

Final – Adopted 09.03.2020

**MHREDC Public Meeting
Friday, August 21, 2020**

Introductory Information:

Date and Time Meeting Commenced:

Friday, August 21, 2020 – Public Session: 10:06AM

Location:

MHREDC Zoom Meeting

Council Members Present: Lieutenant Governor Kathy Hochul; Donald Christian; Thomas Carey; Reinaldo Diaz; Jonathan Drapkin; Marsha Gordon; Maureen Halahan; Al Samuels, James Taylor; Harold King; Jacqueline Leventoff; Kristine Young; Kimberlie Jacobs; Ned Sullivan; Sabrina Hosang Jordan; Robin Rosenberg;

Ex-Officios: Steven Neuhaus;

Council Members Substitutes: Ronald Hicks (Rep. Molinaro); Bridget Gibbons (Rep. Latimer); Sandra Fusco (Rep. Odell); William Fioravanti (Rep. Neuhaus); Freda Eisenberg (Rep. Doherty); Jeremy Schulman (Rep. Day); Lisa Berger (Rep. Ryan)

State Agency/Local Government/ESD Staff: Commissioner Roberta Reardon (LABOR); James Kostenblatt (ESD); Monique Le Gendre (ESD); Eric Warren (ESD); Linda Malave (ESD); Ashley McCloskey (ESD); Thomas Scaglione (LABOR); Dylan Miyoshi (Rep. Governor Cuomo); Johnny Nelson (LABOR); Karen Coleman (LABOR); Lauren Mannerberg (Chamber); MOA Aileen Gunther; MOA Steve Otis; MOA Jonathan Jacobson, MOA Aileen Gunther; MOA Didi Barrett; MOA David Buchwald; MOA Karl Brabenec; Joseph Orlando (Rep. Buchwald); Lydia Biskup (Rep. MOS Serino); Leah Goldman (Rep. MOS Metzger); Jason Coupart (Rep. MOA Jacobson); Lance McMillan (DOT); Kelly Turturro (DEC); Darren Scott (HCR)

Time Adjourned: 11:19AM – Donald Christian made a motion to close the MHREDC meeting and Marsha Gordon, MHREDC member so moved. Second to close the MHREDC meeting was from Maureen Halahan, MHREDC member.

Welcome and Remarks:

Call to Order:

Preamble requesting disclosure of any conflicts of interest read.

Conflicts noted: (Please List)

Recusals noted: (Please List)

No conflicts noted.

The record of recusals was noted and acknowledged at the meeting.

Reports/Discussions/Motions:

Virtual Meeting Orientation – James Kostenblatt, Deputy Director, ESD

Mr. Kostenblatt welcomed everyone and gave brief remarks to the Council and attendees regarding the virtual meeting format.

Remarks from the Host – Donald P. Christian, Regional Chair, MHREDC

President Christian welcomed the Regional Council and the Public to the first virtual meeting held by the Mid-Hudson REDC.

Lieutenant Governor Remarks – Kathy Hochul, Lieutenant Governor

Lieutenant Governor Hochul thanked the Regional Council for their leadership during these troubled times and praised the resiliency of New Yorkers. The Lieutenant Governor also praised Governor Cuomo’s leadership and the commitment of New Yorkers to following the health guidance and noted that New York has now experienced 13 consecutive days with under 1 percent infection rate of COVID-19. It is because the REDCs know their counties and where unemployment is coming from that they are well-positioned to come up with a recovery plan for their regions.

Prior to COVID – 19, New York State invested \$175M in funding in the Workforce Development Initiative, spearheaded by Commissioner Reardon. Commissioner Reardon’s strong commitment to childcare had led us to see that we have to deal with childcare issues. There is a confluence between childcare and workforce. What was a problem is now a crisis. We are asking businesses to maintain flexibility. Although \$65M from the Federal government months ago was used for front line workers, more than \$500M is needed to fund many services. We don’t want to go backward. We need to rethink how we can be stronger than we were before. We are asking REDCs to think of recovery plans that include a short term, mid-term and long-term plan. When Governor Cuomo established the REDCs he knew that the way forward was to have a bottom up approach. He envisioned that the REDCs would make the difference in reviving the regional and state economy.

Commissioner DOL Remarks – Roberta Reardon, Commissioner, NYS Department of Labor

Commissioner Reardon thanked the Lieutenant Governor and President Christian and stated that what we’ve experienced with COVID-19 is unprecedented, and it has had a tsunami effect on our Department of Labor Unemployment Insurance infrastructure. Every state has experienced this. Here in New York, we’ve worked faster to put Unemployment Insurance benefits in the hands of New Yorkers. Many employers are taking advantage of the Shared Work Program where workers collect part-time unemployment and part-time income from their employer a program that has been around pre-COVID as well. The Department of Labor is finding new ways to take advantage of this new normal by holding virtual career centers and job fairs. Other virtual services such as jobs express are another great resource for businesses to take advantage of. New York State Department of Labor will continue to be here for the business community across sectors and the REDC will continue to step up efforts as they have always done to help invigorate the business community. New York is tough and stronger than ever.

Overview of Regional Recovery Strategy – Donald P. Christian, Regional Chair, MHREDC

President Christian provided an overview of the plans for developing the regional recovery strategy. New York State has asked all 10 regional economic development councils to develop a regional economic recovery strategy, which will be due to the State on September 25th, and then published online. The purpose of this document is to re-think how our region can build back better given the success of our previous strategic plans and the context of the COVID-19 pandemic.

- The Council will review our existing strategic plan and recalibrate to reflect the new environment, given what we know now. We’ll be identifying which sectors of our economy have proved resilient, what is working, and what needs to be retooled given the new environment.
- The public will provide input in the formulation of this strategy.
- Hudson Valley Pattern for Progress will be coordinating the drafting of this document.
- The main goal is to focus on our recovery strategy, not specific projects.

The Regional Economic Development Councils were established by the Governor to develop long-term strategic plans for economic growth in their regions. Regardless of the availability of state funding, our Council provides important regional perspective and expertise and New York State intends to continue relying on this expertise as we transition from reopening to recovery.

Jonathan Drapkin added that Pattern for Progress is happy to take this on in support of the Mid-Hudson REDC. Pattern for Progress has volunteered its services in the past in the formulation of the Council's strategy.

Mr. Drapkin then gave an overview of the plan for developing the strategy:

- Collection and analysis of any available data that can help understand what has happened to our economy as a result of COVID-19, and what may happen going forward.
- Review analyses and reports that counties, economic developers, think tanks, and other organizations have put together. Mr. Drapkin invited all to submit reports/data to midhudsonredc@esd.ny.gov.
- Survey: Pattern has developed a survey that is currently posted on the Mid-Hudson REDC website: regionalcouncils.ny.gov/mid-hudson. The survey has been distributed to Council members, municipal leaders, economic development organizations, business associations, and workforce development entities and all are invited and encouraged to take it by August 25th, 2020.

COVID-19 Impacts on the Region: Johny Nelson, Labor Market Analyst, NYS Department of Labor and Jonathan Drapkin, President & CEO, Pattern for Progress

Mr. Nelson provided an overview from the NYS Department of Labor job numbers.

- Private sector employment declined by 13.9 percent, shedding 114,500 jobs which brought private sector job count to its lowest July level since 1998.
- Over-the-month change closely reflects the reopening of economy – a gain of 20,300. Historical average over-the-month change is relatively flat.
- Job losses were recorded across all industry sectors.

The top four sectors with the largest number of job losses included the following:

- Leisure and Hospitality (-45,900) recorded the largest number of job losses over the period.
- Trade, Transportation and Utilities down 18,200, lost the second most jobs. Most of those losses were centered in the retail trade component.
- Professional and Business Services shed 15,500 jobs over the period. Most of the losses are centered in the administrative and support services component. Between March 14 and August 15, administrative and support services had 18,054 initial claims filed.
- Educational and health services, the region's largest employment sector shed 10,600 jobs between July 2019 and July 2020. Job losses were centered in the health care and social assistance component.

Sectors least impacted by the Covid-19 crisis in terms of job losses:

- Year-over-year in July 2020, the two industry sectors least impacted by the Covid-19 pandemic in terms of job losses included the following: financial activities (-2,000) and information (-600).
- Combined, those two sectors only shed about 2,600 jobs.
- The information sector will get a boost as Charter Communications is looking to hire 1,500 new employees statewide by the end of the year, with 200 in its Hudson Valley Call Center in the Town of Walkkill.

Post-pandemic, industries that could generate jobs:

- The region's transportation and warehousing industry could become a major job generator. Additionally, the e-commerce might provide opportunities for jobs.
- Healthcare is another industry that could generate jobs post-pandemic. Healthcare is still considered recession proof and is expected to grow over the next decade.

Mr. Drapkin summarized the work that Pattern for Progress has been closely tracking the road to recovery, monitoring national data points, as well as state and regional data that help with Pattern's analysis on what is happening in the region's economy.

Mr. Drapkin highlighted a few themes in recent articles and in survey responses Pattern has received thus far that are particularly important as it seeks to understand what is happening and what the recovery will look like.

- **Sales Tax:** While the hard data still needs to be seen, in several conversations Mr. Drapkin has had with municipal leaders, many were concerned about the drop in sales tax revenues, though some have offered that it could have been worse. Gasoline consumption seems to be a major driver of sales tax revenue; the price and consumption have helped to generate sales tax revenue.
- **Need for quality, affordable child care:** Governor Cuomo made child care a priority in last year's CFA process, and COVID-19 has only made this issue more complex and urgent, with many schools in our region planning to go virtual for at least part of the academic year
- **Need for affordable, high-speed internet access:** There are both rural and urban areas within our region that are underserved and lack access to affordable, high-speed internet.
- **Need for investment in workforce development:** Many survey responses have mentioned a need for more investment in workforce.

Finally, Mr. Drapkin added that many residents in the Mid-Hudson region remain focused on four items: maintaining shelter, access to healthcare, food security and either a job or some form of monetary subsidy. This is the human side of what has happened to the economy, and we must keep this top of mind as we develop this strategy.

Review of Council Next Steps – Donald P. Christian, Regional Chair

President Christian highlighted three next steps:

- Public comments and questions on this agenda can be sent to midhudsonredc@esd.ny.gov.
- Visit regionalcouncils.ny.gov/mid-hudson to access the survey. Responses must be submitted by Tuesday, August 25th.
- The regional economic recovery strategy will be published on the MHREDC's website after it has been submitted to the State on September 25th.

President Christian invited Council members and legislators to provide comment on today's topics.

Public Comment

Jonathan Jacobson, NYS Assembly Member

NYS Assembly Member Jacobson stated that the DOL data should separate out Rockland and Westchester counties from the other counties in the region as there are important differences in their economies from the rest of the Mid-Hudson region. He also noted that the hospitality industry is and will be struggling. Lastly, jobs listed on the NYS DOL sites are already taken when people go to respond to the job openings.

Aileen Gunther, NYS Assembly Member

NYS Assembly Member Gunther stated that access to health care has been exacerbated during COVID -19. Childcare has also become an issue particularly in Sullivan County as many children cannot access internet to attend school. Assembly Member Gunther also expressed a desire to find a solution to the Safe Staffing bill.

Steve Otis, NYS Assembly Member

REDCs can play a role. Many businesses have long term challenges. People need to feel safe and connect with what solutions can help businesses open safely.

Meeting was adjourned at 11:19AM.