



**Testimony of New York State Office of General Services Commissioner RoAnn Destito
New York State Budget Joint Legislative Fiscal Committees
February 1, 2017**

Good morning, I am RoAnn Destito, Commissioner of the Office of General Services. I would like to thank Senator Catharine M. Young, chair of the Senate Finance Committee and Assemblyman Herman D. Farrell, Jr, chair of the Assembly Ways and Means Committee for inviting me to testify today. I would also like to thank the members of the committee.

From operating buildings, to construction management, establishing procurement contracts, and conducting tours of the Capitol, OGS is truly a diverse organization. We lead the way on a number of the Governor's enterprise initiatives that increase efficiencies in State government including the Business Services Center, Real Estate Center and Procurement Services.

I am glad to be here today to talk about the progress of the Division of Service-Disabled Veterans' Business Development (the Division) at OGS. Before I get much further I would like to point out and apologize that the annual report due on December 31, was several weeks late, but posted on our website at www.ogs.ny.gov last week.

As a member of the New York State Assembly for 19 years before becoming OGS Commissioner, I was a strong advocate for the Veterans community. This is why I am so honored that Governor Cuomo signed the Service-Disabled Veteran-Owned Business Act into law in May, 2014 and made OGS the agency from which it would be managed.

Today, I am pleased to tell you that more than \$33 million in state contracts have been awarded to businesses certified by OGS. As of December 31, 2016, a total of 284 businesses have been certified.

When Governor Cuomo signed this act into law he sent a strong message about his commitment to veterans, and we have achieved a high level of success already. New York State is certifying businesses at a nation-leading pace, and in fewer than 2 years we are already third of the seven states that have similar programs. Only California, which has been doing this since 1989, and Maryland, which started its program in 2010, have more certified businesses.

The number of State-certified Service-Disabled Veterans' Businesses continues to grow due to the focused efforts of the program staff, who are all veterans, who conduct in-depth due diligence to make sure that all businesses certified are legitimately controlled by qualifying service-disabled veterans and are capable of performing on State contracts.

The Division places a high priority on an efficient, thorough, and timely certification process. In 2016, 112 businesses were certified in an average time of 39 working days with 88 percent receiving a face-to-face visit by the Division's Executive Director prior to certification. The list of businesses is available on our website and is updated regularly.

The Division is taking steps to increase the pool of State-certified businesses to meet the statewide, six percent goal by taking a two-pronged approach. First, by focusing efforts on identifying and certifying existing Service-Disabled Veteran-Owned Businesses (SDVOBs), and second, by working with strategic partners to help service-disabled veterans start new businesses.

During its first fiscal year ("FY") 2015-2016, the Division began its work with a pilot group of the six agencies and four authorities. The pilot was a success.

As a result of these achievements, the expansion of the program Statewide was announced in December 2015 for FY 2016-2017. The first step in the statewide implementation was to receive goal plans from all participating agencies and authorities detailing their action plan to work toward the six percent utilization goal.

Through the end of the second quarter of FY 2016-2017, 49 out of the 97 agencies and authorities executed more than \$9.3 million in contracts with State-certified businesses, including more than \$6.6 million in disbursements. As a result, by September 30, 2016, 94 businesses, more than 33 percent of all State-certified firms, had been awarded a State contract.

The Division is actively engaged in educating agency and authority staff. Through classes, webinars, and matchmaking events, the Division is providing agency and authority staff with the tools and resources to help them meet their goals.

The Statewide Financial System (SFS) has been updated to include NYS certified status as part of the vendor file, and a new prompt has been added to all document-listing reports in AnalyzeNY Financials, which allows users to filter data based on NYS certified SDVOB status. These updates will allow reports to be generated within AnalyzeNY Financials to assist agencies in completing their quarterly SDVOB Activity Reports.

OSC performed an audit of the implementation of the Program for the period from June 2014 through December 2015 and issued its report in September 2016. The headline for the *NEWS from the Office of the New York State Comptroller* dated September 7, 2016 was "OGS Veteran Owned Business Program Off to Good Start." The OSC audit report states that "the Division has made substantial progress carrying out its responsibilities to implement the program during the 18 months since the Act was created." During the course of the audit, OSC recognized the Division's nation-leading certification growth rate and stated in the report that "the Division instituted a targeted marketing strategy to attract SDVOB applications, and coordinated with various State agencies and authorities to help them understand the Program and to encourage the use of certified SDVOBs."

The Division will continue to take steps to increase the pool of certified Service-Disabled Veteran-Owned Business, educate them on the best ways to secure contracts, and assist agencies and authorities in identifying and contracting with these businesses. These steps include installing a new online database, building better reporting systems, creating additional matching opportunities, continuing education for businesses and agencies, promoting contract segmenting and set-asides, and more.

We would be happy to partner with the legislature at events in your communities to help educate veterans about the certification process and bring certified businesses and the State together.

OGS is proud to report on the tremendous success that the Division has achieved in the two and a-half years since the passage of the Act.

Thank you for your time.