So my first question is the broadband
13 mapping I think is key -- and I understand
14 that's going to be in the budget. Do we have
15 your support to keep that in the budget?
16 Because if it doesn't end up in there, we're
17 going to be back to square one.

18 And I know I only have three minutes,
19 so I'm going to move on to a couple of other
20 topics.

21 In 2019, the Upstate Cellular Gap
22 Coverage Task Force was formed by the
23 Governor. There was a lot of gaps in
24 cellphone coverage in these rural

1 communities, a lot of them in upstate
2 New York. There was an effort to identify
3 how we're going to address those gaps. Very
4 key to economic development as well, being
5 able to have -- almost everybody uses
6 cellphones at this point, and these gaps in
7 service really cause a lot of problems. Do
8 you have any plans to continue that or push
9 for that in this year's budget as well?

10 And then overall rural resources in
11 general. You know, our rural communities
12 have provided us quite a bit, an adequate
13 food supply, energy. They also are going to
14 be key to rebuilding our economy. I'd like
15 to know what your efforts are to support
16 these rural communities when it comes to
17 farming, food, energy, water, recreation.
18 These are all key components that have made
19 our state thrive in the past. They will be
20 very important to our success in rebuilding
21 our economy. I'd like to know what your
22 efforts are to support them as far as
23 economic development.

24 CHAIRWOMAN WEINSTEIN: In eight

1 seconds.

2 ACTING COMMISSIONER GERTLER: You
3 know, thank you for those important
4 questions. I think in the interests of time,
5 it's probably best that we follow up with
6 you.

7 But in terms of your reference to the
8 broadband numbers, I mean, you know, we have
9 everything validated by third-party
10 providers. We're happy to go through it with
11 you. They validate our 98 percent success to
12 date. And our 99.9 percent commitment on
13 that program is a product of the work that
14 the group has done over the last five years.

15 But again, given the interests of
16 time, happy to come back and talk to you
17 about it, sir.

18 ASSEMBLYMAN SANTABARBARA: Thank you.

19 CHAIRWOMAN WEINSTEIN: We go to
20 Assemblyman Braunstein.

21 Is Ed here?

22 THE MODERATOR: I'm trying to connect.
23 It looks like he is.

24 ASSEMBLYMAN BRAUNSTEIN: Can you hear

1 me now?

2 THE MODERATOR: Yes.

3 CHAIRWOMAN WEINSTEIN: Yes, we can.

4 ASSEMBLYMAN BRAUNSTEIN: Okay. My
5 question is we're currently operating under
6 an eviction moratorium in this state. Do we
7 have plans for how we're going to address the
8 fallout when that eviction moratorium expires
9 and businesses are asked to pay back rent?
10 Is there a plan in place for that?

11 ACTING COMMISSIONER GERTLER: So, you
12 know, yes, there's the commercial eviction
13 moratorium that's in place right now.
14 Let's -- you know, and that has been done,
15 you know, given all the challenges that
16 businesses have been under and to enable
17 businesses to at least as they're trying to
18 build back their businesses, to at least know
19 that they can do so from the locations that
20 they're in.

21 You know, we at ESD have done a number
22 of different things to support the -- you
23 know, to support that. You know, we know,
24 with our lease assistance program, it's

1 enabled small businesses to work with their
2 landlords to figure out a mutual resolution,
3 you know, to that.

4 We understand that when -- you know,
5 there's a balance and there's larger
6 implications to the economy when, you know,
7 somewhere along that chain someone's not
8 getting paid, there's an effect on that. And
9 so we've used our resources to help figure
10 out how to reach amicable resolutions in
11 those situations.

12 We've also used our New York Forward
13 Loan Fund to be able to help small businesses
14 and help small landlords getting through
15 this.

16 But, you know, you raise, you know, a
17 very good question. I think ultimately
18 federal assistance will be -- you know, will
19 be critical. And, you know, some of the
20 complexities of dealing with those issues are
21 certainly outside the scope of what ESD does,
22 so I think those other agencies will help to
23 look at that issue.

24 But, you know, no doubt COVID has

1 created many new challenges that we will need
2 to face as an economy, and that will be --
3 that certainly will be one of the challenges
4 that we'll have to address in a post-COVID
5 world.

6 ASSEMBLYMAN BRAUNSTEIN: Okay. Yeah,
7 I just wanted to bring it up because I think
8 it's going to be a problem sooner rather than
9 later.

10 And we need to engage the federal
11 government about stimulus funding, and we
12 need to be ready to have a plan in place for
13 when that moratorium expires that we can
14 provide support for those businesses so
15 they're not just immediately evicted for
16 months of back rent. So my time is up; thank
17 you very much.

18 ACTING COMMISSIONER GERTLER: Thank
19 you.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 Commissioner, I have a question on
22 behalf of our Higher Education chair.
23 Deborah Glick had to leave for a committee
24 meeting.

1 So in terms of the Regional Economic
2 Development Councils, if we're correct that
3 there were nine rounds totaling just under
4 \$7 billion, 6.9 billion, how much of that, if
5 you know, has gone to institutions of
6 learning, higher education institutions in
7 our state?

8 ACTING COMMISSIONER GERTLER: So I'm
9 not sure. But I can give you the -- you
10 know, we can come back and provide the
11 information, you know, for that. I mean, \$7
12 billion have gone through the REDCs. We're
13 taking about 8,000 programs, a net return of
14 \$18 billion. So clearly highly successful.

15 But I'd have to go back with -- you
16 know, given the specifics of 8,000 programs
17 -- I know many supported academic
18 initiatives. But, you know, instead of
19 spending the time now, let us go back and
20 provide some of that.

21 CHAIRWOMAN WEINSTEIN: Sure.

22 ACTING COMMISSIONER GERTLER: You
23 know, 8,000 programs is a lot.

24 CHAIRWOMAN WEINSTEIN: Sure. Sure.

1 No, I -- that's fine. I would have been
2 surprised if you actually knew the number.

3 And when you share that, we'll share
4 with the committee members in the Senate.

5 So now I'm going to -- that was it for
6 me. You've had a lot of questions.

7 We're going to go to Assemblyman
8 Bronson for his second round, and we'll see
9 if any of the other chairs need a second
10 round after Assemblyman Bronson.

11 ASSEMBLYMAN BRONSON: Thank you,
12 Madam Chair. And Commissioner --

13 CHAIRWOMAN WEINSTEIN: Excuse me,
14 Harry, just one second. For five minutes on
15 the clock for the Assemblyman.

16 ASSEMBLYMAN BRONSON: Great. Thank
17 you, Madam Chair.

18 And, Commissioner, thank you for
19 sticking with us for all morning and into the
20 afternoon. We do appreciate it.

21 You know, a number of colleagues have
22 talked about the small businesses, and in
23 particular our -- as we often refer to as our
24 Main Street {inaudible} and stores. And

1 these -- one of my colleagues just brought up
2 rents.

3 And first of all, have you seen any
4 analysis or has your department looked at,
5 you know, what commercial rents are in
6 arrears at this point?

7 And then second of all, I'm very
8 concerned that the proposal doesn't really
9 seem to address that. We have a moratorium.
10 You know, you've mentioned a couple of times
11 about the 50 million recovery program. But
12 those are tax credits. Those will kick in
13 next year when they're filing their taxes.
14 It's not going to help them survive over the
15 next two, three, six months to a year.

16 And then I'm also concerned that the
17 New York Forward Loans Fund, a \$100 million
18 program and only 40 million of it is out the
19 door.

20 So my question is this. What plans
21 can we come up with -- I know it's somewhat
22 dependent on federal stimulus dollars, but we
23 have got to get rent relief to commercial
24 businesses. And the programs that are out

1 there, the various recovery loans, the
2 recurring loans that were in the programs in
3 the past, the tax credits that are being
4 suggested, that's not going to help these
5 small businesses survive. What can we look
6 for in the future from your department on how
7 we're going to address these arrears?

8 ACTING COMMISSIONER GERTLER: You
9 know, I'm also going to turn to Pravina
10 Raghavan, who runs our Small Business. And,
11 you know, thank you for that question. It is
12 undoubtedly a very, you know, important
13 question and important area that we need to
14 stay attuned to.

15 You know, on a high level, you know,
16 we've discussed the Lease Assistance
17 Partnership Program, the New York Forward
18 Loan Fund. We've also talked about -- we
19 also did a Raise the Bar Recovery Fund for
20 restaurants. We have the recovery funds for
21 restaurants and small businesses. You know,
22 we have a whole host of programs.

23 Pravina, maybe you want to also talk
24 about the way our programs complement, you

1 know, some of the questions that are being
2 asked.

3 ASSEMBLYMAN BRONSON: Well, if I may
4 just interrupt, though. I mean, those funds
5 relate to tax credits. They are not going to
6 be the relief that our small businesses need
7 now.

8 And then I'm also concerned that the
9 New York Forward Loan Fund, less than
10 50 percent of it has been released. So where
11 do we stand on getting the other \$60 million
12 out? Not that I think loans are going to be
13 the way to address this, because I think we
14 really have to have grants out there for the
15 relief.

16 So the tax credits thing, with all due
17 respect, I just don't think that's going to
18 help our businesses survive over the next
19 months.

20 ACTING COMMISSIONER GERTLER: No, I
21 hear you. Look, in the case of restaurants
22 those tax credits are fast-tracked, so it --
23 you know, it helps get money out the door.
24 The Raising the New York State Bar, that was

1 \$3 million that -- that, you know, went
2 pretty quickly. So those are examples of the
3 way we're getting money out the door.

4 On the New York Loan Fund, you know,
5 again, this was created at a time when
6 business couldn't access a lot of the PPP
7 monies. What we've done is we've continued
8 to expand eligibility, you know, for that.
9 It used to be if you had PPP funds, you
10 couldn't access it; now you can. It used to
11 be, you know, a smaller limitation on
12 employees; we've expanded that as well.

13 So, you know, I hear you. We are
14 looking at different ways that we can get
15 capital into these -- you know, into these
16 small businesses. The lease assistance
17 program, you know, it helps. So it's not
18 just one program, it's a multifaceted
19 approach with both loans, with technical
20 assistance, with partnerships, with tax
21 credits.

22 So, you know, this is an economic
23 crisis that's been unprecedented. So we're,
24 you know, using as many of the different

1 tools that we have to try and address this
2 situation.

3 ASSEMBLYMAN BRONSON: All right. I
4 appreciate that, Commissioner. I think we
5 need to throw in the mix grant funds
6 available for our small mom-and-pop stores.

7 Thank you.

8 ACTING COMMISSIONER GERTLER: Thank
9 you.

10 CHAIRWOMAN WEINSTEIN: Thank you. So
11 that is -- there are no more questions from
12 the Assembly, so I'm going to throw it back
13 to Senator Krueger. I'm not sure if there's
14 any Senate questions left.

15 CHAIRWOMAN KRUEGER: Thank you. I see
16 no hands. I'm not even giving people a
17 chance to raise their hand.

18 (Laughter.)

19 CHAIRWOMAN KRUEGER: I want to thank
20 our guest from ESDC -- ESD -- you have too
21 many names. You have ESD, you have ESDC, you
22 have Urban -- whatever. Thank you for being
23 with us today.

24 I think you have a number of homework

1 assignments from a number of us. So if you
2 can just get those back to both Helene and I,
3 we will make sure to put them up for everyone
4 to take a look at and to learn more even
5 after this hearing is over for you.

6 With that, I am going to call up our
7 next testifier, RoAnn Destito, commissioner,
8 New York State Office of General Services.
9 And I see her with us already.

10 Good afternoon -- no longer good
11 morning, RoAnn. Good afternoon --

12 ACTING COMMISSIONER GERTLER: Thank
13 you, Chairwoman Krueger, thank you,
14 Chairwoman Weinstein. Thank you so much.

15 CHAIRWOMAN KRUEGER: Thank you.

16 So you have 10 minutes on the clock.

17 COMMISSIONER DESTITO: Thank you.

18 Good afternoon, Chairs Krueger and
19 Weinstein, Ranking Members O'Mara and Ra, and
20 distinguished members of the committees. I
21 am pleased to be here today to provide
22 testimony about the Office of General
23 Services.

24 As all of us know, the past year has

1 been challenging for all residents of
2 New York State as well as the world.
3 COVID-19 has changed the way we live, work,
4 and interact with one another. At OGS, the
5 pandemic has presented unprecedented demands
6 on our services and our time.

7 I would like to offer you some details
8 on the efforts that OGS employed to support
9 the state's ongoing response to the pandemic.
10 Competing in a global market where essential
11 supplies suddenly became scarce, OGS was able
12 to focus the full weight of our expertise to
13 get New York State to the front of the line.

14 OGS facilitated the sourcing,
15 ordering, tracking, delivery coordination,
16 and reconciliation of more than 200 million
17 items of durable medical equipment and PPE.
18 We partnered in multi-agency efforts to
19 contract for products and services for test
20 sites, alternative care facilities, agency
21 PPE, and vaccines, while supporting local
22 government sourcing through statewide
23 contracts.

24 OGS was also responsible for the

1 financial processing required to secure the
2 state's PPE and hospital build-out inventory.
3 We worked with DOCCS to support the New York
4 State Clean hand sanitizer program. OGS
5 managed warehouse operations for storage,
6 distribution, inventory, and delivery of New
7 York State Clean hand sanitizer, PPE, and
8 other supplies.

9 We accepted the responsibility for
10 three alternative care facilities from the
11 Army Corps of Engineers and FEMA, and they
12 continue to be operationally maintained by
13 OGS.

14 We also provided real estate services
15 to establish laboratory, warehouse, call
16 center, and COVID-19 testing and vaccination
17 sites. OGS also delivered mailing and
18 printing support for the Department of Labor
19 and the Office of Temporary Disability
20 Assistance, provided contracting support for
21 Javits Center operations, as well as
22 broadcast support for daily COVID briefings.

23 We were also responsible for the
24 development and maintenance of New York

1 Forward and COVID-19 websites, in conjunction
2 with ITS. We created return-to-work plans
3 for state office buildings to ensure
4 employees were aware of and following the
5 COVID protocols, and we established enhanced
6 cleaning procedures and air filtration. My
7 agency's staff also participated in many
8 COVID-related volunteer efforts and continue
9 to do so.

10 As New York implemented its phased
11 reopening and employees began returning to
12 work at OGS owned and managed buildings,
13 including the Legislative Office Building,
14 our facilities team increased the frequency
15 of cleaning and disinfection of high-density
16 and high-touch areas. We installed signage
17 reminding people of COVID protocols.

18 In addition to our COVID-related
19 activities, OGS continues delivering the
20 services and support our customers depend on
21 us to provide. OGS provides enterprise-wide
22 operational services and programs that allow
23 other state agencies, local governments,
24 not-for-profits, businesses and citizens to

1 focus on and fulfill their own diverse
2 missions.

3 We maintain and manage 20 million
4 square feet of state-owned space and leases
5 of 11.8 million square feet of office,
6 warehouse, and other required space
7 throughout the state. OGS provides
8 architectural, engineering, contracting, and
9 construction management services to over
10 50 state agency clients. Additionally, OGS
11 provides vital emergency response and
12 recovery support following floods, fires,
13 weather disasters, and more, and we do this
14 24/7, 365 days a year.

15 We manage a portfolio of approximately
16 1,500 centralized contracts for commodities,
17 services, and technology, and that represents
18 over 1.6 billion in spend for state agencies
19 alone.

20 We also provide transactional
21 back-office administration services for
22 nearly all the executive agencies for finance
23 and human resources and administer the
24 Service-Disabled Veteran-Owned Business

1 program.

2 In addition, OGS delivers support
3 services for agencies, including fleet
4 management, printing and mail services, food
5 distribution, warehousing, and surplus
6 property disposition. We aggregate and
7 manage the purchase of energy resources and
8 insurance. We also administer the visitor
9 experience at the Capitol and Empire State
10 Plaza, and we issue easements and grant
11 licenses and permits for the use of uplands
12 and lands under water.

13 Our Procurement Services group
14 continues to lead the way in new and
15 innovative procurements. We maintain the
16 largest information technology catalog of
17 contracts in the country.

18 OGS trains government employees on
19 contracts and businesses on how to do
20 business with the state. We maintain an
21 electronic catalog of over 10 million items
22 available for purchase, and facilitate the
23 employment of individuals with disabilities.

24 OGS is responsible for the

1 administration and daily operations of
2 176 state-owned buildings and structures.
3 Since the beginning of this administration,
4 the agency has performed more than
5 1200 capital projects and over
6 3200 preventive-maintenance and
7 rehabilitation/improvement projects.

8 Continuing our pledge from previous
9 years to meet the Governor's clean energy
10 goals, NYPA and OGS have begun projects to
11 replace old and obsolete equipment at the
12 Sheridan Hollow steam plant and the
13 Empire State Plaza chill plant. We are also
14 in the process of establishing a 38-megawatt
15 solar photovoltaic project at the former
16 Oriskany Airport, which the state now owns.
17 This project would generate over 50 percent
18 of the electricity used at the Empire State
19 Plaza.

20 In conjunction with other agency
21 partners, OGS continues the Employee Zero
22 Emissions Vehicle Charging Pilot Program in
23 targeted OGS parking facilities throughout
24 downtown Albany and the Harriman campus.

1 In addition to managing space, we also
2 build it and conduct project permitting with
3 the OGS Design and Construction team, which
4 serves state agencies including DOCCS, OMH,
5 State Police, DMNA, and Ag and Markets.
6 Design and Construction typically responds to
7 300 vital agency construction emergency
8 declarations each year.

9 OGS is also participating in the
10 Governor's REDI program on Lake Ontario. In
11 addition to serving on the REDI committee and
12 advancing multiple projects for the
13 initiative, OGS is directly managing the
14 \$15 million navigation dredging initiative at
15 up to 20 channels and harbors.

16 Also we do an excellent job growing
17 businesses. We are very proud to say that we
18 have exceeded the Governor's MWBE utilization
19 goal of 30 percent. Since 2011, MWBEs have
20 received in excess of \$842 million from
21 contracts associated with our Design and
22 Construction group alone.

23 Our success in implementing the
24 Service-Disabled Veteran-Owned Business Act

1 continues. We now have approximately
2 855 certified businesses in a wide range of
3 categories, from construction and financial
4 services to commodities.

5 Providing an exceptional visitor
6 experience is a source of pride for the OGS
7 team. Since 2011, OGS has managed nearly
8 10,000 events, and more than half a million
9 people have taken tours of the Capitol, the
10 Executive Mansion, and visited the Corning
11 Tower Observation Deck.

12 Efforts to prevent the spread of COVID
13 required us to pivot to a successful Virtual
14 Visit online series, and we provided tours of
15 the majestic halls of our Capitol and both
16 the Empire State Plaza and Harlem Art
17 Collections. Instead of our usual Martin
18 Luther King, Jr. Day observance at the Empire
19 State Plaza, we honored Dr. King with a
20 one-hour pre-produced broadcast that for the
21 first time aired on PBS stations statewide.

22 We also reopened the plaza's Visitor
23 Center, and we began selling New York Tough
24 face masks to help stop the spread.

1 As commissioner, I am honored to lead
2 the hardworking and dedicated team at the
3 Office of General Services. Their service to
4 the people of New York State never wavers and
5 can be counted on at all times.

6 Thank you for listening to my
7 testimony, and I am happy to take all of your
8 questions.

9 CHAIRWOMAN KRUEGER: Thank you very
10 much.

11 And Assembly, I do not think the
12 Senate has any questions, so I'm going to
13 pass it over to you.

14 CHAIRWOMAN WEINSTEIN: Okay. So let's
15 go first to Assemblyman Zebrowski.

16 ASSEMBLYMAN ZEBROWSKI: Thanks, Chair
17 Weinstein.

18 And good afternoon, Commissioner.
19 Great to see you.

20 I only have three minutes, so I'm just
21 going to jump into one area that falls under
22 my purview of the Governmental Operations
23 Committee.

24 The Public Protection and General

1 Government Budget, Part BB, the New York
2 Medical Supply Act, three questions with
3 that. Is this intended to supercede any of
4 our current programs -- Preferred Source,
5 MWBE, Service Disabled Veterans, or anything
6 with corrections industries?

7 COMMISSIONER DESTITO: We will
8 continue, Assemblyman -- and it's good to see
9 you too. We will continue to work at
10 providing the Preferred Source as well as all
11 of our MWBE and SDVOB. We are in process of
12 putting many of the new state-supported
13 vendors on contract. We would like to do
14 business in the State of New York and make
15 sure that this does not supercede the
16 Preferred Source Program or any other program
17 that we have in place.

18 ASSEMBLYMAN ZEBROWSKI: Thanks.

19 So purchases under this program, if it
20 becomes law, will they be noted or
21 highlighted within the current sort of
22 procurement disclosures that are done?

23 COMMISSIONER DESTITO: The Medical
24 Supply Act is a partnership with ESD, and we

1 will be working with them. They incentivize
2 a number of businesses in New York State, and
3 we will be working with them to put them on
4 our state contracts so that whenever our
5 centralized contracts are used by state
6 agencies or any of our authorized users,
7 those products will be there for people to
8 purchase from New York State-incentivized
9 companies.

10 ASSEMBLYMAN ZEBROWSKI: Okay. And --

11 COMMISSIONER DESTITO: And it will --
12 again, Assemblyman, it will be in concert
13 with the preferred sources and all of our
14 MWBE and SDVOB.

15 ASSEMBLYMAN ZEBROWSKI: Right. Okay.

16 And so lastly, what is the process?
17 There's a process within the language that
18 allows an agency if it's not in the -- I
19 think it's the best interest of the public
20 or, you know, some standard like that, that
21 they don't have to follow that Medical Supply
22 Act.

23 COMMISSIONER DESTITO: Its form,
24 function and utility determines whether a

1 Preferred Source partner can meet their
2 requirements.

3 ASSEMBLYMAN ZEBROWSKI: And with the
4 New York -- with the New York Medical Supply,
5 with that sort of purchasing, there's like a
6 section in that that says an agency head --
7 you know, if it's not in the best interests
8 -- there's some broad language there, and I
9 was trying to get a sense of like what would
10 be the process for that? Do you envision --

11 COMMISSIONER DESTITO: It would be an
12 internal process, and it would be documented
13 as to how they made that decision.

14 ASSEMBLYMAN ZEBROWSKI: Okay, so you
15 do envision some sort of documented -- like
16 something filed with it.

17 COMMISSIONER DESTITO: Yes. Yes.

18 ASSEMBLYMAN ZEBROWSKI: Okay.

19 COMMISSIONER DESTITO: Yes,
20 absolutely.

21 ASSEMBLYMAN ZEBROWSKI: My time's
22 expired. Thanks, Commissioner.

23 COMMISSIONER DESTITO: Thank you,
24 Assemblyman.

1 CHAIRWOMAN WEINSTEIN: So we go to --
2 Assemblyman Byrne has a question.

3 ASSEMBLYMAN BYRNE: Yes.

4 Thank you, Commissioner. And my
5 question is a bit similar to my colleague, so
6 this may be a short question, about the
7 Medical Supplies Act. And it seems pretty
8 clear in the language in the budget that
9 there is some flexibility if a state agency
10 is unable to get the supply needed from
11 within the United States, that there is --
12 for the department head or agency head to
13 pass a waiver.

14 And I think the intent behind this is
15 very good, but I just want to get that on the
16 record and confirm. Because obviously I
17 think some of the reason we're doing this is
18 because of the supply chain issue, we want to
19 incentivize more products that are made here
20 in the United States and in New York State.
21 But should there be a massive need that goes
22 beyond the available supply, we should be
23 able to have everything available to us.

24 And there is a -- you know, I know

1 some concerns have been expressed to me about
2 the "in whole or in part" portions. If
3 certain medical supplies are in part made by,
4 you know, entities outside of the country or
5 outside of the state, will they be able to
6 have that waiver as well?

7 COMMISSIONER DESTITO: We --
8 flexibility without limiting the ability to
9 respond. We will -- the whole idea in
10 working with ESD on this issue is that we
11 will be incentivizing more people in New York
12 State, more vendors in New York State, to be
13 able to provide these products and
14 manufacture these products in New York State.

15 But that will not limit our ability to
16 go out and get what we need, as we did during
17 the COVID pandemic.

18 ASSEMBLYMAN BYRNE: Perfect. That's
19 my -- that was my understanding. I just
20 wanted to make sure that was clear.

21 COMMISSIONER DESTITO: Yes.

22 ASSEMBLYMAN BYRNE: Thank you.

23 COMMISSIONER DESTITO: Yes,
24 absolutely.

1 CHAIRWOMAN KRUEGER: All right. Do we
2 see any other hands up, Helene?

3 CHAIRWOMAN WEINSTEIN: No, we do not
4 have anyone else.

5 CHAIRWOMAN KRUEGER: Okay, thank you.

6 Well, then, Commissioner, thank you so
7 much for being with us. Don't take it
8 personally; you're not nearly as
9 controversial as the prior commissioner. You
10 just run an agency that seems to do its job,
11 so we appreciate that very much. And we'll
12 check in with you sometime soon.

13 COMMISSIONER DESTITO: You sure can.
14 Thank you very much for having me. I
15 appreciate it.

16 CHAIRWOMAN KRUEGER: Thank you, we
17 appreciate it.

18 CHAIRWOMAN WEINSTEIN: Nice and clear.

19 COMMISSIONER DESTITO: Yup. Bye-bye.

20 CHAIRWOMAN KRUEGER: Our next speaker
21 is the New York State Council on the Arts,
22 Mara Manus, executive director.

23 And I think I see her in a box.

24 EXECUTIVE DIRECTOR MANUS: I'm here.

1 CHAIRWOMAN KRUEGER: And you are
2 welcome to start, you have 10 minutes.

3 EXECUTIVE DIRECTOR MANUS: Thank you
4 so much.

5 Chairs Krueger and Weinstein and
6 members of the committee, thank you for the
7 invitation to address you today. I am Mara
8 Manus, the executive director of NYSCA.

9 On behalf of our chair, Katherine
10 Nicholls, our board members, our staff, and
11 our field, we are deeply grateful for the
12 Governor and Legislature's continued support
13 and recognition of NYSCA's critical role in
14 our state's vital arts sector.

15 In a year of unprecedented devastation
16 to our sector, our grantees' unyielding
17 dedication to their work ensures the survival
18 of the arts as we confront the dual pandemics
19 of COVID-19 and systemic racism together.

20 Pre-COVID, the state's arts sector
21 constituted 7.5 percent of our economy and
22 generated \$120 billion, employing over
23 460,000 workers. The arts are a significant
24 driver of tourism, as we all know, and

1 pre-COVID our grantees reported 150 million
2 visitors. Every dollar that supports the
3 arts is a critical investment in the health
4 of our economy and a significant driver of
5 our state's recovery.

6 NYSCA is immensely grateful to the
7 Governor for his decision to preserve our
8 FY '21 grant-making budget at level funding.

9 As an agency, we have pivoted over the
10 last year to meet the increasingly dire needs
11 of our grantees, and I will provide further
12 details shortly.

13 NYSCA's core focus is grant making to
14 nonprofit organizations and artists. For
15 FY 2021, we prioritized flexible general
16 operating expenses as well as support for
17 small and medium-sized organizations and
18 underrepresented communities. We moved
19 quickly to bring all of our FY '21 grant
20 recommendations to a NYSCA council meeting in
21 February. The applicants received
22 notification letters on February 12th.

23 In this round, NYSCA awarded
24 1900 grants totaling \$40 million to

1 1200 organizations and 150 artists. Of that
2 amount, \$28 million went to organizations
3 with budgets less than \$3 million.

4 Our FY '21 application deadline was
5 4 p.m. on March 12th, which was the same week
6 that everything shut down. We immediately
7 gathered responses from our grantees through
8 a survey and were able to develop and execute
9 FY '20 contract flexibilities, including
10 extensions and modifications. To date, we
11 have approved over 200 of those requests and
12 are allowing those same modifications for our
13 FY '21 contracts.

14 So those FY 2020 contracts started on
15 January 1st, FYI.

16 In April, NYSCA received NEA CARES
17 funding, and we executed two funding
18 opportunities in under three months,
19 providing \$10,000 grants to 49 organizations
20 and \$1,000 grants to 40 non-New York City-
21 based artists through our partnership with
22 NYFA.

23 NYSCA held all of our review panels
24 virtually in August and September, and the

1 panelists were charged with evaluating the
2 applicant's ability to deliver on their
3 mission.

4 NYSCA also led three reorgs of our
5 website, the first to identify timely
6 emergency resources, the second to create a
7 space for Arts Online, and the third to
8 showcase grantee reopenings and resources.
9 We also created the NYSCA PRESENTS webinar
10 series in May, and we've held six webinars,
11 reaching over 3500 people, and covering such
12 topics as "Fundraising in the Time of COVID"
13 and "Moving Your Mission Online."

14 As of February 2021, the total
15 financial impact of COVID on the New York
16 State arts sector is estimated as a loss of
17 more than \$338 million. Additionally, the
18 estimated loss in attendance totals
19 13 million people, and employee reductions
20 total 47,000 full-time arts workers. This
21 does not include contract workers, which we
22 all know are the bedrock of the arts
23 workforce.

24 The state's reopening guidelines for

1 low-risk arts were released on June 23rd, and
2 some museums began reopening over the summer.
3 However, many are operating at a much lower
4 capacity than the 25 percent requirements set
5 by the state. We recognize that a majority
6 of the arts sector is still shut down and
7 that the performing arts are contending with
8 a minimum of 18 months of revenue loss.

9 While a hybrid model of
10 virtual/in-person programming may be viable
11 in the future, there is no current data to
12 suggest that digital programming is creating
13 significant revenue to contend with
14 COVID-related losses.

15 Here are a few examples of grantees
16 that have pivoted to embrace the challenges
17 of the last year.

18 MOCA -- also called the Museum of
19 Chinese in the Americas -- in Manhattan was
20 severely damaged in a devastating fire in
21 January. When faced with both COVID and the
22 fire recovery, MOCA launched a new virtual
23 exhibition, *Trial by Fire*, and also a
24 crowd-sourced social-media storytelling

1 project. To date, MOCA's digital programming
2 has been viewed by over 65,000 people.

3 Ballet Hispanico is the nation's
4 renowned Latinx dance organization, and in
5 2020 they launched the wildly successful
6 BUnidos virtual program, featuring virtual
7 dance classes and watch parties with company
8 members. These have been viewed by over
9 160,000 people to date.

10 Moving to the western part of our
11 state, ArtPark Niagara is a 150-acre park and
12 cultural institution, and that was one of the
13 first to reopen. They held 80 socially
14 distanced events, including an artist-led
15 tour and a parking-lot mural project. It's
16 worth noting that they are reporting an
17 80 percent loss in revenue due to the
18 cancellation of their regular large-scale
19 events.

20 Many grantees reimagined their mission
21 through non-arts support as well, such as
22 Jack Arts in Brooklyn, which provided
23 120 individuals and families with food
24 assistance weekly, and DreamYard in the

1 Bronx, which served over 100,000 free meals,
2 bagged groceries, and produce.

3 I'm pleased to share updates on our
4 vital cross-sector partnerships, which I have
5 mentioned in previous testimonies. We
6 relaunched our Creative Aging Initiative in
7 partnership with NYSOFA on February 22nd,
8 after being delayed due to COVID. The
9 programming will now be offered virtually,
10 enabling a much broader reach across the
11 state.

12 Our partnership with DOCCS, called
13 CreativityWorksNYS, continues to support
14 creative programming for justice-involved
15 youth through hands-on art making. So this
16 was initially launched in the Hudson and
17 Adirondack facilities. Those have been
18 converted back to adult facilities, and we
19 are relaunching the program at Brookwood and
20 Columbia, which are sites that are now under
21 the purview of OCFS.

22 Arts programming will also continue at
23 the Ulster adult facility, and we are in
24 talks with DOCCS about expanding arts

1 programming to other facilities.

2 Our joint arts calendar in partnership
3 with I Love NY, which has reached
4 300,000 visitors with a single submission,
5 was modified this year to include digital
6 events as well.

7 Thank you again for the opportunity to
8 share the impact and the reach of the arts in
9 New York State, and NYSCA's role in
10 supporting the transformative work of our
11 grantees. We are so privileged to represent
12 the tens of thousands of New York artists and
13 cultural workers from the nonprofit sector.
14 The investment we make in the arts delivers
15 an incredible return as a driver of the
16 health of our workforce, our economy, and our
17 people -- all while maintaining our state's
18 position as a global leader in arts and
19 culture, attracting millions each year from
20 around the world.

21 Arts funding is so vital to our
22 recovery, and the arts remain determined to
23 reimagine, rebuild, and renew New York.

24 I now welcome your questions.

1 CHAIRWOMAN WEINSTEIN: I think we're
2 going to go to Assemblyman Carroll for three
3 minutes.

4 CHAIRWOMAN KRUEGER: Yes, thank you.

5 ASSEMBLYMAN CARROLL: Thank you, Chair
6 Weinstein.

7 And thank you, Executive Director
8 Manus, for speaking to us in that
9 presentation.

10 I wonder if you have any information
11 on those art organizations, especially small
12 and medium-sized, that applied for grants
13 last year prior to COVID and whether those
14 organizations still are functioning and
15 operational today.

16 EXECUTIVE DIRECTOR MANUS: So the
17 small and medium-sized organizations that we
18 have provided grants to are -- two points to
19 mention here. One is that if they have
20 closed down, they're required to let us know.
21 We've had very, very few notifications of
22 permanent closures so far. I think obviously
23 the story is still unraveling.

24 The -- however, we have granted to

1 every organization the ability to extend and
2 modify their grants, and we have -- and those
3 modification requests are continuing to come
4 in. And so -- and those encompass anything
5 from moving your programming online to
6 extending the deadline, obviously, of work
7 that was going to be presented in person.
8 But so far we don't have any data on
9 complete, permanent closures.

10 ASSEMBLYMAN CARROLL: Two quick
11 follow-ups. Does NYSCA -- has it or does it
12 have any opinions on converting former office
13 space in Manhattan or other areas that may be
14 now unused or underutilized, to convert that
15 to studio space, performance space?

16 And in addition to that, has NYSCA
17 been able to help arts organizations work
18 through insurance claims? Many arts
19 organizations have called my office talking
20 about being rejected for business
21 interruption insurance or other insurance
22 that they have had, they have paid premiums
23 for years and years and years. And of course
24 if they were able to get those claims paid

1 out, it would make it much easier for them to
2 begin operations again when it is safe.

3 EXECUTIVE DIRECTOR MANUS: So one of
4 the wonderful benefits of being a NYSCA
5 grantee is that we offer technical assistance
6 actually through NYCON, the New York Council
7 of Nonprofits, and so that technical
8 assistance is available to any one of our
9 grantees, whether you get general operating
10 support or project support.

11 And they are helping -- they're able
12 to provide assistance and guidance to anyone
13 facing this kind of situation, any entity.
14 And they're also providing a lot of guidance
15 around, for instance, the PPP application.

16 And in terms of your question about
17 storefront spaces, so there are a couple of
18 our grantees that are actually -- one of them
19 is called ChaShaMa, and they actually do
20 activate storefront spaces for artists work,
21 both exhibition and work. We of course are
22 in support of any kind of construct that's
23 going to support the return of the arts in a
24 healthy way to the state after this

1 devastating year. And I think we have to
2 acknowledge that the devastation of this year
3 is still not over.

4 ASSEMBLYMAN CARROLL: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you,
6 Assemblyman.

7 We're going to send it back to the
8 Senate now.

9 CHAIRWOMAN KRUEGER: Okay, thank you
10 very much.

11 Thank you, Executive Director.

12 So when I reviewed the Governor's
13 proposal and there were a number of new I
14 guess grant programs for the arts, or at
15 least one particularly, but it was for fairly
16 large companies, of spending at least a
17 million dollars for production.

18 Now, I'm from New York City so when I
19 see those kinds of numbers, I say, oh,
20 they're going to underwrite Broadway shows at
21 the major Broadway theaters and at the major
22 musical, you know, sites we have -- Lincoln
23 Center, Carnegie Hall.

24 And yet the groups that we don't know

1 whether they will survive and be able to come
2 back are the smaller groups. And certainly
3 the history of the arts in New York City has
4 been smaller community-based groups,
5 off-off-Broadway, The Public Theater -- you
6 know, all these different venues. But it
7 didn't appear that we were offering them
8 anything.

9 When I raised it with the ESDC
10 commissioner -- not at the hearing this
11 morning but at a previous conversation the
12 other day -- he said, Well, that program is
13 set up so that if money is repaid or they hit
14 a certain mark, then that money will go to
15 you for further distribution to smaller
16 groups.

17 So can you help me understand that?
18 Because I was a little confused.

19 EXECUTIVE DIRECTOR MANUS: So I think
20 that Eric and I are in discussion about how
21 we can further collaborate. And there hasn't
22 been a long history of that I think
23 historically, but we are looking forward to
24 working together this year most specifically.

1 I don't have the detail on the program
2 you're talking about, but I'm happy to revert
3 after -- when I get more information.

4 I will say that to your point, there
5 are 300, we know that there are 300 small
6 nonprofit theaters in New York City, for
7 instance, and that they -- and the small
8 organizations are really the bedrock of our
9 sector.

10 And NYSCA does everything we can to
11 support those, including the kind of pivots
12 we made this year with our funding --
13 specifically, how 28 million of our
14 40-plus-million went to organizations with
15 budgets of less than \$3 million. And many of
16 those are much, much, much smaller; you know,
17 budgets of half a million dollars.

18 CHAIRWOMAN KRUEGER: But is it a
19 surprise to you when I say he said that some
20 of this money actually is supposed to head to
21 you and your universe of groups when the
22 companies, I guess, that are larger are more
23 successful with their productions because of
24 the money they got from the state?

1 It almost sounds like it's a -- you
2 know, where we become shareholding producers
3 of those shows and the ones that do well, we
4 get money back, except it goes to you. Which
5 I'm not opposed to at all, but I didn't see
6 that language anywhere in the budget. So I
7 want to just double-check that I was not
8 mishearing him.

9 EXECUTIVE DIRECTOR MANUS: Yes, I
10 haven't been a part of that conversation, but
11 I'm looking forward to that.

12 CHAIRWOMAN KRUEGER: Please. And
13 please let me know what you learn, because I
14 would hate to think that -- I'm not saying he
15 would intentionally mislead me, but I would
16 hate to imagine that I heard it wrong,
17 because that's what I heard.

18 EXECUTIVE DIRECTOR MANUS: Sure, we'll
19 get back to you in revert. Thank you.

20 CHAIRWOMAN KRUEGER: Okay, thank you.

21 Any other questions, Helene, from the
22 Assembly?

23 CHAIRWOMAN WEINSTEIN: Yes, we do, we
24 have our chair of Science and Technology.

1 So Assemblyman Otis for five minutes.
2 Or actually he could have 10 minutes if he
3 needs it, because he's the chair.

4 CHAIRWOMAN KRUEGER: Don't give him
5 five minutes --

6 CHAIRWOMAN WEINSTEIN: He'll only use
7 five. He's very concise.

8 ASSEMBLYMAN OTIS: I'll be less than
9 five.

10 But thank you for all the good work at
11 the Council of the Arts.

12 And, you know, you've heard from some
13 of the other questions, we're very concerned
14 about the small arts organizations that may
15 or may not survive.

16 Just curious, what did we do last year
17 with the decentralization grants? Did they
18 not go out the door or -- what money flowed
19 and didn't flow last year?

20 EXECUTIVE DIRECTOR MANUS: So last
21 year you mean beginning January 1st of the
22 last year?

23 ASSEMBLYMAN OTIS: Or ending April 1st
24 to the current year.

1 EXECUTIVE DIRECTOR MANUS: Yeah. So
2 all of our DEC sites have been receiving
3 funding. As you know, the budgets were on
4 pause this year, and so we were able to
5 distribute all of those grants and
6 notifications by February, and those
7 contracts are dated January 1st.

8 So there has been -- there's no break
9 in commitment from NYSCA to our DEC sites.

10 ASSEMBLYMAN OTIS: So the money's
11 still going to be spent, is what you're
12 saying, even though we had a pause period.

13 EXECUTIVE DIRECTOR MANUS: Absolutely.

14 ASSEMBLYMAN OTIS: Okay. So I would
15 just say in terms of how you're figuring out
16 your priorities in the upcoming year, I would
17 just ask attention be given to these small
18 arts organizations that are again on the
19 ledge whether they're going to survive or
20 not, and it may be some state help will allow
21 them to do it.

22 They may need emergency help, not for
23 performance, but to pay some rent or some
24 survival costs. And so if you could look at

1 your criteria and maybe look at possible
2 adjustments to deal with the unusual
3 situations we're in so we don't lose those
4 entities, what they offer and the jobs that
5 they offer.

6 And I'm going to yield back my three
7 minutes left, and -- but thank you. You're a
8 very important agency, not just for the
9 culture of the state but for the economy of
10 the state.

11 EXECUTIVE DIRECTOR MANUS: Thank you
12 so much.

13 I just want to add that we will be --
14 we are rethinking in probably the most major
15 way our opportunities for FY '22. They will
16 be posted in late spring. And we are taking
17 all of these points, including yours, into
18 consideration in developing those new
19 guidelines.

20 ASSEMBLYMAN OTIS: Great. Thank you
21 very much.

22 CHAIRWOMAN KRUEGER: Thank you very
23 much.

24 Helene, you have more?

1 CHAIRWOMAN WEINSTEIN: Yes, I believe
2 Assemblyman O'Donnell was going to be logging
3 in, but I had a question before we check on
4 that.

5 I was just wondering, in terms of the
6 Arts and Cultural Facilities Improvement
7 Program, the status of the program. And has
8 prior funding improved the renovation,
9 construction, energy efficiency or
10 technology? And do you believe that a
11 competitive process is the most effective way
12 to ensure funding is optimally regionally
13 distributed?

14 EXECUTIVE DIRECTOR MANUS: So just to
15 clarify, are you speaking about the capital
16 support that we got in 2018-2019?

17 CHAIRWOMAN WEINSTEIN: Yes.

18 EXECUTIVE DIRECTOR MANUS: Great.

19 Okay, so we did receive a total of
20 \$30 million, as you well know, and that was
21 allocated and distributed to 88 projects.
22 about half of those projects have been
23 completed or are near completion at this
24 point, and we expect the rest to be completed

1 in the next two years.

2 In terms of -- you know, we do -- we
3 have been hearing from the field that
4 probably, you know, one of the priority
5 capital needs will be the air filtration
6 systems and an upgrade of their HVAC due to
7 the new requirements and the need for more
8 safe reopenings.

9 CHAIRWOMAN WEINSTEIN: Okay, thank you
10 very much.

11 If we could just pause for a moment, I
12 was told that Assemblyman O'Donnell was here,
13 so he may just be having some problem logging
14 on. Let me just --

15 THE MODERATOR: He is currently
16 entering the room.

17 CHAIRWOMAN WEINSTEIN: Okay, so
18 let's --

19 CHAIRWOMAN KRUEGER: Aha, he's
20 spotted.

21 CHAIRWOMAN WEINSTEIN: Okay, is he
22 here?

23 CHAIRWOMAN KRUEGER: Yes.

24 CHAIRWOMAN WEINSTEIN: Oh, there, I

1 see him. Okay. Perfect timing, Danny.

2 Why don't you put five minutes on the
3 clock for Assemblyman O'Donnell, since he's
4 the chair of the committee.

5 Danny, go ahead, we're up to you.

6 ASSEMBLYMAN O'DONNELL: Thank you very
7 much, Ms. Manus, for being here. I apologize
8 for being late. I wasn't invited to this
9 hearing, and therefore I was never sent a
10 link.

11 But now that I'm here, I'd like to
12 talk to you a little bit about the importance
13 of the economic impact of the arts. In all
14 my 20 years I've been here, I've been told
15 it's a multiplier and that if you spend a
16 dollar in state spending, the tax revenue the
17 state receives is seven times that amount of
18 money.

19 Can you elaborate a little bit on
20 that?

21 EXECUTIVE DIRECTOR MANUS: Yes. In
22 fact I have what I hope is somewhat of an
23 illicit -- enlightening example.

24 So first of all, we don't have

1 complete statewide data on the economic
2 impact, other than the high-level data. But
3 we know that the regions are producing their
4 own reports. And I just wanted to read from
5 a report that was developed a few years ago
6 in Mid-Hudson.

7 Just a quick -- it's home to
8 500 organizations, generates 468 million in
9 total economic impact. This was around 2015.
10 It created 5,000 jobs. The region reports
11 3.6 million cultural visitors, adding almost
12 500 million to the area's economy, spending
13 40 million on lodging, 160 million on food
14 and beverage, 134 million on retail, and
15 119 million on transportation.

16 Some of NYSCA's grantees in the region
17 include the Hudson Valley Shakespeare
18 Festival, Storm King, and the Boys and Girls
19 Club of Newburgh.

20 That's an example.

21 EXECUTIVE DIRECTOR MANUS: Thank you.

22 Which brings me to the problem that
23 we're in, which is that there are a great
24 many needs in this pandemic, and the reality

1 is if we don't fix the arts funding problem,
2 we won't be able to have the resources going
3 forward to fix the other problems.

4 On a given night, I think there are
5 over 10,000 seats in Lincoln Center, and if
6 the productions are successful, that's 10,000
7 human beings coming into the West side of
8 Manhattan. They're buying coffee, they're
9 eating dinner, they're having drinks, they're
10 doing all those things. And some of them, in
11 fact, because of the international importance
12 of the Metropolitan Opera, are staying in
13 hotels. And those are the big organizations.

14 But the small organizations do the
15 same thing. In Glens Falls, New York, my
16 sister and brother-in-law saved Glens Falls
17 by putting a theater in an old Woolworth's in
18 downtown Glens Falls. It was a sleepy, dead
19 town that is now thriving with restaurants
20 and bars and everything, all because the
21 Woolworth's was converted into a theater.

22 And so in the past your budget has
23 been minuscule, and the attention to the arts
24 has been neglected because people don't think

1 of it as being important. And so we have a
2 maintenance-style budget.

3 We don't need to maintain the arts, we
4 have to rebuild them. And if we don't
5 rebuild them, the economy of the State of
6 New York will not rebuild either. Can you
7 comment on that?

8 EXECUTIVE DIRECTOR MANUS: The arts
9 are critical to recovery. I mean, we -- I
10 shared numbers at the top of my presentation
11 about just the -- how much they actually
12 exceed, the economy of the arts exceeds the
13 retail, construction and transportation
14 sectors. And the employment of workers, you
15 know, cannot be understated. You know,
16 almost 500,000, and that doesn't include the
17 contract workers, which we all know are just
18 in the tens of thousands or perhaps hundreds,
19 who knows. We don't really know.

20 But I agree. I mean, what we have
21 from all of our grantees is a profound sense
22 of the extent to which they hold up their
23 local economies. And while it's very clear
24 in a place like New York City, and the, you

1 know, great numbers of global tourists it
2 attracts, what you said about Glens Falls
3 holds true in almost every small town and
4 village that we -- where there's an
5 organization that we support.

6 I mean, if you look at, for instance,
7 Saranac Lake, Pendragon Theater, it's been
8 there for 40 years. It's about a 150-seat
9 theater. They're now going to be the
10 cornerstone of the DRI project in Saranac
11 Lake. And they are taking over a former
12 grocery store, an abandoned grocery store
13 space.

14 And if you go up to the North Country
15 and visit any -- visit the Lake Placid-
16 Saranac Lake area, what you see is a high
17 concentration of artists as well as arts
18 organizations, and you also see a thriving
19 economy. And in a place that perhaps one
20 wouldn't expect it.

21 And what is clear across all the
22 cities that were born by the birth of the
23 Erie Canal, whether it's in Syracuse or
24 Rochester or Buffalo, is while there are no

1 longer perhaps the corporations that there
2 once was, the arts are still a tent pole of
3 the economy in those places and I believe are
4 really contributing to securing the
5 populations that are there and are
6 attracting -- and serve also as places to
7 attract, you know, new residents.

8 And it's heartening to see that, but
9 it's also, as you said, attention must be
10 paid -- not to quote Arthur Miller -- to what
11 is such a critical part of our sector. And
12 it's going to be such a giant part of its
13 recovery. But we -- without attention, we
14 are all concerned.

15 ASSEMBLYMAN O'DONNELL: My last
16 question. Ms. Fahy's not present, so in her
17 absence --

18 CHAIRWOMAN WEINSTEIN: Actually, she
19 is.

20 ASSEMBLYMAN O'DONNELL: -- I'm going
21 to ask the question on her behalf.

22 CHAIRWOMAN WEINSTEIN: Excuse me --

23 ASSEMBLYMAN O'DONNELL: She has
24 proposed a WPA-like project for the arts.

1 You and I have talked about workforce
2 development. What do you have to say about
3 how do we get the people who have been
4 unemployed for the last year back to work?

5 CHAIRWOMAN WEINSTEIN: Assemblyman,
6 Pat Fahy is here. She has her hand up, so
7 she'll be asking her question. But --

8 ASSEMBLYMAN O'DONNELL: Okay, could
9 you please answer the question about
10 workforce development, please, Ms. Manus?

11 CHAIRWOMAN WEINSTEIN: The director
12 could answer the question, that's fine.

13 ASSEMBLYMAN O'DONNELL: Thank you.

14 EXECUTIVE DIRECTOR MANUS: Okay. So
15 the question about workforce development and
16 its critical --

17 ASSEMBLYMAN O'DONNELL: Yes.

18 EXECUTIVE DIRECTOR MANUS: Okay,
19 great. So workforce development. So I think
20 the headlines for the arts sector this year
21 are income loss by individuals and revenue
22 loss by organizations. And in terms of
23 workforce, that is where if we don't get our
24 people back into the jobs, whether they're

1 full-time or contract jobs, we're not going
2 to get the organizations open.

3 And let's face it, we all recognize
4 that there's a longer runway than just
5 getting a vaccine at this point, in terms of
6 building the arts and getting the
7 organizations to be at the state that they
8 were pre-COVID.

9 So in terms of the workforce, we have
10 prioritized workforce development in our REDC
11 programs and as I said -- I don't know if you
12 heard, but we are going to be completely
13 overhauling our 2022 opportunities, and the
14 goals of those are to be streamlined, create
15 greater access, and be responsive to a field
16 that we know has been devastated.

17 Workforce is going to be, I believe,
18 the priority. And it's hard to say that
19 we're going to be responsive without
20 attending to workforce investment.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Senate, do you have anybody? Because
23 we still have --

24 CHAIRWOMAN KRUEGER: Nope. Nope. We

1 are giving it to you, the Assembly.

2 CHAIRWOMAN WEINSTEIN: Okay. I know
3 we have Pat Fahy, but Assemblywoman Giglio I
4 know had -- was trying to raise her hand. I
5 don't know if she's available.

6 ASSEMBLYWOMAN GIGLIO: Yes, I am
7 available. And trying to -- yeah, there you
8 are. Having some technical glitches here.

9 But I just have a few questions, and
10 one of them is about the funding for New York
11 State Council of the Arts.

12 You know, the art councils in downtown
13 Riverhead and in the historic districts in my
14 district are struggling. And they are agents
15 of the community, and they bring many people
16 to Main Streets with the various events that
17 they have. And the cuts for the funding for
18 the New York State Council of Arts has really
19 put a damper on the Main Street functions
20 that they normally do -- not during COVID,
21 but for this year.

22 So I have a question about that, about
23 the New York State Council of Arts and why
24 that funding was not restored and what we are

1 doing to get it.

2 EXECUTIVE DIRECTOR MANUS: Could --
3 could you -- I'm not aware of the funding
4 that you're speaking of. Do you have any
5 detail on that?

6 ASSEMBLYWOMAN GIGLIO: Yes. I heard
7 it from the East End Arts Association in
8 downtown Riverhead. It's New York State
9 Council of the Arts funding.

10 EXECUTIVE DIRECTOR MANUS: Yup. So --
11 so our funding is a competitive process, and
12 my understanding is that they -- their score
13 didn't warrant funding this year.

14 ASSEMBLYWOMAN GIGLIO: Okay, so that's
15 just out and they're not going to get it.

16 And then there was also the question
17 about hotel tax and if that could be
18 appropriated to any of the arts and tourism.

19 EXECUTIVE DIRECTOR MANUS: We would
20 welcome that. I know that that's in place in
21 New Jersey, and perhaps other states. And
22 obviously any further dollars to support the
23 arts in this incredibly critical time is --
24 would be -- I think we would rejoice.

1 ASSEMBLYWOMAN GIGLIO: Yeah. So has
2 there been any requests for some of that
3 hotel tax? Seeing as the chair of my
4 Committee on Tourism just brought that up,
5 saying that the hotels fill up when there are
6 art events that are happening on the
7 Main Streets. So I'm just wondering how we
8 could go about that, pursuing getting some of
9 that hotel tax.

10 EXECUTIVE DIRECTOR MANUS: I'm happy
11 to engage in any conversation that anyone
12 wants to have. I haven't been privy to any
13 to date.

14 ASSEMBLYWOMAN GIGLIO: Okay. So I
15 will call you after this, then.

16 EXECUTIVE DIRECTOR MANUS: Thank you.

17 ASSEMBLYWOMAN GIGLIO: And I'm also
18 curious as to whether or not there's any
19 money for maintenance of trails within the
20 parks. We have a state-funded recreation
21 trail that's a 10-mile contiguous trail in
22 the former Grumman facility, and I'm just
23 wondering if there is any funding for the
24 maintenance of those trails.

1 EXECUTIVE DIRECTOR MANUS: There
2 wouldn't be funding from us, but I believe
3 that's a great question for Parks.

4 ASSEMBLYWOMAN GIGLIO: Okay. So it
5 had to do with tourism, because we get people
6 from all over New York State and from all
7 over the United States, actually, that come
8 and stay in the hotels and ride this trail.

9 So you're saying that the funding
10 should come from Parks and that tourism
11 wouldn't entertain it.

12 EXECUTIVE DIRECTOR MANUS: Right, we
13 don't have any -- the only time we've had
14 real capital funding is those two years that
15 I mentioned, '18 and '19.

16 We do have an ongoing small facilities
17 capital program, it's \$50,000 or lower -- or
18 less, grants that we do offer every year.
19 But that really is -- it's really focused on
20 buildings.

21 ASSEMBLYWOMAN GIGLIO: Yeah, the
22 capital projects, not for maintenance.

23 EXECUTIVE DIRECTOR MANUS: Right.
24 Right.

1 ASSEMBLYWOMAN GIGLIO: Okay. And then
2 the historic barns --

3 CHAIRWOMAN KRUEGER: -- I'm sorry.

4 ASSEMBLYWOMAN GIGLIO: I'm out of
5 time?

6 (Overtalk.)

7 EXECUTIVE DIRECTOR MANUS: You can
8 always call us. Please.

9 ASSEMBLYWOMAN GIGLIO: Thank you for
10 your time. I will. Thank you.

11 EXECUTIVE DIRECTOR MANUS: Thanks.

12 CHAIRWOMAN KRUEGER: Sorry, thank you.

13 CHAIRWOMAN WEINSTEIN: And we're going
14 to go to -- thank you, Senate.

15 We're going to go to Assemblywoman
16 Fahy now, three minutes.

17 ASSEMBLYWOMAN FAHY: Thank you.

18 And thank you to our colleague,
19 Chairman O'Donnell. I was listening, and I
20 really appreciated him bringing up my
21 temporary jobs bill for short-term jobs, like
22 the -- modeled after the WPA.

23 I just want to go a little bit
24 further. I also -- I also want to echo the

1 concerns of needing -- from the previous
2 speaker, the need for capital dollars. So
3 thank you, Director Manus. We definitely
4 need to restore those capital dollars that I
5 know were so hard-fought-for by Chairman
6 O'Donnell and others a couple of years ago.
7 We need to restore that.

8 But can I ask you -- the Governor did
9 put out a pop-ups initiative. And I
10 understand that that's met with some dismay
11 or disenchantment, if you will, of concerns
12 that that's really not drilling down and
13 where some of the highest numbers of
14 unemployment -- and I've seen numbers as high
15 as 50 percent of artists and dancers are out
16 of work. But then the gig workers in the
17 artists community, I've again seen numbers as
18 high as 60 percent.

19 How do we get at the gig workers, and
20 what more than the pop-ups? Yes, I have the
21 WPA bill. Yes, I want to see short-term
22 jobs. But what -- what can we do? And then
23 also if you could -- so in addition to how we
24 do this, what can we do about the summer? I

1 mean, there is a real growing sense of
2 desperation out there to --

3 EXECUTIVE DIRECTOR MANUS: What can we
4 do by the summer, is that what your question
5 is?

6 ASSEMBLYWOMAN FAHY: No, by the
7 summer. Yeah, by -- you know, to get at this
8 desperation. So if not the pop-ups, how do
9 we get it down to -- you know, it's not --
10 Proctor's, in our area, it's not reemploying
11 the full-time staff, it's these gig workers
12 that are, you know, 60 percent unemployed.

13 EXECUTIVE DIRECTOR MANUS: Yes, I
14 think the gig workers are incredibly
15 important.

16 And I just want to mention that while
17 we don't have a lot of detail on it, that the
18 Mellon Foundation is going to be launching a
19 project, an initiative, called Creatives
20 Rebuild New York. It's going to bring --
21 it's going to bring employment to artists and
22 support for organizations who employ those
23 artists. And it's also, I believe, going to
24 provide other kinds of income support for

1 artists.

2 So those details are forthcoming, and
3 so stay tuned. And as soon as we have those,
4 we will obviously be sharing those widely.
5 That is one thing.

6 You know, we operate on a -- we
7 provide grants on an annual cycle, NYSCA, so
8 our grants portal usually opens in January.
9 It's going to be opening in the spring. We
10 make our grants through the year, but the
11 contracts start the following year.

12 And what we are going to do -- which
13 we haven't finalized, but we're going to be
14 offering a small recovery fund. And we
15 should be announcing that in the next month,
16 about a million-point-four, and we're going
17 to probably prioritize small organizations.
18 But we haven't finalized those guidelines
19 yet.

20 And we're going to model it very much
21 on our NEA CARES opportunity, which we would
22 have gotten actually out in a couple of
23 months, and that was just a four-part
24 questionnaire -- super short, super

1 accessible, prioritized small organizations.

2 In terms of the artists, you know,
3 NYSCA is not -- I'm going to answer your
4 question --

5 ASSEMBLYWOMAN FAHY: I see we're out
6 of time. I will follow up with you to
7 really --

8 EXECUTIVE DIRECTOR MANUS: Okay,
9 follow up --

10 ASSEMBLYWOMAN FAHY: -- gig workers
11 and short-term jobs for the summer that
12 address the desperation.

13 Thank you so much to the chair.

14 EXECUTIVE DIRECTOR MANUS: Thank you.

15 And also I did want to just finish my
16 response to you, which is that NYSCA is not
17 in a position to be able to provide grants to
18 individuals, and so we do that through
19 New York Foundation for the Arts, for
20 instance, and support 80 to 100 artists a
21 year through that partnership, for instance.

22 But let's follow up afterwards.

23 ASSEMBLYWOMAN FAHY: Thank you.

24 EXECUTIVE DIRECTOR MANUS: Thank you.

1 CHAIRWOMAN KRUEGER: Okay.

2 CHAIRWOMAN WEINSTEIN: Senate, do you
3 have --

4 CHAIRWOMAN KRUEGER: No, the Senate
5 would actually like to thank this guest for
6 being with us and to say thank you very much
7 from all of us, and to move the hearing
8 forward. Is that all right?

9 CHAIRWOMAN WEINSTEIN: Yes, please.

10 CHAIRWOMAN KRUEGER: Okay. So just
11 for people to understand, it's 1:47. This
12 hearing was scheduled to be done 45 minutes
13 ago, to move on to a second hearing.

14 Helene, we may be past the point in
15 history where we can pull off two hearings in
16 one day. We'll have to have a discussion for
17 next year. There's so much greater interest
18 in so many issues. Which is a very good
19 thing, it's just a little overwhelming from a
20 time perspective.

21 So our first panel -- and now we move
22 to the rules where each person gets three
23 minutes to testify and the questioner also
24 gets three minutes for the question and the

1 answers from whoever on the panel. So
2 it's -- I like to describe it as it's the
3 speed dating part of our public hearings --

4 CHAIRWOMAN WEINSTEIN: Senator
5 Krueger?

6 CHAIRWOMAN KRUEGER: Yes.

7 CHAIRWOMAN WEINSTEIN: I just wanted
8 to clarify just for some members who may not
9 have participated in prior hearings. It's
10 three minutes to ask a question of the panel,
11 not each member of the panel.

12 CHAIRWOMAN KRUEGER: That's correct,
13 Thank you. Yes, three minutes for the panel
14 with their answers. So it's the speed dating
15 part.

16 So our first panel: The League of
17 Independent Theater, Christina Perry; the
18 National Association of Theatre Owners of
19 New York State, NATO -- that's funny, I know
20 this other group who thinks their name is
21 NATO. And that's Joseph Masher, who's the
22 president. He's incorrectly identified as
23 the treasurer on the printed list, but he is
24 the president. Theatrical Teamsters Local

1 817, Thomas O'Donnell, president. And the
2 New York State Hospitality and Tourism
3 Association, Mark Dorr, president.

4 Welcome to you all.

5 I guess we'll go straight down the
6 list. Christina Perry, are you with us?

7 MS. PERRY: I am. Hello. Thank you
8 so much for having me and allowing me this
9 time.

10 I'm Christina Perry, and I am with the
11 League of Independent Theater. We represent
12 over 300 theater venues with 99 seats or
13 less. And we are also part of the United for
14 Small Business and the Save Our Store Fronts
15 Coalition.

16 In addition, I am also a theater venue
17 operator, and I help to operate the Chain
18 Theatre. We have two spaces in Midtown
19 Manhattan here. So I'm representing the
20 League and also giving a personal account of
21 the effects of this pandemic as a venue
22 operator.

23 Our biggest need right now is rent
24 relief for commercial tenants. I'm sure

1 that's a surprise to no one. It's been
2 almost a year since the mandated closure, and
3 while we appreciate all the moratoriums that
4 have been in place, we feel this is not
5 really a solution. To give an example, the
6 not-for-profit I work for is currently
7 looking at over \$100,000 in back rent, and
8 that is just continuing to mount. And that's
9 something that even in the best economy we
10 just would not be able to make up.

11 So I can also tell you from personal
12 experience that rent accounts for 60 percent
13 of our yearly operating budget, and this
14 statistic is true for hundreds in my industry
15 with similar spaces. Rent is and always has
16 been our greatest expense.

17 Prior to the pandemic, we at the
18 Chain Theatre were always paying in full and
19 on time. We were even able to reopen after
20 the devastating effects of Hurricane Sandy
21 when there was sewage literally pouring into
22 our basements. And we even survived the real
23 estate boom in Long Island City that led us
24 to our current space in Midtown.

1 And I share that just kind of as an
2 example of our tenacity and, when we're open,
3 how we can make it work. But this is just
4 something beyond what any of us have ever
5 been able to encounter. And that's why the
6 survival of small businesses like mine is so
7 dependent on rent relief.

8 We're positive fixtures in your
9 community, as so many of you know. We serve
10 the local residents on each block where we
11 live. We provide positive foot traffic. We
12 bring people to the mom-and-pop restaurants,
13 local hotels, stores, public transportation.
14 And of course thousands of students apply
15 each year to the State of New York because
16 they know what kind of opportunities there
17 are upon graduation at theaters like mine.
18 And it's so exciting, and one of our
19 highlights every year is to work with them.

20 So also I'm sure -- you may know that
21 there was a study done in 2019 that tells you
22 that our industry alone collectively accounts
23 for \$1.3 billion in taxes from these
24 activities that then go on to support the

1 state.

2 There's been some wonderful proposals
3 put in place, such as S3349, a bill led by
4 Senator Hoylman and Assemblymember Epstein,
5 and we want to thank them, Senator Serrano,
6 and Senator Salazar. We believe this bill is
7 a really strong example on how commercial
8 rent relief might be implemented, as the
9 proposal shares the burden between the
10 renters and landlords.

11 I see I'm running out of time, so I
12 just want to close by saying thank you once
13 again. And we really hope that we can find a
14 way to find rent relief for commercial
15 tenants such as myself, because our survival
16 depends on it. Thank you.

17 CHAIRWOMAN KRUEGER: Thank you very
18 much.

19 Next, Joseph Masher.

20 MR. MASHER: Good afternoon,
21 everybody, Chairs Krueger and Weinstein. I
22 also wanted to thank specifically Senator
23 Savino and Assemblywoman Fahy for their
24 unwavering support in this effort.

1 I'm Joe Masher, president of the
2 National Association of Theatre Owners of
3 New York State. NATO is the largest
4 exhibition trade organization in the world,
5 representing over 32,000 movie screens in
6 all 50 states and additional cinemas in
7 82 countries worldwide. I'm also the chief
8 operating officer of Bow Tie Cinemas. We
9 have two locations in the Capital District,
10 one in Westchester and one in Manhattan.

11 I'm here today to urge your support in
12 the Governor's budget to allow movie theaters
13 to apply for a liquor license, using the same
14 process as a similar business. Alcohol is
15 already offered in places such as Chuck E.
16 Cheese, sporting events and family
17 restaurants across the state. Even
18 Disney World in Florida has a liquor license.

19 Presently New York does permit limited
20 alcohol sales in movie theaters, but only in
21 conjunction with a full restaurant license,
22 which includes a kitchen and a significant
23 menu. Several theaters offer alcohol sales
24 under this exception. The other way you can

1 do alcohol in movie theaters right now is to
2 license your lobby as a tavern, but then
3 people have to slam their drinks in the lobby
4 before going into their movie.

5 The legal change in this proposal is
6 most urgent, given the current state of the
7 movie theater industry. As a result of the
8 pandemic, movie theaters were completely shut
9 down across the state until this past
10 October, and in New York City will finally be
11 allowed to reopen starting on March 5th.
12 Movie theaters that have reopened are doing
13 so at a capacity that is safe for consumers
14 and the industry, I'm proud to say, has had
15 zero cases of COVID transmission traced to a
16 movie theater.

17 Our pass-through limits are
18 dangerously low for a volume business and
19 profitability, and in order to pay our rent
20 we need other sources of revenue. Many major
21 theater circuits are facing bankruptcy, and
22 many independents and small chains have
23 already been forced to close permanently.
24 The economic impact is really upsetting to

1 hear, let alone to experience.

2 In New York State our box office
3 revenues alone are down 98 percent. We've
4 lost over \$105 million in revenue, including
5 concessions and screen advertising. Further,
6 10,000 jobs in the state have either been
7 lost or still on furlough, including 6,000 in
8 New York City alone. Contrary to popular
9 impression, theaters carry many full-time
10 adult employees on their payroll.

11 Widespread closures have devastated an
12 industry that was already imperiled by
13 streaming technology prior to the pandemic.
14 In 2020, some studios began sending their new
15 movies directly to streaming, skipping the
16 theatrical window entirely. That means
17 zeroing out any revenue these films would
18 have made for theaters.

19 But we're determined to bring
20 audiences back to the big screen. Theaters
21 are taking the initiative to create a more
22 enjoyable movie-going experience that can
23 compete with streaming in the new normal.
24 The proposal will create a much-needed income

1 for an industry that just lost an entire year
2 of revenue. And beyond that, we're committed
3 to working with Taste NY to bring New York
4 State craft beverages into our systems.

5 Small theaters will benefit most from
6 this proposal because while they're often the
7 backbone of downtowns, they're also the least
8 able to afford the renovations necessary to
9 apply for a restaurant license.

10 This provision also builds in adequate
11 protections and restrictions for movie
12 theaters to apply for a license, including ID
13 requirements, one alcoholic beverage per
14 purchase, purchases limited to one hour
15 before the first movie showing and cease at
16 the end of the last movie showing. Food
17 typically found in a theater must be kept
18 readily available. And any municipality may
19 object to a license, and the Liquor Authority
20 may use that as a good cause to deny the
21 license.

22 So we're urging your support for this.
23 Thank you very much.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Our next speaker is Thomas O'Donnell.

2 THE MODERATOR: You need to unmute.

3 MR. O'DONNELL: Thank you, Chairwoman
4 Krueger.

5 My name is Tom O'Donnell. I'm
6 president of Theatrical Teamsters Local 817.
7 I present this testimony on behalf of the
8 entire film production labor community.

9 Thank you for the opportunity to
10 provide testimony to describe the
11 unparalleled success of the Empire State Film
12 Production Tax Credit, and for your long-term
13 support of the film and television production
14 community.

15 In the 2021 legislative session, the
16 union's top priority is ensuring the
17 continuity and stability of the tax credit.
18 We thus testify today in support of the
19 Governor's proposed extension of the program
20 in the State Budget.

21 On Friday, the 13th of March, 2020, we
22 were at record employment and still growing.
23 I got a phone call that day from the
24 commissioner of the New York City Office of

1 Media and Entertainment that the city just
2 had their first COVID-related death and they
3 were shutting everything down. That day we
4 went from 100 percent employment to less than
5 1 percent employment for the next five
6 months.

7 Over those five months, the
8 entertainment unions negotiated with the
9 studios and producers some of the most
10 thoughtful and rigorous safety protocols of
11 any industry in the country -- testing up to
12 three times a week, the best PPE available,
13 social distancing. Today we are returning to
14 near-pre-pandemic employment levels, keeping
15 not only our casts and crews safe, but also
16 the communities and neighborhoods that we
17 live and work in.

18 I just want to emphasize that this is,
19 first and foremost, a union program. We
20 fight to ensure higher wages, the excellent
21 health and pension benefits, even a
22 scholarship fund for our dependent children.
23 Since the inception of the tax credit,
24 Local 817 has more than tripled its

1 membership and our gross wages and benefit
2 contributions have gone from 70 million to
3 almost 400 million. And we're just a very
4 small slice of the employment pie.

5 Lastly, in last year's State Budget
6 the tax credit was reduced from a 30 percent
7 to 25 percent rebate. These reforms no doubt
8 will further increase the state's return on
9 the tax dollars invested in the program.
10 However, we are always monitoring the
11 calibration of the tax credit to maximize its
12 job-creating impact.

13 In summation, this extension does not
14 impact this year's fiscal plan. It will,
15 however, give confidence to producers and
16 employers that New York remains committed to
17 the film and television production incentive
18 for the long haul.

19 I thank you for your time and
20 consideration, and I look forward to
21 answering any questions the panel may have.

22 CHAIRWOMAN KRUEGER: Thank you very
23 much.

24 And our last speaker on the panel,

1 Mark Dorr.

2 MR. DORR: Good afternoon. Thank you
3 for having me. My name is Mark Dorr,
4 president with the New York State Hospitality
5 and Tourism Association. We represent 1,000
6 members throughout New York State, including
7 hotels, amusement parks, destination
8 marketing organizations, those charged with
9 marketing and promoting our great state.

10 So we're currently the third-largest
11 industry in the state, tourism overall. We
12 represent a million jobs, \$19 billion in tax
13 revenue. And we welcomed in 2019 -- I'll
14 take 2020 out of the mix -- but we welcomed
15 250 million visitors, and we hope to get back
16 somewhere -- and I was just reading this
17 morning, I think we're going to get back to a
18 very robust summer travel vacation schedule
19 here in New York State.

20 My main topic this morning is really
21 to thank the economic development folks for
22 recognizing the need to provide a mechanism
23 for collecting of sales tax from the
24 unregulated short-term rental industry. In

1 the Executive Budget this year there's a
2 portion in there to level the playing field
3 that allows for state and local collection of
4 sales tax on those short-term rentals. And
5 obviously that's going to immediately boost
6 the economy by doing that.

7 And, for example, \$18 million probably
8 in sales tax over the last decade has been
9 left on the table. I'd like to thank
10 Assemblymember Fahy especially, she's been a
11 champion of this for us for the last five to
12 six years. And this is one part of a
13 three-part puzzle that we have collecting
14 that sales tax. The occupancy tax is another
15 part of that for later on. But there's
16 probably -- we've done a study with our folks
17 at Smith Travel Research -- probably in
18 New York State another \$90 million in
19 occupancy taxes are not being collected from
20 those short-term rental units.

21 So as we heard earlier from
22 Assemblyman O'Donnell, there is, you know, a
23 segment of the industry out there that is not
24 collecting occupancy tax. However, they're

1 benefiting from the arts, they're benefiting
2 from overnight stays and the marketing and
3 promotion of our convention and visitors
4 bureaus.

5 So -- but mostly I'd just like to
6 thank everybody for the mechanism to collect
7 that sales tax. We hope that makes it all
8 the way into the final budget.

9 Last couple of things, I Love NY is a
10 very important part of the tourism industry
11 and marketing statewide, bringing people in.
12 Again this year, this summer's probably going
13 to be more critical than ever to bring people
14 back to traveling into New York. They're set
15 at \$2.5 million; we hope to keep that level
16 there.

17 And matching grants, which is our
18 convention and visitors bureaus, our tourism
19 promotion agencies. One thing to keep in
20 mind is in the Governor's budget it was
21 \$2.4 million. Last year it was 3.8 in a very
22 tough year. We hope to get back to 3.8
23 million. We'll be asking for that, because
24 it's a match, dollar for dollar, if the local

1 community spends a dollar, the state matches
2 it based on a marketing program. And we hope
3 to accomplish great things this summer.

4 Thank you very much.

5 CHAIRWOMAN KRUEGER: Thank you.

6 All right, who might have a question
7 for any of our guests?

8 CHAIRWOMAN WEINSTEIN: We have
9 Assemblywoman Pat Fahy, three minutes.

10 CHAIRWOMAN KRUEGER: Okay.

11 ASSEMBLYWOMAN FAHY: Thank you. And I
12 really think this is my last question.

13 But great panel, thank you for all you
14 have said and done. The numbers, going back
15 to what Joe Masher said with theaters, we
16 talk so much about the industries that have
17 been so devastated because of COVID, but
18 there are a few I can -- that can point to
19 the absolute devastation of what happened
20 with the movie theaters.

21 So regarding the employment -- a
22 question there, and then I want to get to
23 Mark Dorr as well within my three minutes. A
24 question there on what will help -- I'm

1 actually surprised there are any independent
2 theaters, movie theaters left. So on one
3 hand, kudos to the movie theaters that have
4 stayed and are trying to survive this, huge
5 kudos.

6 But if you can tell us about those
7 that expect to leave and what it's going to
8 take to make them reemploy people.

9 And then, before I stop, I want to --
10 then, secondly, I want to get to Mark Dorr to
11 see if the sales tax on -- again, if you
12 could take a few more seconds to explain the
13 difference that this could make to some of
14 our upstate counties. The reason I have
15 supported the upstate -- in some ways it's an
16 upstate Airbnb bill, because they're already
17 doing that more in the city. It's to level
18 the playing field. Because when you are not
19 paying your taxes, you are indirectly hurting
20 hotels and motels.

21 So if you would start with Joe Masher
22 on what it's going to take to get the
23 theaters back -- I've got a minute and a half
24 here, or less -- and then Mark Dorr, please.

1 MR. MASHER: Thank you again for your
2 support, Assemblywoman Fahy.

3 A big step happened yesterday when the
4 Governor announced that New York City
5 theaters can reopen. Without New York City
6 and LA, studios have not released big movies
7 exclusively into theaters, so it's limited
8 our chances, where we are open, to gain an
9 audience.

10 We have done so, as I said, very, very
11 safely with zero cases. So, you know, the
12 theaters that have managed to hang on -- and
13 there are many that just won't reopen --
14 really need extra amenities such as alcohol
15 to lure patrons back. It's not a place where
16 people come and get drunk, it's not a place
17 where people are coming to buy multiple
18 drinks, it's an amenity. And we need
19 amenities to keep people coming back to
20 theaters.

21 We're excited to get reopened in
22 New York City next Friday, and we hope that
23 you'll support this to get us the amenities
24 that we need to continue to --

1 ASSEMBLYWOMAN FAHY: I've carried the
2 bill for a few years. I assure you I will
3 support it.

4 MR. MASHER: You and everybody else.

5 ASSEMBLYWOMAN FAHY: I'm trying to
6 make sure that bill extends beyond the
7 executive orders.

8 And then Mark Dorr, if you could
9 please respond to the --

10 MR. DORR: Well, the sales tax
11 portion, for many years -- the sales tax
12 collecting that's in the Executive Budget
13 provides for state and local county sales tax
14 to go on those short-term rentals, your
15 Airbnbs, your VRBOs. Eighteen million
16 dollars throughout the whole state just on
17 the sales tax.

18 The one thing, if I may, the second
19 component that Assemblymember Fahy carries a
20 bill for us is the occupancy tax. And I was
21 so glad to be included on sort of the theater
22 panel here, because one of the biggest
23 disparities as the hotels -- and hotels are
24 not against short-term rentals, they just a

1 level playing field so that they're all doing
2 the same thing.

3 Real quickly, on the occupancy tax, it
4 goes into marketing and promoting regions.
5 {Zoom interruption} And if you've got
6 theaters that are full, that spills over into
7 the hotels -- that segment of our industry is
8 not collecting the occupancy tax, which goes
9 into drawing more people in. So if we can
10 get theirs, the second part, that would help
11 promote and bring people to the theaters as
12 well.

13 So thank you.

14 ASSEMBLYWOMAN FAHY: Thank you. Thank
15 you to the chairs.

16 Really look forward to working with
17 both of you, and more. Thank you.

18 CHAIRWOMAN KRUEGER: Helene, I have a
19 question, if you don't mind. Thank you.

20 So Mr. Dorr, following up on the hotel
21 tax question. Actually, Pat Fahy is
22 incorrect, New York City does not use the
23 property taxes for this kind of model at all.

24 ASSEMBLYWOMAN FAHY: My mistake.

1 Thank you. Yes, my mistake. Let's pass it
2 for the whole state. Thank you, Chair.

3 CHAIRWOMAN KRUEGER: But the concern
4 that's been brought out in many places all
5 around the country is that if you're going to
6 collect the sales tax, it needs to be done
7 correctly so that the government knows who
8 exactly is paying the sales tax at which
9 location. And this bill is not written --
10 the way the Governor has it written, that it
11 would be in violation of actually our tax
12 laws and the country's tax laws.

13 So would you agree that a tax that is
14 provided through a third-party vendor without
15 the government knowing who's paying the tax
16 or on what business, would be a problem?

17 MR. DORR: They're going to need to
18 report who their hosts are in order to make
19 sure the tax is being collected. There's a
20 lot of county sort of tax agreements where
21 they just send in a check and say, this is
22 what we -- you know, there's no way to check
23 and make sure.

24 But as I understand it, we would want

1 them to put in there -- when they're putting
2 the tax in, they have to register the host
3 and the money comes through the third party.

4 CHAIRWOMAN KRUEGER: Well, my
5 understanding is that they don't want to
6 actually have to register who the host is or
7 what the address is where this is taking
8 place.

9 Because once you get into occupancy
10 taxes or other collections of fees, you also
11 have to look into are they in violation of
12 other laws. So we have stricter laws for
13 hotels than for private residences for good
14 reasons. So if somebody's going to suddenly
15 go into the business -- and it would be
16 business because it's paying hotel and
17 occupancy taxes -- then make sure that they
18 are following the correct building codes and
19 fire codes and electric codes, which will be
20 a serious problem for many of these people
21 who might think it's simply a question of,
22 you know, renting out for a few days.

23 So it's a lot more complicated than
24 sometimes it comes across. But I don't want

1 to take any more time up in today's hearing,
2 but I'm happy to discuss it further with
3 anyone. And I am going to move us along
4 unless somebody tells me, we need to let you
5 ask more questions of this panel.

6 And no one's saying that --

7 CHAIRWOMAN WEINSTEIN: We have --

8 CHAIRWOMAN KRUEGER: Yes?

9 CHAIRWOMAN WEINSTEIN: We have no
10 further hands raised, Senator, so we can move
11 on.

12 CHAIRWOMAN KRUEGER: Thank you very
13 much.

14 So moving on on our schedule, Panel B,
15 I'll just read off the names first. Post
16 New York Alliance, Yana Collins Lehman;
17 New York City Artist Collective,
18 Olympia Kazi; Long Island Progressive
19 Coalition, Lisa Tyson; and Chhaya CDC,
20 Jose Miranda. Although there might be a note
21 that we might not have found him. So let's
22 see if he was showing up.

23 THE MODERATOR: Yes, they didn't show
24 up.

1 CHAIRWOMAN KRUEGER: The first three
2 are here, though, right?

3 THE MODERATOR: Correct.

4 CHAIRWOMAN KRUEGER: Fine, let's start
5 with Yana. Hello, Yana, can you unmute?

6 MS. LEHMAN: Hello, yes.

7 CHAIRWOMAN KRUEGER: There you are.

8 Hi.

9 MS. LEHMAN: Good morning. Good
10 morning, Chairwoman Krueger --

11 CHAIRWOMAN KRUEGER: No, it's
12 afternoon.

13 MS. LEHMAN: Good afternoon. Good
14 afternoon, Chairwoman Krueger, Chairwoman
15 Weinstein, and distinguished members of the
16 New York State Finance Committee and the
17 Assembly Ways and Means Committee.

18 I am Yana Collins Lehman, and I thank
19 you for the opportunity to provide testimony
20 on behalf of the Post New York Alliance,
21 PNYA, the association of film and television
22 post-production facilities and labor unions
23 operating in New York.

24 The PNYA is made up of over

1 65 companies from all over the State of
2 New York, with over 600 individual
3 post-production professionals working in film
4 and television. It is the mission of the
5 PNYA to incentivize film and television
6 projects to finish in New York, to market the
7 services provided by New York's
8 post-production industry, and to create
9 avenues for talent to enter into this
10 fast-growing sector of the economy.

11 To that end, we testify today in
12 support of the Governor's proposed extension
13 of the Post-Production Tax Credit in the
14 state budget. The post-production credit is
15 a \$25 million suballocation of the
16 \$420 million Empire State Film Production
17 Credit.

18 This framework divides the overall
19 post-production program into two components:
20 a Production Tax Credit that provides an
21 incentive for productions that shoot in
22 New York, including subsequent in-state
23 expenses on post-production; and a
24 Post-Production Tax Credit that incentivizes

1 additional productions which shoot outside
2 New York to bring the projects to New York
3 for their post-production work.

4 The success of the program is
5 unparalleled, with the post-production sector
6 seeing explosive growth since enactment of
7 the separate post-production incentive,
8 allowing domestic productions to bring scores
9 of editorial work to New York. By enhancing
10 the credit, it allowed New York to compete
11 with Canada, which has a 48 percent Visual
12 Effects Labor credit, and the UK, which
13 credits 30 percent on 100 percent of a spend
14 of 80 percent of the spend that happens in
15 the UK.

16 We've succeeded in repatriating
17 high-paying vis effects jobs that were based
18 in China and India because producers prefer
19 having talent in the same time zone and they
20 offset the New York labor cost increase with
21 the credit.

22 The PNYA commissioned a 2019 report
23 from HR&A Advisors illustrating the
24 post-production program's role as both a jobs

1 creator and an economic stimulus for
2 New York's economy. The report indicated
3 that over 10,800 people, including
4 3,560 freelancers, worked in the
5 post-production ecosystem -- all jobs in the
6 traditionally defined post-production
7 industry, as well as all post-production jobs
8 in adjacent industries -- with an average
9 income of \$83,000.

10 In contrast, prior to the
11 post-production incentive, it was a rare
12 occurrence for productions that didn't shoot
13 in New York to opt to engage their editorial
14 work in New York. And in fact, after the
15 credits spurred the growth of our sector,
16 35 percent more people worked in New York's
17 post-production ecosystem in 2019 than in
18 2004.

19 Over 40 percent of traditionally
20 defined post-production jobs in New York do
21 not require a bachelor's degree, and a
22 diverse talent development pipeline breaks
23 down barriers to opportunity.

24 In addition, approximately 13,250 jobs

1 are supported by this growing post-production
2 ecosystem, with average wages of \$86,000.
3 All together, these 24,000 middle-class jobs
4 across the state can be attributed to the
5 post-production credit, with our sector's
6 continued growth and stability likewise tied
7 to its long-term extension.

8 All this job growth and investment
9 buoyed by the post-production credit ripples
10 across the New York State economy. Direct
11 investment tied to the credit in 2017 led to
12 \$6.9 billion in spending, \$2 billion in wages
13 paid, and \$142 million in state tax revenues
14 back to the state and localities. The
15 credits have helped New York become a
16 national leader in post-production, and
17 20 percent of U.S.-based post-production
18 firms call New York home.

19 However, like all industries,
20 post-production has been highly impacted by
21 the COVID-19 pandemic. The post-production
22 credit insists that 75 percent of eligible
23 spend occur within the state. However, our
24 physical offices worked with skeleton crews

1 to adhere to state COVID-19 protocols. As a
2 result, much of our editorial work has
3 occurred directly in individual workers'
4 homes, in many cases out-of-state.

5 This has led to significant confusion
6 regarding how to accurately determine
7 eligibility for the incentive where the
8 primary office is in New York, but the
9 individual is telecommuting from their home
10 state. This is not an academic question.
11 Already a few large film productions and at
12 least two repeat TV series, not sure whether
13 they would still qualify for the credit with
14 much of their labor having to move
15 out-of-state, left New York for good and gave
16 up the credit.

17 To clarify this matter, we are
18 proposing language be added to the Governor's
19 proposed extension that will explicitly
20 qualify the costs of out-of-state
21 telecommuting workers of New York's
22 post-production businesses for the tax
23 credit's rebate.

24 Such language is thematically

1 consistent with the Department of Taxation
2 and Finance's guidelines, which subject state
3 taxes to wages paid to non-state residents
4 who telecommute to a primary office within
5 New York. Given these workers pay New York
6 state taxes, we believe their work should
7 also be eligible for New York's tax
8 incentive.

9 In summation, the Empire State Film
10 Post-Production Tax Credit has supported the
11 creation of thousands of jobs and billions of
12 dollars in wages and economic activity. The
13 PNYA respectfully urges your support for the
14 Governor's proposed one-year extension of the
15 Post-Production Tax Credit, and asks for your
16 support in clarifying that the spend on
17 out-of-state telecommuters will be eligible
18 for the post-production incentive. This
19 proposed extension and technical
20 clarification will ensure a continuation of
21 the growth, vibrancy, and vitality of the
22 post-production industry throughout the
23 state.

24 I thank you for this opportunity to

1 testify on behalf of our industry, and I look
2 forward to answering any questions the panel
3 may have.

4 CHAIRWOMAN KRUEGER: Thank you.

5 Next, we have Olymbi -- I'm so sorry.
6 Yes, Olympia Kazi.

7 MS. KAZI: Don't worry. My name is
8 Olympia Kazi. Can you hear me?

9 CHAIRWOMAN KRUEGER: Yes, we can,
10 thank you.

11 MS. KAZI: Okay. So thank you for
12 holding this hearing and for asking great
13 questions all day today.

14 My name is Olympia Kazi, and I'm a
15 founding member of the Music Workers
16 Alliance, a group of independent musicians
17 and DJs who fight against unfair treatment,
18 and the New York City Artist Coalition, not
19 collective. Our claim to fame was that we
20 were the leading group in repealing the
21 Cabaret Law. And as a result of that work, I
22 also serve as the vice chair of the New York
23 City Night Life Advisory Board.

24 The New York City Artist Coalition

1 advocates for the safety and preservation of
2 grassroots cultural spaces and is also a
3 member of the United for Small Business NYC.

4 First of all, I'd like to counter a
5 remark made earlier today by Commissioner
6 Eric Gertler, who said that New York State
7 was thriving before the pandemic. The truth
8 is the markets were thriving, but the
9 majority of working people of our state were
10 left behind, struggling with housing costs
11 and unfair employment situations. So this
12 year we need to pass a budget that puts us on
13 a more equitable path forward.

14 Today I'll ask you to fund two very
15 important items for the recovery of the
16 people of our state: Commercial rent relief
17 with at least 500 million, as it is asked by
18 the Save Our Store Fronts; and a WPA-style
19 program as outlined by Assemblymember Fahy's
20 bill for all workers in need, with
21 \$2 billion.

22 To fully fund these initiatives we'll
23 need to enact the taxes proposed by the
24 Invest in Our New York Act. These long-term

1 revenue raisers will be critical, not just
2 for the short-term recovery but also for
3 ongoing future investments in our
4 communities.

5 So rent is really the elephant in the
6 room for small businesses. Arts and cultural
7 venues are commercial tenants, so we face the
8 same issues as the small businesses, and we
9 have very little if any protections. It
10 takes years to establish a cultural space
11 with our community of artists, employees,
12 suppliers, and of course audience, and very
13 often they are shuttered overnight with
14 exorbitant rents.

15 The few that are surviving right now,
16 they face the back rent, when they will have
17 to pay it, and they accrued in the meanwhile
18 crazy debt.

19 So we really need to invest,
20 especially in the small grassroots cultural
21 spaces -- that's low-income, minority and
22 marginalized communities.

23 Also, you know, the important thing is
24 what is happening with our workers. We know

1 the unemployment rate is huge, and especially
2 for the performing arts, they've been
3 shuttered since last March, so a year now.
4 And the broken and piecemeal unemployment
5 system has left many workers out -- basically
6 struggling to survive. So we need to pass a
7 WPA bill for the next three years when we're
8 hoping to be able, within three years, to get
9 back to the 2019 level of productions.

10 But long-term, there can be no
11 recovery for New York if we don't invest in
12 our arts and culture and in our people. So
13 please pass a good budget and stop the
14 scarcity mentality that our Governor has
15 imposed during a pandemic in a cruel way,
16 frankly.

17 Thank you so much.

18 CHAIRWOMAN KRUEGER: Thank you.

19 And our next, Lisa Tyson. Hello.

20 MS. TYSON: Hello, how are you?

21 Thank you. My name is Lisa Tyson,
22 director of the Long Island Progressive
23 Coalition. I really appreciate speaking and
24 having this opportunity to speak to you at

1 this hearing.

2 I'm a resident of Bellmore,
3 Long Island. Long Island Progressive
4 Coalition fights for structural change at the
5 local, state and national levels to attain
6 racial justice, build community wealth and
7 realize a just transition to a 100 percent
8 renewable energy future.

9 Actually, earlier today I was outside
10 Senator Thomas's office to drop off
11 1700 postcards from Long Islanders across the
12 island who believe in legalizing marijuana.
13 All across Long Island, people believe in it.
14 It is not a fringe issue. There's huge
15 public support for legalization -- from moms
16 like me, veterans, seniors. We were out
17 today, and we really need your support in
18 moving this forward.

19 So we're here really to talk about
20 legalization, but any proposal worth passing
21 must center on equity, community
22 reinvestment, remove critical penalties and
23 repair the past harms caused by the failed
24 war on drugs.

1 Cannabis prohibition has been a racist
2 endeavor since the beginning. Decades of
3 criminalization have disproportionately
4 affected Black and brown communities, despite
5 the fact that white people consume and sell
6 marijuana at the same rate.

7 Outside of New York City, Long Island
8 has some of the biggest disparities. Nassau
9 and Suffolk counties had the highest arrest
10 rates for low-level marijuana offenses in the
11 state from 2010 to 2017, with people of color
12 being arrested and prosecuted at a
13 significantly higher rate than white people.

14 Many of the arrests on Long Island are
15 the result of the stop-and-frisk traffic
16 stops, where officers stop drivers if they
17 have a reasonable suspicion of criminal
18 activity. Officers routinely use, without
19 evidence, the odor of marijuana as a pretext
20 for these instances.

21 These racially biased stop-and-frisk
22 traffic stops are pervasive throughout
23 Long Island. A recent Newsday analysis found
24 that Suffolk County police officers pulled

1 over Black drivers almost four times more
2 than white drivers, and Hispanic drivers
3 twice as often. More tellingly, after
4 stopping drivers police search Blacks over
5 three times more frequently than whites, and
6 Hispanics 1.7 more times.

7 Virginia has banned police searches
8 based on the smell of marijuana, and in
9 July 2020 Maryland's highest court affirmed
10 that police cannot use the smell of marijuana
11 to search and arrest a person. A
12 Pennsylvania appeals court ruled in
13 October 2020 that marijuana smell alone
14 cannot form the basis for a vehicle search.

15 New York should follow suit, in tandem
16 with the passage of a legalization proposal
17 rooted in racial and economic justice, so
18 those most harmed by disproportionate
19 enforcement of misguided prohibition policies
20 are in a position to benefit most from our
21 state's new, well-regulated cannabis
22 industry, which will generate 50,806 jobs,
23 \$2.2 billion in employee compensation,
24 \$4.7 billion in value added, and \$6.1 billion

1 in total economic output, according to the
2 new study by economist James Parrott and
3 labor-market consultant Michele Mattingly.

4 Beyond restorative justice and
5 economic conditions, legalizing cannabis has
6 multiple other benefits. Marijuana use among
7 teens has decreased in states where it's
8 legal, and that's because legalizing and
9 regulating recreational cannabis makes it
10 difficult for kids to obtain. Multiple
11 studies show that access to legal cannabis
12 leads to reductions in opioid deaths by
13 40 percent.

14 There is broad support on Long Island
15 for legalization, and we are ready to build
16 the new industry on Long Island with our
17 farms, we're ready to have a multitude of
18 supportive businesses, and ready to open
19 dispensaries owned by the communities most
20 harmed by the drug wars. This is the year
21 New York should legalize cannabis, but we
22 must do it the right way.

23 Thank you.

24 CHAIRWOMAN KRUEGER: Thank you very

1 much.

2 Anyone with any questions for this
3 very diverse panel?

4 Well, then, we appreciate your being
5 with us today. Thank you very much. And it
6 was quite a diverse group of proposals, thank
7 you.

8 Our next panel will be New York State
9 Center of Excellence in Bioinformatics and
10 Life Sciences, Norma Nowak; Associated
11 Medical Schools of New York, Jonathan Teyan;
12 the Business Incubator Association of
13 New York State, Marc Alessi; and United for
14 Small Business NYC, Karen Narefsky.

15 You see how diverse economic
16 development topics are even just by the names
17 of the organizations.

18 So let's start with Norma. Are you
19 here, Norma?

20 DR. NOWAK: I am.

21 CHAIRWOMAN KRUEGER: Hi.

22 DR. NOWAK: Hello. Thank you to the
23 chairs and committee members for the
24 opportunity to testify today. I am Dr. Norma

1 Nowak, and I lead the University at Buffalo
2 Center of Excellence in Bioinformatics and
3 Life Sciences, as well as the Center for
4 Advanced Technology in Big Data and Health
5 Sciences.

6 The COEs and CATs are among the
7 highest-performing economic development
8 programs in the state. Under the Executive
9 Budget proposal, the COEs would be eliminated
10 and consolidated into the CAT program through
11 competition. Funding for the 14 COEs and 15
12 CATs would also be reduced by 19 percent,
13 from \$23.5 million to \$19 million.

14 On behalf of all 29 CATs and COEs, we
15 are asking the State Legislature to once
16 again reject the proposal to consolidate the
17 centers as well as to restore the centers'
18 funding levels.

19 The COEs were established to take
20 advantage of regional strengths and talent,
21 while the CATs are designated for their
22 ability to address specific emerging
23 technologies identified as state priorities.
24 The COEs provide an environment to foster

1 collaboration between academia and industry.
2 These facilities provide the academic
3 experts, staff, student talent and
4 state-of-the-art technology that are critical
5 to the success of our industry partners.

6 The CAT program cuts across many
7 technology sectors and provides project-based
8 funding for collaborative applied research
9 with industry partners and capitalizes on
10 matching funds from industry -- unlike the
11 COEs, which require a match from the
12 university. The industry matching funds
13 required are more challenging for startup and
14 early-stage companies, as well as our small
15 businesses, during the pandemic.

16 According to the 2017-2019 Empire
17 State Development annual reports, the centers
18 combined have approximately \$2.5 billion in
19 economic impact and help to create or retain
20 10,000 jobs. Centers typically received a
21 million dollars annually, which has
22 translated into an astonishing 25:1 to 45:1
23 return on investment.

24 The impact of the COEs extends beyond

1 their home regions. For example, Buffalo's
2 COE anchor tenant and former UB startup,
3 Athenex, is now a global oncology-focused
4 biopharmaceutical firm with 606 employees
5 worldwide, with 205 in Western New York.
6 Their new \$210 million pharmaceutical
7 manufacturing facility in Dunkirk, New York,
8 is opening later this spring and is
9 recruiting 450 new employees, bringing a
10 much-needed boost to the Southern Tier
11 region.

12 In addition to their proven record of
13 job creation, the COEs and CATs played a
14 critical role in the state's response to the
15 COVID-19 pandemic. The centers have
16 collaborated on over 80 COVID-related
17 projects with industry. The collaborations
18 included diagnostic testing, PPE, HVAC,
19 vaccine development, and more.

20 The Buffalo Centers and the COE at RIT
21 in Advanced and Sustainable Manufacturing
22 worked together to advance You First
23 Services' SteriSpace air sterilization
24 technology, which eliminates airborne

1 pathogens such as COVID-19 from the
2 environment when attached to an HVAC system.

3 The rapid response to the sudden and
4 unexpected demands of the pandemic
5 demonstrates how valuable COEs and CATs have
6 been for addressing the public health crisis
7 of our time, as well as rebuilding our
8 economy. Let us not divest in them and turn
9 back the progress we have achieved.

10 As I have shown, it is critical for
11 the State Legislature to again reject the
12 Executive Budget proposal to eliminate the
13 Centers of Excellence as well as restore
14 funding, continuing the centers' progress to
15 drive an innovation economy throughout
16 New York.

17 Thank you.

18 CHAIRWOMAN KRUEGER: Wow, perfect
19 timing. Well done.

20 (Laughter.)

21 CHAIRWOMAN KRUEGER: Next -- sorry.
22 Let's see. Who's our next speaker? Is that
23 Marc Alessi? Or Jonathan Teyan?

24 MR. TEYAN: Yes. I believe it's me.

1 CHAIRWOMAN KRUEGER: Thank you,
2 Jonathan, it is.

3 MR. TEYAN: So thank you, Chairs
4 Krueger and Weinstein, for the opportunity to
5 testify. And good afternoon to all the
6 distinguished members.

7 My name is Jonathan Teyan. I'm the
8 COO of the Associated Medical Schools of
9 New York. We are the consortium of the
10 17 medical schools in the state.

11 We have more medical schools in
12 New York than any other state in the nation.
13 We also have an embarrassment of riches in
14 some of the, you know, best academic research
15 institutions in the world and a really high
16 concentration of biopharma companies.

17 I really want to take this opportunity
18 to underscore the importance of biomedical
19 research and the life sciences. They're
20 vital components of what the medical schools
21 do, but they're also vital to the state's
22 economy. Really, New York is a leader in so
23 many areas within the life sciences.

24 And just to give a very broad

1 overview, in 2020 we brought in \$3.2 billion
2 in NIH funding to New York, much of which --
3 most of which went to the medical schools and
4 supported more than 6,000 research projects.

5 One thing I really just would take a
6 moment to highlight and echo some of
7 Dr. Nowak's comments. You know, when COVID
8 arrived, really much of our research
9 community pivoted to understanding and
10 treating COVID. And I think it really
11 underscores the need to maintain a life
12 sciences infrastructure and a robust
13 scientific workforce. And that dovetails --
14 actually leads into my -- the two programs
15 that I would really like to highlight this
16 afternoon, which are the NYFIRST program and
17 NYSTEM, the stem cell program.

18 So firstly the NYFIRST program -- as a
19 reminder, this was a \$20 million investment
20 included in the 2018 Life Sciences
21 Initiative. It supports the recruitment and
22 retention of star scientists to the medical
23 schools. It has worked extraordinarily well.

24 There have been three cycles of RFAs

1 since it was first launched in 2018. The
2 first one was made official, the first set of
3 awards was made official in 2019. Three
4 recruits from outside New York came here and
5 basically set up their labs, which function
6 as small businesses within the medical
7 schools. They have, we project, created a
8 hundred jobs in the first three years, and
9 their institutions have matched with another
10 \$17.5 million in their own investments.

11 So we'd really like to see this
12 program continue, and that the
13 unappropriated -- the unspent funds get
14 reappropriated in the upcoming budget.

15 And just quickly, since I am running
16 out of time, the NYSTEM program has really
17 been a -- has been the flagship life sciences
18 investment in New York for the past decade.
19 It was envisioned as a \$600 million
20 investment to make New York a leader in stem
21 cell science. It has done that, and more.
22 It actually has generated quite a lot of
23 economic activity. We've spun out some very
24 large companies that have attracted hundreds

1 of millions of dollars in DC investment.

2 And unfortunately, the Executive
3 Budget proposal would terminate the program
4 with no new funding for that research after
5 April 1st of this year.

6 Again, we think it's an
7 extraordinarily successful program that has
8 both major health implications, major
9 economic implications, and the science really
10 has reached maturity. We're launching
11 clinical trials -- actually trials have been
12 launched in Parkinson's disease, sickle cell
13 disease, and many other areas.

14 And, you know, just in closing I would
15 say that at a time when COVID has really
16 emphasized how important research is, it
17 seems perplexing to terminate what has,
18 again, been our flagship investment in life
19 sciences in New York for the past decade.

20 So I'll leave it there, since I am
21 over time, and thank you again for the
22 opportunity.

23 CHAIRWOMAN KRUEGER: Thank you,
24 Jonathan.

1 Next is Marc Alessi, Business
2 Incubator Association of New York State.

3 MR. ALESSI: Thank you for the
4 opportunity, Chairwoman, for me to give
5 testimony on behalf of the incubators of
6 New York State. I'm the executive director
7 for the Incubator Association. We are a
8 member-led trade association of over
9 100 incubators and accelerators across
10 New York State that house over 3,000 startup
11 companies.

12 In addition to this role, I'm also a
13 startup entrepreneur myself, with a company
14 that is housed in Stony Brook's incubators on
15 Long Island. And I'm a former State
16 Assemblyman, so I think I have a unique
17 perspective on the macro end of what you're
18 looking for out of economic development
19 programs for the people of New York State
20 and, at the micro end, as an entrepreneur
21 that's on the receiving end of some of the
22 services provided on this maturing innovation
23 ecosystem.

24 The importance of incubation cannot be

1 overstated. Many of you may have heard how
2 90 percent of startups fail. And when you
3 look at startups, that could be anything from
4 a tech startup at an incubator to a local
5 restaurant in our downtown.

6 But incubated startups, 50 percent of
7 them succeed. As a result of the programming
8 that they receive, and the mentorship, we're
9 able to de-risk these companies. Incubated
10 startups that succeed have the potential to
11 grow very fast and add hundreds of jobs, and
12 we've seen this across New York State.

13 When I was in the Assembly, I was the
14 chair of the Subcommittee on the
15 Emerging Workforce, a subcommittee of the
16 Labor Committee, and we held hearings to try
17 to figure out how back then -- this is 2008,
18 2009 -- the State of Tennessee was
19 commercializing more of their higher ed IP
20 than New York State, and a lot of that had to
21 do with a lack of investment in the
22 innovation and entrepreneurial ecosystem.

23 That has changed over the past 10 to
24 15 years, and you've made that investment.

1 And we went from falling behind Tennessee to
2 the second-largest innovation ecosystem in
3 the world, pumping out thousands of jobs a
4 year, hundreds of millions in venture capital
5 investment, and billions in economic
6 activity.

7 So I would say during this COVID
8 crisis it's definitely not time to hit the
9 brakes, it's time to hit the accelerator on
10 these types of programs. You know, you know,
11 in terms of programs that our association
12 offers incubators, we offer education to the
13 incubator managers, we bring them together to
14 share best practices. We are launching this
15 year, thanks to some legislative grant
16 funding we were able to obtain from former
17 Senator Marty Golden, a soft landings program
18 to bring international companies to the
19 United States, through New York State,
20 through our incubation programs.

21 And, you know, our pre-incubation
22 program to help Main Street entrepreneurs
23 succeed is a new program launched this year
24 as well. But we need to maintain the funding

1 of the Certified Incubator programs that the
2 Governor has included in his budget at
3 \$2.5 million, and the Hotspot Regional
4 Incubator Program, which funds regions at
5 \$2.5 million for all the incubators in those
6 regions to be able to partake in the program.

7 And the last thing -- I know I'm out
8 of time --

9 CHAIRWOMAN KRUEGER: You are out of
10 time.

11 MR. ALESSI: There's a fix that's
12 needed in the START-UP NY program. Because
13 of COVID-19, there are companies that have
14 promised job creation, they've created those
15 jobs, but those jobs are supposed to report
16 to the START-UP NY location, and because of
17 COVID-19 social distancing, those employees
18 are being asked to stay home and remote work.

19 And these companies are now being
20 informed by State Tax and Finance that
21 they're not going to qualify for the program
22 because of this hiccup. And we need to fix
23 this in the state budget.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Thank you. I see the ranker from
2 Ways and Means -- I was going to make you a
3 Senator, but let's leave you in the Assembly,
4 Assemblymember Ra for five minutes.

5 ASSEMBLYMAN RA: Thank you, Chair.
6 I'm happy to stay in the Assembly, so --

7 (Laughter.)

8 ASSEMBLYMAN RA: I just had kind of
9 some follow-ups regarding the Centers of
10 Excellence and the CATs and that proposal.

11 But I just wanted to -- directly to
12 Ms. Nowak, was your Center of Excellence
13 funded or had funding withheld last year,
14 from last year's budget?

15 DR. NOWAK: We had some money taken
16 back, so the budget was reduced. And there
17 is going to be a hold-back of funds, so we'll
18 submit 100 percent of our costs, but there
19 will be a 20 percent hold-back.

20 CHAIRWOMAN KRUEGER: Assemblymember, I
21 left one of the panelists off. So do you
22 mind if I --

23 ASSEMBLYMAN RA: Oh, go ahead, I'm
24 sorry.

1 CHAIRWOMAN KRUEGER: No, it was
2 totally my fault.

3 I apologize, Karen. So we're going to
4 reset the clock, we're going to go back and
5 have you testify, and then we'll
6 Assemblymember Ra his five minutes again.

7 Okay, Karen Narefsky. Are you on
8 mute? Can you come off mute, Karen?

9 MS. NAREFSKY: Great, thank you. Can
10 you all hear me?

11 CHAIRWOMAN KRUEGER: Yes.

12 MS. NAREFSKY: Can you all hear me?

13 CHAIRWOMAN KRUEGER: Yes.

14 MS. NAREFSKY: Great. Thank you so
15 much --

16 CHAIRWOMAN KRUEGER: Lost you.

17 MS. NAREFSKY: Can you all hear me?

18 CHAIRWOMAN KRUEGER: Now, yes.

19 MS. NAREFSKY: Fabulous.

20 Thank you so much to the committee
21 chairs for the opportunity to testify. My
22 name is Karen Narefsky, and I'm the senior
23 organizer for equitable economic development
24 at the Association for Neighborhood and

1 Housing Development, one of New York City's
2 leading policy and advocacy organizations,
3 with a membership of over 80 nonprofits.

4 I'm testifying today on behalf of
5 United for Small Business New York City, a
6 coalition convened by ANHD. United for Small
7 Business is a coalition of 15 groups across
8 the city working to protect small businesses
9 and commercial tenants from displacement,
10 especially owner-operated businesses that
11 serve low-income communities and communities
12 of color. So these are really the smallest
13 businesses that so many of the committee
14 members today have mentioned.

15 In 2019 we conducted research on the
16 challenges facing small businesses in
17 immigrant commercial corridors, and we found
18 that high rents were a top concern for
19 82 percent of those businesses. Because of
20 the pandemic, what was formerly a concern is
21 now an existential threat. And because of
22 this, I want to urge the Legislature to
23 prioritize commercial rent relief as part of
24 the strategy for equitable economic recovery.

1 As several of the committee members
2 have already mentioned today, existing state
3 programs don't address the need for rent
4 relief, and the individual deals that have
5 been worked out are not going to be
6 sustainable forever, for tenants or for
7 property owners.

8 With regards to the various eviction
9 restrictions that are in place, they're not
10 truly moratoriums. But even if they were,
11 commercial tenants are not going to wait for
12 an eviction notice if they don't have the
13 money to maintain operations. They're either
14 going to close, or they're going to go
15 bankrupt. And as a matter of fact,
16 bankruptcy filings have increased by 40
17 percent in New York City last year, and
18 thousands of businesses have already closed.

19 We shouldn't really be asking
20 businesses to reopen at the expense of public
21 health. We know that 25 percent capacity
22 indoor dining is not profitable for
23 restaurants, but we also know that
24 100 percent capacity indoor dining isn't

1 safe. Not to mention we love restaurants,
2 but we also have many types of businesses
3 across the state and they all have different
4 needs.

5 What they have in common is the need
6 for a bridge that will help them get from the
7 current crisis to a recovery where they can
8 operate as they did before the pandemic. If
9 we don't provide that bridge, the state will
10 lose millions of jobs, billions of dollars in
11 tax revenue, and the goods and services
12 provided by those businesses, which in many
13 cases are culturally specific to the
14 neighborhood and hard to replace.

15 As I mentioned earlier, our coalition
16 supports a broadly accessible commercial rent
17 relief program, and we'd like the state to
18 devote \$500 million to this program in the
19 budget. We support the approach of
20 Senate Bill 3349 and Assembly Bill 3190,
21 sponsored by Senator Hoylman and
22 Assemblymember Epstein, under which all
23 commercial tenants who have lost revenue due
24 to COVID and can't pay rent would qualify for

1 a partial abatement and would be required to
2 pay a prorated portion of their rent or
3 actual income.

4 Property owners whose tenants get this
5 abatement would be eligible for reimbursement
6 from the state, and we believe that there's a
7 rule for ESD to play here in administering
8 that program. This will complement the
9 initiative mentioned by the commissioner, and
10 we think it's really important for all
11 impacted small businesses to be eligible, to
12 ensure that the smallest businesses get what
13 they need.

14 And finally, I want to share that ANHD
15 also supports the intention of the proposal
16 in the Governor's budget to allow residential
17 conversions of hotels and office buildings to
18 affordable housing. However, we believe that
19 this should exempt land zoned for
20 manufacturing, given the limited industrial
21 land available and the key economic role of
22 industrial businesses. So in New York City
23 there are approximately 45 hotels eligible
24 for conversion that would fall within

1 manufacturing zones.

2 We ask that the Legislature also allow
3 the affordable units created through
4 commercial conversions to be funded by city
5 subsidy programs as well as state programs,
6 and to add additional restrictions to
7 disincentivize the option of payments in
8 lieu.

9 So thank you again to the committee
10 chairs and to all the members for the
11 opportunity to testify.

12 CHAIRWOMAN KRUEGER: Thank you.

13 And now we're going to go back to
14 Assemblymember Ra; give him back five minutes
15 on the clock. Thank you.

16 ASSEMBLYMAN RA: Okay, thank you very
17 much.

18 And I'm glad we heard from the last
19 panelist, because she made a number of very
20 important points. So thank you.

21 So I got the question answered
22 regarding withholding for that particular
23 Center of Excellence. But I just wanted to
24 just go back to that issue with regard to the

1 proposal and the -- you know, last year there
2 was a proposal in the budget different from
3 this one in terms of kind of consolidating
4 these programs into one.

5 But I had asked Commissioner Gertler
6 this morning regarding any outreach or
7 dialogue that had taken place in the interim
8 between last year's proposal and it being
9 rejected by the Legislature in the enacted
10 budget, and this proposal this year. You
11 know, and I'm just wondering if you can shed
12 any light on any conversations that have
13 taken place, you know, with other COEs, other
14 CATs, partners that are involved that may
15 have led us to this proposal being before us.

16 DR. NOWAK: No. We found out about
17 the impending consolidation and additional
18 cuts when the budget came out. So we had
19 heard rumors that they were going to revisit
20 last year's proposal and that's what we would
21 be facing again.

22 So last year we also did not receive
23 the Aid to Localities, so our budgets were
24 cut by that amount. Normally we're brought

1 up to a million dollars, and so we didn't get
2 that gap filled, as well as then, you know,
3 going forward now facing additional cuts.

4 But no, there was not a lot of
5 communication with anyone from ESD regarding
6 this proposal from that.

7 ASSEMBLYMAN RA: Okay. Yeah, and -- I
8 mean, I don't want to belabor the point. I
9 think you presented very well that there are
10 distinct differences between the entities and
11 what they're designed to do and the way
12 they're designed to function, and I think
13 losing that would be a negative.

14 And on top of it, I worry about the
15 way, you know, awarding these 10-year
16 designations. There's this thought out there
17 that it's going to increase competition, but
18 it seems to me like something that could very
19 much stifle competition by making those
20 10-year designations. So thank you.

21 DR. NOWAK: You're welcome.

22 CHAIRWOMAN KRUEGER: Thank you.

23 Do I see any other hands up? All
24 right, well then I want to thank all of you

1 for your presentations with us today.

2 Appreciate it very much.

3 Our next panel, Asian American
4 Federation, Ahyoung Kim; the New York City
5 Network of Worker Cooperatives Advocacy
6 Council, Catherine Murcek; and the New York
7 Association of Training and Employment
8 Professionals -- and it says Evelyn Ortiz,
9 but I believe they have been replaced by --
10 one second --

11 THE MODERATOR: Melinda Mack.

12 CHAIRWOMAN KRUEGER: Thank you so
13 much. Great. Isn't it great how the female
14 voice of God just comes in and clarifies
15 everything for us? It's excellent.
16 Thank you.

17 Okay, first speaker, Asian American
18 Federation.

19 MS. KIM: Thank you, Chairs Krueger
20 and Weinstein, and distinguished members of
21 the State Legislature for this opportunity to
22 testify.

23 My name is Ahyoung Kim, and I am the
24 associate director of small business programs

1 at the Asian American Federation. We
2 represent a network of 70 member and partner
3 agencies, and we are also a member of the
4 USBNYC.

5 I am here today to ask that the
6 State Legislature allocate \$500 million in
7 this budget to create an equitable and widely
8 accessible commercial rent relief program.

9 In our survey of Asian American small
10 businesses during the early months of the
11 COVID-19 pandemic, 37 percent of respondents
12 cited rent as a primary concern for the
13 survival of their businesses. Fifty-four
14 percent of the respondents also said that
15 they faced loss of revenue over 75 percent,
16 while the majority of the respondents said
17 their businesses had to operate at limited
18 capacity or close temporarily due to the
19 COVID-19-related restrictions.

20 We thank the Legislature for your
21 leadership in sponsoring the recent package
22 of bills, including the COVID-19 Emergency
23 Protect Our Small Businesses Act. However,
24 without rent relief, mass closures of small

1 businesses across the state will be
2 inevitable.

3 In our written testimony I have
4 elaborated on why current measures and
5 available resources are not enough to avoid
6 mass closures. During the height of the
7 pandemic in early 2020, the growth in Asian
8 New Yorkers filing for unemployment claims
9 outpaced all other groups. Asians in this
10 state went from filing hundreds of claims a
11 month to thousands of claims a month.

12 Failure to support businesses to
13 survive this pandemic will result in greater
14 spending for the state, as the most
15 vulnerable members of our community will
16 require extended assistance while they look
17 for employment in lieu of small businesses
18 offering these jobs.

19 From 2002 to 2012, which overlaps with
20 the latest recession we faced, Asian small
21 businesses accounted for about half of net
22 new economic activity and half of net new
23 employment in New York City. New York State
24 cannot afford to lose this economic engine at

1 this time. Without our small businesses, the
2 road to recovery will be extended to a
3 perilous journey for everyone.

4 For immigrant communities, small
5 businesses are more than just business
6 entities. Small businesses owned by
7 immigrants serve their community in ways that
8 are valued beyond cash transactions. Not
9 only are they job creators, but they also
10 function as training platforms for newcomers
11 to develop their language skills, or as
12 information and outreach hubs where
13 government agencies are failing. On the
14 contrary, our small business owners are not
15 receiving adequate assistance. Failed
16 outreach and lack of language assistance has
17 left immigrant business owners in the dark as
18 they are still struggling to survive.

19 This funding for commercial rent
20 relief is not an ask for a massive bailout
21 that rewards irresponsible corporate
22 behavior. Instead, we ask the Legislature to
23 answer to the dire needs of our small
24 business community and to recognize their

1 contribution to the State of New York. We
2 believe that the commercial rent relief must
3 be a critical component of the statewide
4 economic recovery program, and we ask you to
5 include this in the new budget.

6 Also included in our written testimony
7 is a list of our recommendations on how the
8 state can improve access to information and
9 capital for immigrant small business owners.

10 Thank you for this opportunity to
11 testify, and I'd be happy to answer any
12 questions.

13 CHAIRWOMAN KRUEGER: Great. Thank you
14 very much.

15 And our second speaker, from the
16 Network of Worker Cooperatives Advocacy
17 Council.

18 MS. MURCEK: Can you hear me okay?

19 CHAIRWOMAN KRUEGER: Hello.

20 MS. MURCEK: Hi, thank you.

21 Good morning -- or good afternoon.

22 I'd like to thank Committee Chairs Krueger,
23 Weinstein, Kaplan and Bronson for the work
24 you've been doing to serve New York State and

1 for the opportunity to testify.

2 My name is Catherine Murcek, and I'm a
3 worker owner at Samamkaya Yoga Back Care &
4 Scoliosis Collective. We're a worker-owned
5 cooperative and a democratically run and
6 owned business, specializing in therapeutic
7 yoga for a variety of ability levels.

8 I'm also an elected member of the
9 Advocacy Council coordinated by the
10 NYC Network of Worker Cooperatives, which
11 supports its members -- co-ops -- through
12 training and education, language access and
13 resources to help its community of
14 predominantly immigrant, POC and women of
15 color-led member co-ops thrive. Through
16 workplace democracy and community control,
17 our goal is to protect against wealth
18 extraction, inform and empower workers,
19 reduce income inequality, and promote
20 economic and social justice.

21 NYCNoWC is also a member of the
22 United for Small Business NYC coalition, also
23 known as USBNYC.

24 As a small business owner, it has been

1 an incredibly stressful year, as I'm sure you
2 can imagine, and devastating to watch a whole
3 community of small businesses closing
4 permanently all around me and across the
5 state. We most likely already would have
6 closed too had it not been for a forgivable
7 PPP loan, our online offerings, which allow
8 us to scrape by, and our very fortunate rent
9 negotiation with our landlord.

10 However, I understand most other small
11 businesses in my community and across the
12 state have not been so fortunate. Even
13 before the pandemic, exorbitant rents were
14 already a major issue and impediment to the
15 growth of our small business community.
16 Since the beginning of the state of
17 emergency, the wealth of the wealthiest
18 New Yorkers has increased by \$77 billion at a
19 time when thousands of New Yorkers are
20 experiencing loss of jobs, homes, and even
21 their lives. I think we need to honestly ask
22 ourselves: Are we okay with that?

23 In an effort to move toward a just
24 recovery, we urge you to do the following.

1 One, pass S3349 or A3190 to create a
2 comprehensive commercial rent relief program
3 for small businesses and nonprofit
4 organizations that were ordered to close, and
5 allocate \$500 million toward it. The program
6 would create a kind of "share the burden"
7 model where the landlord reduces the rent a
8 bit, the tenant would pay a portion, and the
9 state would help out as well.

10 Two, support efforts to encourage
11 worker-owned cooperatives and other
12 democratic workplaces -- for example, a
13 capital gains tax exemption for business
14 owners who sell their viable business to its
15 workers.

16 Three, pass the Invest in Our New York
17 Act to create necessary revenue that would be
18 put toward these efforts and would save
19 crucial programs and infrastructure to
20 protect the most vulnerable New Yorkers.

21 And four, support the Governor's
22 commitment to put \$25 million in the
23 Community Development Financial Institution
24 Fund, or CDFI Fund, and go beyond that and

1 enhance it to \$100 million to increase access
2 to capital for our marginalized communities.

3 When our small businesses cannot
4 thrive, it creates a ripple effect through
5 our economy, affecting jobs, housing and food
6 security. If the state can mandate a
7 business to close, a change in the structure
8 of commercial rent should also be possible --
9 and necessary, if you care about our small
10 business culture and want to prevent New York
11 from becoming one big shopping mall of chain
12 stores.

13 While the efforts made thus far are
14 appreciated, loans and eviction moratoriums
15 will not be able to sustainably protect our
16 small businesses. We need real assistance
17 with rent, which is by far the biggest reason
18 for small businesses closures in my community
19 and beyond.

20 I understand these are unprecedented
21 times and everyone is asking for support, but
22 it has been almost a year and it is past time
23 to seriously deal with rent in order to
24 ensure a just recovery.

1 Thank you again for hearing my
2 testimony.

3 CHAIRWOMAN KRUEGER: Thank you very
4 much.

5 And then our last panelist from this
6 group, the New York State Association of
7 Training and Employment Professionals.

8 Hi.

9 MS. MACK: Hi, how are you? It's so
10 nice to see everyone, even though we're
11 remote. I love everyone's backgrounds. I
12 feel like we get to see who likes to be
13 outside and who likes to be inside.

14 My name is Melinda Mack. I run the
15 state's workforce development association,
16 also known as NYATEP, the New York
17 Association of Training and Employment
18 Professionals. And, you know, as I come back
19 every year, I'm here to talk about the need
20 to continue to invest in job training and
21 employment services to get New Yorkers back
22 to work.

23 And as we've learned in the last
24 recession and we're learning in this

1 recession, the economy does not improve for
2 everyone equally. And really the folks who
3 struggle are individuals with a high school
4 diploma or less. They did not rebound during
5 the last recession, and they're very unlikely
6 to rebound during this recession without some
7 additional support.

8 Before COVID-19 the debate that we had
9 with many of you and many of our elected
10 officials in local communities was about the
11 future of work and automation and the
12 challenges associated with the future of
13 work. But really ultimately what we know is
14 that the economy and the labor market is not
15 designed to benefit everyone equally. And
16 really workforce development and job training
17 and education is truly the leveling of the
18 playing field that we need in order to
19 support the economy's recovery.

20 I know we have truly one shot to make
21 sure we don't leave lots of people behind.
22 We're seeing it happen across sectors across
23 the country and across our own state. And
24 ultimately this is our chance to really think

1 about and address inequity in the labor
2 market in a meaningful way.

3 So the few things that we'd like to
4 raise: First, the Governor had made a
5 commitment in 2018 and in each consecutive
6 year, around \$175 million for workforce
7 development. That money has been incredibly
8 slow to go out the door, and the application
9 process has become incredibly burdensome. I
10 think at this point there's about \$33 million
11 that's been spent and 307 projects that have
12 been funded.

13 The majority of those resources
14 outside of NYSEERDA -- which is a different
15 pot of money -- have come out of the state
16 Department of Labor, funding that they have
17 for workforce development as well as the
18 resources that were reprogrammed from the
19 SUNY/CUNY 2020 program.

20 Under the 30-day amendments we have
21 noticed the language for those resources has
22 changed for the Pay for Success funding,
23 which has broadened and opened up those
24 resources to be spent on other things. We

1 get that there's lots of priorities, but
2 consistently we keep coming back to the
3 Legislature and the state to say -- and the
4 Governor's office, to say like: Hey, listen,
5 like we have lots of people who are
6 unemployed and underemployed, and one of the
7 ways we get people back to work is through
8 education and training. And that funding
9 seems to continue to be diverted to other
10 resources or sources.

11 We also strongly believe that we need
12 to be investing in high-speed broadband
13 services to make broadband more affordable
14 for New Yorkers. So we're really pleased to
15 see the Governor including that, and really
16 recognize that this is a true equity issue.
17 If you can't work from home, you're going to
18 lose out on opportunities.

19 And then lastly we would -- we're
20 really pushing for a six-month, 100 percent
21 income disregard for New Yorkers on public
22 assistance or public assistance recipients
23 who are participating in publicly funded
24 workforce programs. People are falling off

1 the cliff really quickly after they get a job
2 and they're unable to sustain their families,
3 and we need to think about ways to keep
4 people supported so they can get into good
5 family-sustaining wages.

6 So with that, thank you very much.

7 CHAIRWOMAN KRUEGER: Thank you.

8 You know, I had asked the ESDC
9 commissioner earlier today if he would give
10 me his maps, his list of where that
11 \$175 million got spent, and he said he would,
12 but I don't have that yet, obviously. I
13 would love to hear from you -- not today,
14 because we're really behind, but hear from
15 you where you think that money went or didn't
16 go or was reprogrammed.

17 Because you can argue you can
18 reprogram to other programs within the rubric
19 of supporting and retraining workers, but we
20 shouldn't see that money leaving the
21 assignment that is desperately needed, I
22 agree with you. So I look forward to talking
23 to you after the hearing sometime.

24 And without any hands up, I am going

1 to move us to the last panel for this hearing
2 today, and we have Thomas Speaker, policy
3 analyst, Reinvent Albany; we have Isaac
4 Jabola-Carulos, researcher, CUNY Graduate
5 Center; and Beth Starks, executive director,
6 Chautauqua Lake Child Care Center.

7 Well, I told you this was probably our
8 most diverse hearing as far as the topics
9 people were bringing with them today. So
10 let's start with Reinvent Albany.

11 MR. SPEAKER: Can you hear me?

12 CHAIRWOMAN KRUEGER: Yes.

13 MR. SPEAKER: Good afternoon,
14 Chairs Krueger and Weinstein and members of
15 the Legislature.

16 My name is Tom Speaker. I'm a policy
17 analyst for Reinvent Albany. Reinvent Albany
18 advocates for transparent, accountable
19 New York government. Thank you for the
20 opportunity to testify at this hearing.

21 Here are some highlights of the longer
22 testimony we submitted.

23 First, business subsidies are a waste
24 of taxpayer money that could otherwise be

1 spent on core services. A huge body of
2 independent research by academic experts has
3 found that corporate subsidies waste taxpayer
4 money, are vulnerable to pay-to-play
5 corruption and lack transparency and
6 accountability.

7 We urge the Legislature to hugely
8 increase transparency and sharply reduce the
9 \$10 billion in subsidies New York hands out
10 to businesses every year. We suggest taking
11 the following steps.

12 Number one, hold an oversight hearing
13 on business subsidies featuring independent
14 experts. We believe that a hearing would
15 help cast light on the amount being spent on
16 the subsidies' lack of transparency and the
17 poor return on public investment.

18 Number two, establish a Database of
19 Deals. Two years after Governor Cuomo
20 directed Empire State Development to create a
21 database tracking state business subsidies,
22 there's still no database. This is basic
23 transparency. It is 2021 -- enough waiting
24 and excuses. We believe that the Legislature

1 should reintroduce S2815, by Senator Comrie,
2 and A2334, by the now-retired Assemblymember
3 Schimminger, and require the database in law.

4 Number three, pass the Opportunity
5 Zone Tax Break Elimination Act in the budget.
6 Subsidies that often start small will balloon
7 into incredible costs, and this is why the
8 Legislature must move to repeal New York's
9 Opportunity Zone tax break by passing S1195,
10 by Senator Gianaris. The bill has support
11 from 19 organizations and six unions,
12 including 1199 SEIU, CWA District 1, and the
13 New York State Teachers Union.

14 Number four, end \$330 million a year
15 in oil and gas subsidies by passing S4816, by
16 Senator Krueger, in the budget. Passing the
17 bill can save more than the state projects to
18 bring in by legalizing marijuana. As we have
19 noted, New York is currently trying to reduce
20 fossil fuel pollution while subsidizing the
21 very companies that contribute to global
22 warming. We think it makes no sense at all
23 to both tax and subsidize fossil fuels.

24 Number five, increase the budget of

1 the Authorities Budget Office, a crucial
2 subsidy watchdog, to over \$3 million, as we
3 and other watchdogs requested back in 2018.
4 The ABO oversees 585 state and local
5 authorities that together hold \$248 billion
6 in public debt. But as of last year the
7 office has only 11 employees. A skeleton
8 crew is far from what was imagined when the
9 ABO was first established.

10 And finally, number six, reduce the
11 number of Industrial Development Agencies and
12 Local Development Corporations and make them
13 more accountable. We make specific
14 recommendations for how to address the issue
15 in our testimony.

16 Thanks for the opportunity to testify.
17 I welcome any questions that you might have.

18 CHAIRWOMAN KRUEGER: Thank you very
19 much.

20 Our next speaker is CUNY Graduate
21 Center. Hi.

22 MR. JABOLA-CAROLUS: Good afternoon.
23 Can you hear me?

24 CHAIRWOMAN KRUEGER: Yes.

1 MR. JABOLA-CAROLUS: Great.

2 Thank you, Chairperson Krueger and
3 each of you for the opportunity to testify
4 today. My name is Isaac Jabola-Carolus, and
5 I'm a Ph.D. candidate in sociology at the
6 CUNY Graduate Center, and my research focuses
7 on New York State's home care workforce,
8 meaning the more than 200,000 home health
9 aides and personal care aides who assist
10 older adults and people with disabilities.

11 I'm here to share a new study that
12 I've authored with CUNY professors Stephanie
13 Luce and Ruth Milkman. We hope it will be
14 useful to you as you consider the proposal
15 budget.

16 We examined an overlooked development
17 strategy, investment in the state's home care
18 workforce, and specifically we analyzed the
19 economic impacts that would result from a
20 substantial wage increase for home care
21 workers.

22 We found that lifting wages through
23 public investment would create net positive
24 effects, both for the home care sector and

1 for the state economy overall. So home care
2 should be viewed not only as a vital
3 healthcare field but as a potential driver of
4 economic growth.

5 Currently the median annual income for
6 New York State home care workers is only
7 \$22,000. We ask what would happen if the
8 state lifted that number to at least
9 \$30,000 upstate, \$35,000 on Long Island and
10 in Westchester, and \$40,000 in New York City.
11 We project that would require a \$4 billion
12 investment but would yield \$7.6 billion in
13 new savings, tax revenues and economic
14 activity, a net gain of over \$3.6 billion per
15 year.

16 Higher wages would also attract nearly
17 20,000 new home care workers per year, which
18 would alleviate the severe labor shortage in
19 this field. And, because workers would spend
20 much of their new wages, this investment
21 would create nearly 18,000 jobs in other
22 industries.

23 We know home care is a booming sector.
24 Consumer demand is locked in. Job positions

1 are ready to fill, yet because wages are so
2 low, thousands of jobs go unfilled or are
3 vacated each year, and even more so in this
4 pandemic. This hurts the state's aging
5 population and it's wasted economic
6 opportunity.

7 The state can tap that opportunity,
8 not by cutting home care workforce funding,
9 but by expanding such funding through, for
10 instance, Empire State Development and REDCs.
11 What would be most impactful, though, is the
12 type of broad investment examined in our
13 study, or proposed by legislation like the
14 Fair Pay for Home Care bill forthcoming.

15 Yes, challenging unless there's new
16 revenue, but eminently safe as an investment,
17 and one that's necessary to meet the needs of
18 aging New Yorkers and their families.

19 Thank you very much.

20 CHAIRWOMAN KRUEGER: Thank you.

21 And next, Beth Starks from Chautauqua
22 Lake Child Care Center.

23 MS. STARKS: Hi. Good afternoon.

24 I'm the founder and executive director

1 of Chautauqua Lake Child Care Center and
2 assistant professor and early childhood
3 coordinator at Jamestown Community College.
4 I'm proud to serve on both the Governor's
5 Early Childhood Advisory Council and the
6 Child Care Availability Task Force.

7 I come to you today to speak about
8 childcare as a business, speaking on behalf
9 of my colleagues, childcare providers in
10 centers, in-home facilities and school-age
11 programs. I thank the chairs and members of
12 the respective committees for the opportunity
13 to testify on the budget. I appreciate your
14 recognition that it is imperative that
15 childcare as an industry is included in this
16 hearing, as it is foundationally
17 interconnected to business and economic
18 development, especially now.

19 Childcare is a multi-billion-dollar
20 industry employing tens of thousands of
21 New Yorkers, with a return on investment of
22 \$1.86 for every dollar invested. That's more
23 than retail, manufacturing and construction.
24 Yet childcare is a service industry that is

1 different from others because it also enables
2 other businesses to operate.

3 Childcare was in a crisis situation,
4 preventing people from going to work
5 pre-COVID. High-quality childcare is very
6 difficult to find -- 64 percent of
7 New Yorkers live in a childcare desert -- and
8 prohibitively expensive for nearly all
9 families.

10 On the other side, childcare is an
11 industry with tightly balanced budgets and
12 low pay for employees. In the past year the
13 situation has gotten much worse. With
14 increased expenses and restrictions, many of
15 my colleagues have closed their doors.
16 Record numbers of women have left the
17 workforce, citing childcare as the main
18 factor, resulting in reduced labor force
19 participation and reduced family income.

20 Employers indicate childcare is one of
21 the main problems with employee recruitment,
22 retention and productivity.

23 And although childcare has remained
24 open throughout the pandemic, it has a

1 crumbling infrastructure and little support.
2 Despite the fact that we received
3 \$164 million in New York State specifically
4 for childcare in CARES act funding 10 months
5 ago, only \$40 million has actually been
6 spent. And beyond that, there has been no
7 help directly to childcare facilities in
8 New York State.

9 Therefore, I encourage you to follow
10 and implement the New York State Child Care
11 Availability Task Force recommendations,
12 leveraging REDCs and private/public
13 partnerships, and to ensure the \$468 million
14 in new childcare stimulus funds is used
15 swifly and strategically.

16 Further, I urge you to invest in
17 childcare subsidies and to maximize
18 affordability, and to increase childcare
19 availability by investing in startup grants.

20 Lastly, I urge you to support the
21 increase in employer childcare tax credits
22 and to revise them to ensure that businesses
23 can take advantage. We cannot look at
24 supporting childcare as a subsidy. It is

1 truly an investment in economic development
2 and infrastructure. We cannot rebuild our
3 economy without that investment. We must
4 make decisions based upon what is best for
5 our youngest citizens and therefore our
6 entire population.

7 I offer to you my assistance and I
8 appreciate the support of my legislators,
9 Senator Borrello and Assemblyman Goodell, as
10 well as the leadership of Assemblyman Hevesi
11 and Senator Brisport and their committees as
12 we work together to ensure that families,
13 providers and businesses are heard. We all
14 need to work together to make New York State
15 the leader in early childhood during this
16 time and in the future.

17 CHAIRWOMAN KRUEGER: Thank you.

18 Oh, and I see a hand. I haven't seen
19 hands in a while. I see the hand of my
20 Finance ranker Tom O'Mara.

21 Come off mute. There you go.

22 SENATOR O'MARA: Thank you. Thank
23 you, Chairwoman Krueger. I have a question
24 for Beth Starks on childcare.

1 First of all, Senator Borrello sends
2 his regards and apologizes that he --

3 (Zoom interruption.)

4 CHAIRWOMAN KRUEGER: Would everybody
5 else mute, please. I think it's you, Kevin.
6 Turn your mute on.

7 Okay. So go ahead, Tom.

8 SENATOR O'MARA: Okay. Sorry about
9 that.

10 George Borrello says hello, in short.
11 He had a couple of questions. He's preparing
12 for session and couldn't be on this part of
13 the hearing today.

14 So with regards to your position on
15 the Child Care Availability Task Force, there
16 was a report due from that task force in
17 December. We're on Albany time, so it's only
18 February, so it's not really late yet. But
19 when do you expect the work on that report to
20 be completed and that to be available for us
21 in the Legislature?

22 MS. STARKS: So I was part of the
23 drafting team, and the draft was put forward
24 and has been approved by all members of the

1 task force. We're just waiting for the
2 official release of the report. We were
3 hoping that that release would come in
4 December so that you could use it to look at
5 those recommendations as you put forward the
6 budget. Unfortunately, it hasn't been
7 officially released yet.

8 SENATOR O'MARA: Who has the final
9 sign-off on that report?

10 MS. STARKS: I believe it's the
11 Governor's office.

12 SENATOR O'MARA: Okay. You're
13 probably right. And it would be nice to be
14 able to have that useful information for our
15 budget discussions on that.

16 What is your understanding of the
17 status of federal CARES Act money that has
18 come to the state and hasn't been
19 distributed, and what do you expect to get,
20 the state to get in addition to that moving
21 forward from the federal government?

22 MS. STARKS: Well, it's been really
23 unfortunate that the money that we received
24 10 months ago in emergency funding has taken

1 so long to make it into the hands of
2 providers and families. And when asked at
3 the hearing last week and the answer was
4 \$40 million was the amount that was spent out
5 of \$169 million, that was really
6 disheartening.

7 We do know that an additional almost
8 half a billion will be coming for certain
9 into New York State, and we are hopeful that
10 that money will be used more swiftly and will
11 actually make it to providers in a timely
12 manner. We would love your support on that.

13 SENATOR O'MARA: Well, I can tell you
14 that you absolutely have it from myself and
15 from Senator Borrello as well.

16 So thank you for your testimony today.

17 MS. STARKS: Thank you.

18 CHAIRWOMAN KRUEGER: Thank you.

19 Assembly?

20 ASSEMBLYMAN CAHILL: Yes, thank you,
21 Madam Chair. I'd like to recognize
22 Assemblywoman Lunsford for three minutes.

23 Assemblywoman Lunsford, unmute if you
24 can.

1 ASSEMBLYWOMAN LUNSFORD: Hello. Do
2 you have me?

3 All right, sorry. I was waiting for
4 someone to prompt me to get it done.

5 This question is also for Beth Starks.
6 Thank you very much, Beth, for your
7 presentation.

8 Given what you learned as part of the
9 task force drafting team -- I know the
10 report's not officially out yet, but if you
11 could guide us through what you think the
12 best uses for some of the federal monies we
13 are going to receive would be to help bolster
14 our childcare system moving forward, as well
15 as dealing with the ramifications of COVID.

16 MS. STARKS: I think it's really
17 important that we support both families and
18 providers. So we need to get people back to
19 work, so it's really important that we
20 increase the income eligibility for the
21 childcare subsidies so that working families
22 can use those subsidies to make sure that
23 they can keep their employment right now, get
24 back to work if they're not working, and to

1 make sure that we're supporting them.

2 In addition, we need to support the
3 providers. So that means consistent revenue
4 streams -- so paying for absences, making
5 sure that we are contributing to helping them
6 to pay their employees more, and to also
7 bridging that gap in the -- a lot of the
8 childcare centers stayed open this entire
9 time and lost a lot of revenue, so they're
10 really suffering economically right now. And
11 so making sure that they stay open to support
12 people going to work is really important
13 right now as well.

14 ASSEMBLYWOMAN LUNSFORD: And I've
15 heard that there have been some technological
16 challenges with regards to our childcare
17 centers actually applying for funding. Can
18 you speak to that and what we can do moving
19 forward to help them actually get this money
20 in their hands?

21 MS. STARKS: Yeah, so I think it's a
22 combination. There are a lot of in-home
23 providers and centers who lack the ability to
24 be able to access those funds and apply for

1 them and to understand exactly what they
2 needed to do to apply for the funding.

3 In addition, there was definitely --
4 on behalf of the state, it's an arduous
5 process. And so it wasn't made easy for any
6 providers to be able to get that funding.
7 There were a lot of hoops to jump through,
8 and I think that's led to the money taking so
9 long to get out the door. And what was meant
10 to be emergency funding was certainly not
11 timely.

12 ASSEMBLYWOMAN LUNSFORD: And kind of
13 the buckets we've put the CARES Act funding
14 into, do you think that's the most helpful
15 way we could be boosting our childcare
16 providers right now, the kinds of funding
17 that they can apply for under our current
18 system?

19 MS. STARKS: I do. And I do think
20 that it's really important that we listen to
21 the current providers about the struggles
22 that they had obtaining the funding in the
23 first round -- and also to see what their
24 immediate needs are moving forward. That

1 stuff is really integral right now.

2 ASSEMBLYWOMAN LUNSFORD: Thank you so
3 much, Beth. We appreciate your time.

4 MS. STARKS: Thank you.

5 CHAIRWOMAN KRUEGER: I think we were
6 both muted, Kevin, but I think you wanted to
7 call on Sarah Clark next?

8 ASSEMBLYMAN CAHILL: I'm muted, you're
9 right, Liz.

10 CHAIRWOMAN KRUEGER: (Laughing.) I
11 was too.

12 ASSEMBLYMAN CAHILL: Assemblywoman
13 Sarah Clark for three minutes.

14 ASSEMBLYWOMAN CLARK: Wonderful. My
15 question is also for Beth.

16 Thank you so much. So good to see you
17 again today. And I couldn't agree more with
18 you about the importance of childcare. It is
19 literally the bedrock of any workforce
20 development, any economic development, and
21 any way that we're going to be able to
22 recover from COVID.

23 I also wanted -- but I wanted to ask,
24 I read a report about the subsidy system,

1 particularly around what you -- you sort of
2 went into deserts and how there's not a lot
3 of access everywhere in the state evenly.
4 But what I was looking at was the subsidy
5 report, of where subsidies are most used
6 across the state, and I really saw a glaring
7 difference between our cities and our rural
8 areas.

9 I was wondering if you have any
10 thoughts about what the particular challenges
11 are in our rural areas when it comes to
12 childcare, and how we could do a better job.

13 MS. STARKS: One thing that I know --
14 so here in Chautauqua County we are not using
15 all of our subsidy dollars. And we
16 brainstormed about the reason or potential
17 reason for that, and one of the things that I
18 think is really important is letting people
19 know that that assistance exists.

20 And so when you think about HEAP or
21 WIC or other forms of assistance, we get the
22 word out and we let people know that it's
23 available. And if we want people to work and
24 childcare is one of those obstacles standing

1 in their way to working every day, we need to
2 let them know that this is -- maybe unlike
3 other forms of assistance, it's meant for
4 people who are working and who have --
5 instead of falling off the benefits cliff,
6 that -- if we can help them a little bit
7 longer with the childcare and then get the
8 word out.

9 In addition, depending on the county
10 that you're in, it's really a complicated
11 process. So here in Chautauqua County
12 there's 11 different documents, forms of
13 documentation that they need to turn in. And
14 they have to turn it all in by mail, not
15 electronically.

16 And so there are a lot of steps that
17 we could take to make it easier for families
18 to be able to apply and to be able to get to
19 work.

20 ASSEMBLYWOMAN CLARK: Well, it sounds
21 like you have some great ideas, and I'm ready
22 to work with you to help make that happen.

23 Thank you.

24 MS. STARKS: Thank you very much for

1 your support.

2 CHAIRWOMAN KRUEGER: Thank you very
3 much.

4 ASSEMBLYMAN CAHILL: Back to you, Liz.

5 CHAIRWOMAN KRUEGER: Thank you. Thank
6 you very much, Assemblymember.

7 So I think all hands are down. I want
8 to thank this panel for being our last panel
9 in this hearing. Appreciate all of your
10 contributions today, everyone who came to
11 testify.

12 This will be the official end of the
13 Economic Development hearing. And for those
14 who have been hoping for the Tax hearing,
15 give us 10 minutes and we will start the
16 Tax hearing. And I believe that will require
17 everyone to come off of this Zoom and to
18 reenter the Tax hearing Zoom.

19 So see some of you again in just a few
20 minutes. And the rest of you, enjoy the rest
21 of your day. Thank you.

22 (Whereupon, the budget hearing
23 concluded at 3:08 p.m.)

24