

Client: Small Business Services  
Event: Public Hearing  
Date: 11-13-24

StenoCaptions LLC.  
Captioned stenographically by Wendy

Baquerizo.

This text is provided in rough draft format. Communication Access Realtime Translation (CART) is provided in order to facilitate communication accessibility and may not be a totally verbatim record of the proceedings.

>> MODERATOR: Good morning everyone. I want to thank you all for coming. We will begin shortly. We're giving a few more minutes for others to trickle in and then we'll start our public hearing. Thank you so much for showing on time. I appreciate it. And for those in the back if you want to come up a little bit more. You're invited to come a little bit more to the front. Thank you.

>> MODERATOR: Hello again. Hi, good morning. Thank you for being so patient. Due to some

train delays we're going to add some minutes and then get started. Thank you so much for being patient.

>> MODERATOR: Good morning everyone.

>> Good morning.

>> MODERATOR: I want to thank you all for coming. For those in the back if you want to come more to the front you are welcome to do so.

>> Everyone come closer. It is a small space. We have a lot of space. Cavernous in here. Come on down.

>> MODERATOR: Again, good morning everyone. Welcome to today's public hearing. For those wishing to speak please register at the front. Speakers will be called in the order of registration. For those who haven't registered to speak, again, you can go to the front. You can sign up. We will call the names in order and the hearing will begin now.

It is now. My name is Keon Pitter. I will be presiding over today's public hearing on behalf of the Office of Community Hiring. Today is November 13, 2024, and we are gathered at 1 Liberty Plaza in New York City. In accordance with the city administrative prosecutor Act, also known as CAPA. The Office of Community Hiring is proposing to add a new Title 74 to

the rules of the City of New York, entitled the community hiring rules.

We will come to order at 11:27 a.m. The purpose of this hearing is to offer the public an opportunity to provide comments on the proposed rules. We encourage everyone who wishes to speak to register at the front if you haven't done so. Each speaker will be allotted 3 minutes to testify. When called, please approach the microphone in the center of the room, state your full name and your affiliation, if any, for the record.

If you do not, if you prefer not to speak you are strongly encouraged to also submit a written comment which is included in the record.

All written comments must be submitted by the end of today.

At this time, I am pleased to introduce the Executive Director of The Office of Community Hiring and workforce development, Doug Lipari.

(Applause)

>> DOUG: Good morning everyone. Thank you for joining The Office of Community Hiring for the public hearing on the community hiring proposed rules. I'm Doug Lipari, I am the Executive Director of the Office of Community Hiring or OCH. OCH, a little bit about us.

Community Hiring is a new initiative that allows city agencies to set workforce goals on their procurement contracts for city vendors to provide employment and apprenticeship opportunities for low income individuals and residents of low income communities.

Community Hiring was authorized by State legislation, and OCH was charged with managing the rollout and implementation of the initiative. OCH is part of the Mayor's Office of Talent and Workforce Development, or NYC Talent.

NYC Talent leads the City's workforce development strategy and works alongside agency partners to leverage resources and align the City's education, career preparedness, and skill training programs to position City residents and employers for success.

One major component of OCH's work over the past several months has drafting rules, which is the focus of today's hearing.

As authorized by the Charter, the proposed rules seek to set the framework for the Community Hiring workforce goals and the requirements for application of such goals on City contracts.

To develop the Community Hiring proposed rules, OCH worked collaboratively with numerous City

agencies and external officials, labor, human services providers, community organizations, vendor associations, and industry groups.

The engagement, feedback on ideas, and thoughtful questions shared by our partners helped inform our proposed rules, and we are thankful to all of the organizations and individuals who have contributed their time and expertise to this work over the last several months.

We are also grateful to everyone who has already submitted written testimony and all of you who have joined us here today. We look forward to hearing your testimony.

And finally, while this public hearing is a key opportunity for the public to comment on our proposed Community Hiring rules, I want to note that OCH is committed to providing continuous opportunities for feedback and partnership. And this is because we know that Community Hiring will only be successful if our office, our partners in City government, vendors that do business with the City, workforce development organizations, and other stakeholders can work together and continue to respond to the successes and challenges of the program.

Together, we can realize our mission of leveraging the City's purchasing power to drive economic

mobility by connecting City vendors with talent and creating pathways to careers for our community.

So, I just wanted to thank you all for being here. Thank you for the testimony that's been submitted, will be submitted. And I'll pass it onto Keon Pitter.

>> MODERATOR: Thank you Doug. We will now begin the public comment portion of the hearing. I will call each registered speaker by name. When a name is called, please come forward, state your name and your affiliation for the record, and you will have 3 minutes to speak.

So, the first speaker for today's hearing will be Ken Fisher from American Council of Engineering Companies of New York. ACEC-NY.

>> Good morning, I'm Ken Fisher speaking on behalf of the American Council of Engineering Companies of New York. These are the professional engineering firms that design the capital projects for the city.

We have some reservations about the regulation as drafted. Engineers every day try and leverage the work that they do for the City of New York to support important goals such as sustainability or the city's MWBE program. We think this particular program is not well design for the engineering community in particular. We welcome the opportunity to have further discussion with

you about it.

When engineers start to design a project the first thing they do is make sure they understand the existing conditions, the impact of introducing new stresses and then figure out the most thoughtful path to the solution.

I specifically want to call attention to the factors that have been identified as where a contractor may not have to comply with what would otherwise be the requirements.

And started first with undertaking an undue financial burden that's successive in view of the contractor's size and financial resources. We think it needs to be done in terms of the contract itself, not the company. Because if let's say you have a \$3 million contract. You have about 5 hires. Even at minimum wages and no fringes. You're talking about with some overhead \$200,000 on a \$3 million contract. That's going to be substantially all of the profit that the engineering company is going to make. And what they're going to do is choose not to bid and propose on city work.

You might think that's unlikely but the reality is that for many years there were many companies. The ones that the city wanted the most that did not go after city work because it was based on the lowest price and it was only after the adoption of quality base selection that

companies started to come into the market and the city got a better product.

A rule is drafted, it does recognize the fact that virtually no hires are going to come out of this program with technical skills. If you're making 300% of the city's poverty level you're probably because you are a licensed professional you're making above that. There are going to be very few people below that.

I think you recognize that because you say you don't have to necessarily work on that particular contract. So, now what we're doing is taking a significant number of people, putting them on the payroll with not necessarily any work to be done.

If the city is prepared to hold the engineering community harmless and compensate for them then it could be an unstructured training program within the workforce development programs but they're not going to do it, they're not going to do city contracts for nonprofit.

We also think there needs to be some additional definitions in this. How long does a person have to be employed? What happens if they're terminated for cause? Do you have to hire somebody else? Are you required to give them raises or anything else beyond just paying the minimum wage? If you want to have a meaningful program there may be a few opportunities to



hire people at higher wage levels but again it needs to be done in a more thoughtful way.

We respectfully request that the rule not be implemented until we have an opportunity to sit down, work through all of these issues, have additional definitions that we think will benefit all of the contractors and particularly address the cost burden that's being imposed. Thank you.

>> MODERATOR: Thank you Mr. Fisher. The next speaker will be Greg Morris from New York City Employment and Training Coalition.

>> Good morning everyone. Thank you. Checking the time over on this side. I know it is over here. Thanks for making this opportunity. My name is Greg Morris. From the New York City Employment and Training Coalition. I want to thank for the effort it made to talk to our coalition members. There are 220 members. During the course of our dialogue we highlighted two or three things I will highlight now and I'll submit my written comment.

The first and foremost being that right now many of the not for profit organizations that are within our network are struggling right now related to government contracting in general. This is thought of an additional

burden essentially for them.

So, while the idea of creating more pathways to opportunity through this particular jobs model has been official. There's significant concern for our members who add additional burdens that the city does not necessarily pay for to support both the administrative, the data management and other capacities so critical for the success that the infrastructure needs to assist people with job training and job development outcomes.

So, starting from this perspective that we love what this is seeking to accomplish and yet specific to government contracting the not for profit providers right now are struggling right now because the city are not making its payments for a consistent basis for reimbursements. So, we're worried about that particular capacity.

In addition we're concern what accountability looks like in this particular set of rules. What I mean by that specifically is what happens when it is that providers or when it is that businesses seeking to hire don't meet the expectations that you set. We do see here a financial cost associated with that.

But, again, I think there's a sense of how are we ensuring as a city at this particular moment that we're investing in this particular hiring model and strategy, how

is it that we're going to hold ourselves, employers, workforce providers and others accountable for creating and sustaining these particular pathways. That's important. That requires communication, that requires coordination, and an effective workforce ecosystem.

I want to note that NYCETC, the organizations I represent, are absolutely invested in continuing the conversation to think about how it is that this could be successful but we have to have at the table a meaningful conversation with labor, employers and others to ensure there is common understanding agreement, accountability and matrix to make sure this work holds and sticks for the future so we see the outcomes this is seeking to accomplish.

Once again I want to share my gratitude and it is my hope we continue to have this dialogue. So we see folks who have not found a foothold to find a foothold as we go forward. Thank you.

>> MODERATOR: Thank you Mr. Morris. The next speaker is Maria Shipilov from PeopleShores.

>> Hi thank you very much for the opportunity to speak. Hi my name is Maria Shipilov. I'm from PeopleShores. Thank you for the opportunity to testify here today.

We are a newer entrance to this conversation.

So, hearing some of the detailed comments I just wanted to offer a different model. What we are is we are a transformation, technological transformation and business process outsourcing form with an impact focus.

We are based all over the United States but we have found a particular traction in New York with two service delivery centers in Bronx and Brooklyn. To do with blue chip corporates.

What we are trying to do is very, very well aligned with the community and hiring initiative because what we do is we set up these community centers in areas and then we work with corporate to hire in the community.

And so, I think the set of rules that you're proposing is well aligned, I think it could be even more ambitious from our standpoint, but we have seen a really, really good result with our clients like Morgan Stanley and he can centric and they are very into community development.

They have started small pilot programs with us and they have upped the programs. We've seen new cohorts coming in and we've seen higher revenues and very, very good retention and commitment to these alternatives talent pipelines from the various neighborhoods.

So, we would love to partner with the city on the

community hiring and support that because while all the concerns that I heard from the previous speakers are very valid we have seen very good results and we have seen that this is an economically viable model.

So, yeah. I don't have as specific of a data set as the other speakers as I said though we would love to continue the conversation because we have seen that this can work at lower cost than the alternatives particularly for the blue chip corporates.

>> MODERATOR: Thank you Shipilov.

Final call for anyone who hasn't registered or still wish to speak. Please line up on the left side of the room. Approach the microphone. State your full name and affiliation for the record. And you will also have 3 minutes.

Okay, if there is no additional speakers this concludes today's public hearing.

The hearing is now closed at 11:43 a.m.

Thank you so much everyone for coming. Have a wonderful day and stay warm.