

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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B E F O R E:  
  
HELEN ROSENTAL  
Chairperson

COUNCIL MEMBERS:

Peter Koo  
Ruben Wills  
I. Daneek Miller  
Chaim M. Deutsch  
Costa Constantinides  
Corey Johnson

## A P P E A R A N C E S (CONTINUED)

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Michelle Jackson  
General Counsel  
Human Services Council of NY

CHAIRPERSON ROSENTHAL: [off mic] I

think it's important that I have a microphone that  
don't work... oh, sorry, doesn't work. Really?

None of that was caught on 'cause that was my best  
interpretation. [background voice]

Okay, good morning. My name is Helen  
Rosenthal and I'm honored to be the new chair of  
the City Council's Committee on Contracts. As this  
is my first hearing as chair, I'm especially happy  
to welcome you all here to discuss a topic that is  
significant and one that resonates with my  
experience, namely the city's late registration of  
contracts and the profound impact this delay has on  
organizations which provide vital services to New  
Yorkers. Thank you all for attending. Before we  
proceed, I'd like to recognize Council Member Koo,  
who I'm delighted has joined us this morning.

Okay, and I'd also like to thank my legal staff,  
Shannon Manigault and my policy analyst, Tim  
Matisoff [phonetic] for their critical work  
preparing for this hearing. Thank you. This would  
not have happened without you.

First, a bit of terminology: when we  
use the word "retroactive" contracts, we're

referring to those contracts that begin providing services prior to the official date of registration with the New York City Comptroller. Because the city cannot pay a vendor before the contract is registered, delayed registration translates into delayed payment. We use the term "vendor" for today to refer to the not-for-profit organizations or other service providers who contract with the city to provide services. For the many service providers that are small... Council Member Wills, thank you so much for joining me, and Council Member Miller. [background voices] And you joined me. I'm honored. Thank you. We're talking about retroactive contracts and delayed payments. So for those not-for-profit groups that have tight cash flows or any size organization that is primarily funded by the city, delayed payment wreaks havoc as vendors struggle to provide services for New Yorkers in need while juggling to pay rent and their employees.

So what do the organizations do to survive under these circumstances? In preparing for this hearing, we've learned about three different scenarios: employees working without

pay, vendors taking loans from commercial banks and a no-interest loan program offered by the city. So let's start with the available no-interest loans.

The city's Returnable Grant Fund is a dedicated pool of funds administered by the Fund for the City of New York in conjunction with the Mayor's Office of Contracts, MOCS, who I'm grateful to be here today. The Returnable Grant Fund offers no-interest loans to assist vendors with short-term cash flow problems. While there is a fee attached, half is returned to the vendor upon full repayment of the loan and typically the fund provides one to two months advance to vendors who have already begun providing services, but are waiting for their contracts to be registered with the city's Comptroller Office, at which point they can begin invoicing for payment. But not all vendors impacted by the retroactive contracts have taken advantage of the fund. Indeed, a review of loans granted by the fund and the city contracts that were registered as retroactive for more than 30 days suggests that only a small fraction of vendors received the loan. Some vendors take out private loans while waiting for their first payment from

the city. I was board chair of an organization that provided contract services for the city, but did not get paid for months after services began. One option for our organization is a line of credit with a bank that charges above prime interest rates and over the years we've paid between five and seven percent interest on our loans. We've all heard these stories and this morning, we'll hear from a vendor that provides needed city services under contract and every two years in the past has paid between \$80,000 and \$100,000 in interest payments while waiting for their contract to be registered with the city Comptroller. As troubling as it is that organizations have had to seek private commercial loans and pay thousands of dollars in interest as a result of city payment delays, some providers are not in a financial position to secure a line of credit, and therefore cannot even get a commercial loan. There were times when the executive director of the organization I chaired went without pay. There's a small organization in Brooklyn which reported delayed contract registration, which meant that the

Board of Directors had to pay out of pocket for the organization to stay afloat.

As your new chair of the Contracts Committee, I'm disappointed to learn that so many of the city's contract vendors, who provide services for New York, are not paid in a timely fashion. In the months ahead, I look forward to working with MOCS to explore the reasons why retroactive contracts exist and the payments are delayed, and I'm confident we'll find some constructive solutions. If you look on the screen behind us you'll see the time period sort of in the middle two boxes. Is that big enough for everyone to see? You can come closer and look. We didn't have the funds to make copies to pass out to you, so we put it up on here. I'm just kidding. Do we have copies? Okay, that'd be great. So what you'll see is that there's a period of time before the contracts are registered, the two boxes in the middle where it goes through the city's law department; OMB; the agency is reviewing it. And in the future we'd like to have some hearings that talk about that period of time and how we could expedite that part of the process, but for today,



1 we're just talking about the time period from the  
2 contract registration with the Comptroller's Office  
3 to the point when the vendor can invoice for  
4 payment, at which point they could possibly get  
5 this loan. So the question today is what can we do  
6 to ease the burdens caused by retroactive  
7 contracts? Do vendors know that the Returnable  
8 Grand Fund exists and are there barriers to apply  
9 for these loans? If the city made more vendors  
10 aware of this fund, which I hope this hearing will  
11 do, is it sufficient to accommodate all of those in  
12 need and could vendors have access to the funds  
13 sooner while their contracts are still pending  
14 prior to registration with the Comptroller's  
15 Office? The priority is to curb retroactive  
16 contracts, but as long as retroactive contracts  
17 persist, we also need to be doing all we can to  
18 minimize the hardships they pose for vendors. We  
19 look forward to our discussion today with MOCS, the  
20 Fund for the City of New York and vendors who are  
21 willing to share their experiences, so thank you  
22 again for joining us.

24 I believe we're going to start with our  
25 first panel; thank you, Shannon; which is from the

Mayor's Office of Contracts, MOCS, the Commissioner, Andrea Glick. I was about to call you President, so. Lisette Camilo, thank you very much, from MOCS; Ezra Polonsky from MOCS, thank you very much and Jenny Way from MOCS. Thank you for joining us and I look forward to your testimony.

[off mic] Oh, yours isn't working either.

[background voice]

ANDREA GLICK: Oh, okay. Great. Hi, good afternoon. Good morning, Chair Rosenthal and members of the Committee on Contracts. I am Andrea Glick, Director of the Mayor's Office of Contract Services and I'm joined by my terrific staff, Ezra Polonsky. He's the Deputy Director of Research and IT; Jenny Way. She's the Associate Director of the Capacity Building and Oversight Unit and my acting general counsel, Lisette Camilo.

I'm here to present the administration's testimony regarding retroactive contracts. It has been a number of years since we've been called to testify on this issue, but it is one that my office is working diligently on in trying to address. A contract is considered retroactive when the start date occurs before the

contract is registered with the Comptroller. The issue of retroactive contracts is not a problem that negatively affects all city contractors. For example, for vendors outside of the human service sector it is not unusual for vendors to provide services well in advance of billing; many types of professional services work this way; or they simply wait for registration before incurring any significant cost for the services to be rendered. However, within the human services sector, retroactive contracting may result in cash flow and subsequently, service continuity problems for many non-profit vendors who rely on the city's payment for their operations. This is especially true for contracts that continue programs from one year to the next. It is for this reason that MOCS tracks human services contracts retroactively as a key performance indicator every year.

In Fiscal 2013, city agency performance on this indicator was mixed. Average retroactivity increased to 61 days in Fiscal 2013, compared to 45 days in Fiscal 2012. The number of retroactive contracts also increased to 666 in Fiscal Year 2013 from 590 in Fiscal 2012. Some of the increase in

retroactivity between the two fiscal years may be attributed to the effect of Superstorm Sandy. For example, some of our human services agencies were displaced from their offices for many months and many agencies were focused on other Sandy related activities like applying for FEMA funds on behalf of the agencies and assisting the non-profits and assisting many site specific non-profits relocate or rebuild. Additionally, another potential cause for the increase may be attributed to the fact that the overall dollar value of human services contracting increased significantly from 2.9 million in Fiscal 2012 to 5.4 billion in Fiscal 2013, mostly in high dollar value contracts. Larger contracts undergo more scrutiny in process than smaller ones do, which may have added to the increase in retroactivity. However, despite the increase in overall human service procurement, the percentage of overall dollar value of retroactive contracts decreased significantly to 35 percent in 2013 from 55 percent in 2012.

Retroactivity at some of the agencies with large volumes of human service contracts fluctuated in Fiscal 2013. For example, DHS's

retroactivity by dollar value significantly decreased from 43 percent in 2012 to just five percent in 2013. ACS's retroactivity also decreased from 83 percent of the dollar value in 2012 to 39 percent in 2013. DFTA's total percentage of retroactivity by dollar value increased to 50 percent in Fiscal 2013 compared to 44 percent in 2012.

While we are concerned with retroactivity, short-term delays, less than 30 days, do not result in payment disruptions for vendors and their invoices are timely paid. A more significant indicator than overall retroactivity is the level of long-term retroactivity, periods lasting longer than 30 days. Here the results are mixed. Long-term retroactivity decreased to 11 percent by dollar value in 2013 from 12 percent in the previous year. DFTA and the Health Department were successful in maintaining low levels of long-term retroactivity at three percent and one percent respectively. ACS and DHS maintained a steady performance compared to last year and HRA was successful in significantly reducing its long-term retroactivity levels down to seven percent, which

represents an 84 percent increase from Fiscal 2012. DYCD's long-term retroactivity increased to 40 percent in Fiscal 2013 from 34 percent in the previous fiscal year. We continue to work closely with all of the human service agencies, as well as the Human Services Council and our non-profit partners to mitigate and correct late contracting patterns.

It is important to note that the retroactivity data we report only encompasses certain human service contracts, as the goal of the indicator is to improve upon agency action and lateness is not always the result of an agency's acts or omissions. Accordingly, we exclude from our data contracts that are delayed due to reasons outside of an agency's control. For example, we exclude from our retroactivity reports procurements such as discretionary awards, emergency procurements, required authorized source contracts where the agency may only award to a vendor selected by the state and atypical contracts where there are vendor responsibility problems, litigation or investigation that substantially cause the delays. We also exclude contracts where

retroactivity does not end up interrupting payment. Those include some programs, most notably in the home care and housekeeping areas that are funded by outside sources like by New York State, where payments continue even when the contract timeframe lapses.

A tool that agencies and MOCS use to monitor and minimize late contract registration is the Human Services annual plan, as required by Local Law 24 of 2004. The plan, which is posted on MOCS website and regularly updated shows the relevant processing milestones and informs providers where the procurements are moving through or getting stuck in the pipeline. We use the human services plan as a tracking and management tool as we endeavor to improve agencies' timeliness.

While it is our goal to have as few retroactive contracts as possible in order to ensure the well-being of our human services providers and the clients they serve, there are many complex variables that contribute towards retroactivity. A significant cause of many delays can be attributed to the agency and OMB budget process, which during times of budget reductions

can take expensive time to resolve. Additionally, human services providers may elect to negotiate changes in contract language or terms, including financial terms, which also adds to the time it takes for a contract to be registered.

Additionally, finalizing responsibility determinations may add to delays as well. First, the vendor name checks that are performed by the Department of Investigations and required for contract awards over \$100,000 may take up to 30 days to complete. Second, VENDEX processing has some impact in delaying some contract registrations. MOCS upgrade the VENDEX system to ensure that the city actually receives the information from vendors that is required by law. MOCS is working to streamline the existing process and implement a paperless online VENDEX system.

Although long-term, we believe that the VENDEX law itself should be changed so that it can better target its processing burdens with a risk-based approach. Last year, we worked with the City Council to introduce legislative changes and look forward to continuing our work with you to ensure that such changes are codified. As an example, if



the VENDEX threshold were simply raised to apply to aggregate awards of \$250,000, hundreds of human service contracts would have been able to proceed in a more timely way to registration in Fiscal Year 2013.

In an effort to address VENDEX processing and to expedite the registration of certain contracts, MOCS issued a number of VENDEX waivers allowing qualifying non-profit vendors to complete VENDEX processing post-registration. Under PPB Rule 2-08, I, as City Chief Procurement Officer, may approve post-registration VENDEX filings for vendors in good standing based on urgent circumstances. A vendor in good standing is one where the vendor has filed complete VENDEX questionnaires within the statutory three-year timeframe and where the agency has enough information, absent a new VENDEX filing, to determine that the vendor is responsible. In Fiscal 2013, our office approved 41 requests for VENDEX waivers for human service providers.

The most useful tool the city has to aid non-profits with delays in contract registration is the city's cash flow loan fund,

named the Returnable Grant Fund, administered jointly by MOCS and the Fund for the City of New York. The Returnable Grant Fund, created in 1992 and greatly expanded in 2009, was designed to assist vendors with short-term cash flow problems resulting from late contract registration to ensure continuity of services. To be eligible for a loan, a vendor must either have a city contract or other funding agreement that is pending registration or it must hold a city contract or other funding agreement entitling it to receive funding from the city's expense budget, not capital funding, if applying for a loan based on another pending funding source; state, federal or private. In addition, the vendor must demonstrate that it is experiencing a short-term cash flow need. A Returnable Grant Fund loan may only be used to pay for salaries, rent and utilities. Fiscal 2013 loan amounts vary in size from \$2,237 to \$2.3 million. In total, in Fiscal 2013, the loan fund made 246 loans to 243 vendors, totally \$38.8 million, reflecting a 41 percent increase over the previous year. Since its inception, the loan fund has made over 4,000 interest-free loans totally almost \$350

million. We have never had to reject such an applicant based on a shortage of available funds.

The loan fund is a resource that is well-known to the city's human service providers. Vendors typically learn about it through contracting agencies, as most providers have a relationship with contracting personnel and will inform them of cash flow problems resulting from any delay in registration. MOCS regularly provides contracting agencies with information concerning the loan fund, either during monthly ACCO or individual agency meetings. MOCS also makes available written information about the loan fund to agencies on the internal procurement website "Buy Wise."

MOCS works to get information out to human services vendor directly as well. MOCS administers a website dedicated to non-profit assistance, which can be directly accessed by the public via our website that contains detailed information about the fund as well as an application. Additionally, MOCS Capacity Building and Oversight unit, which reviews and identifies human services vendor needs and provides technical

1 assistance to address those needs, recommends the  
2 loan fund to vendors that they work with who  
3 experience cash flow problems resulting from late  
4 contract registration. Finally, MOCS works with  
5 our human service partners like the Human Services  
6 Council to further get the word out about the loan  
7 fund to non-profit vendors.  
8

9 Another way that the administration has  
10 tried to alleviate the burden for human services  
11 providers and speed up contract registration is by  
12 easing their administrative burden in the area of  
13 the Division of Labor Services submissions.  
14 Executive Order 50 of 1980 required that the city  
15 contractors comply with federal, state and local  
16 Equal Opportunity Employment laws and regulations.  
17 Prior to contract award, contractors are required  
18 to submit an employment report containing  
19 information on their employment policies and  
20 practices, as well as their workforce composition;  
21 we call it the DLS submission; were extremely  
22 burdensome for many of the non-profit providers  
23 that contract with the city and compliance with  
24 this requirement added time to the registration  
25 process. A review of non-profits' DLS submissions

showed extremely low levels of non-compliance with the EEO mandates. Accordingly, in 2011, former Mayor Bloomberg signed Executive Order 159, which amended Executive Order 50 to exempt human services contracts from these submissions, and thereby reduced contract processing times for most human service vendors.

Lastly, another development that will aid in reducing retroactive contracts is Health and Human Services Accelerator. It is anticipated that this initiative will simplify and speed the contracting process for client and community-based services, as it is a web-based procurement system that eliminates redundant paper-based requirements. HHS Accelerator currently has three active components. 1. A citywide data vault, 2. Provider pre-qualification, and 3. The functionality to make competitive human service procurements. The data vault electronically collects all those documents submitted by vendors that are needed for each stage of the contracting process. The documents will be centrally maintained in an electronic manner and city agencies will have instant access to them throughout the procurement process. In addition,

HHS Accelerator permits agencies to review providers' qualifications and capacity prior to the start of the vendor solicitation process and to categorize them based on experience and capacity, as well as by specific criteria to service categories, client groups, program size and location. Prequalification streamlines the vendor selection process, thereby shortening contract processing timeframe. The prequalification function of HHS Accelerator launched in 2013. Finally, as of October 2013, agencies are able to solicit, evaluate and award requests for proposals electronically through HHS Accelerator, which should streamline the contracting process. As an example, the Human Resources Administration issued a request for proposal on October 31st, 2013 and issued award letters to recipients on February 18th, 2014, a speedier process than its paper-based counterpart.

Thank you for the opportunity to testify about these issues. I look forward to our continued partnership in addressing this problem and I am available to answer any questions you have.

CHAIRPERSON ROSENTHAL: Thank you so much, Commissioner. I have just two very quick questions, but first, I just want to recognize Council Member Deutsch. Thank you so much for joining us this morning. I forgot to mention we're having our hearing in a cafeteria, so I brought some banana bread. [laughter] If anyone wants some, it's sitting right over there, as is the copies of the contracting process if anyone wants a copy there, and I just want to thank everyone in the audience for coming this morning. We're making a sign-in sheet and if you're interested in following up on information about the contracting process, feel free to sign in. I'm interested to know who came this morning, so I would appreciate your signing in as well. I also want to thank Regina Poreda Ryan for coming here from the Finance staff. I really appreciate all your help in preparing this... preparing for this hearing.

I just had two quick questions and first, I just want to say Commissioner, thank you so much for starting your testimony by talking about all the good things that go on and all the contracting that goes on in an expeditious fashion.

I was neglectful not to mention that, and so absolutely thank you for mentioning that as well. Just two quick questions: I was interested in the notion of a vendor in good standing and I was wondering... and we don't... if you don't have this now, that's fine. Maybe if you have it another time, but just a view of a sense of how many of your vendors are vendors in good standing so we have a context. You mentioned that there were 41 requests for waivers. Do you have a sense of all your vendors; like what percentage are vendors in good standing and I don't know, something like around that?

ANDREA GLICK: Yeah, sure. Here, Lisette.

LISETTE CAMILO: Hi, this is Lisette Camilo. We don't have a percentage of all of the city vendors that have a current... we don't have data on that just yet, but...

[crosstalk]

CHAIRPESON ROSENTHAL: Okay.

LISETTE CAMILO: We check VENDEX at contract awards to see where they are in the process, so if that was the question on...



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CHAIRPERSON ROSENTHAL: Yeah, yeah,  
yeah. So maybe in the future? That's something  
that sounds interesting to think about. I know that  
for what...

[crosstalk]

LISETTE CAMILO: Except it's a moving  
targets, so every...

[crosstalk]

CHAIRPERSON ROSENTHAL: I'm sure.

LISETTE CAMILO: So every vendor has a  
different timeframe of when they are required to  
file, so it's hard to take a snapshot or have a  
summary number...

CHAIRPERSON ROSENTHAL: [interposing]  
Okay.

LISETTE CAMILO: Of that data, but  
certainly you know, if you have certain vendors  
that you're curious about, we can certainly...

CHAIRPERSON ROSENTHAL: [interposing]  
Yeah.

LISETTE CAMILO: Give you that  
information.

CHAIRPERSON ROSENTHAL: Let's talk  
more.

LISETTE CAMILO: Absolutely.

CHAIRPERSON ROSENTHAL: Okay, great.

Thanks and then I'm also just... this is my last question. Just in the sense of just that this is the beginning of a new administration, do you guys have a process with which you regularly meet with the ACCOs of the different agencies and inform them about what's going...

[crosstalk]

ANDREA GLICK: Yes.

[crosstalk]

CHAIRPERSON ROSENTHAL: On?

ANDREA GLICK: We meet with the ACCOs as a group once a month.

CHAIRPERSON ROSENTHAL: Oh, okay.

ANDREA GLICK: Yes, and that's been going on for many, many...

[crosstalk]

CHAIRPERSON ROSENTHAL: Okay.

[crosstalk]

ANDREA GLICK: Many years.

CHAIRPERSON ROSENTHAL: I'm new; you're not.

[crosstalk]

ANDREA GLICK: And then we meet with  
the... what?

CHAIRPERSON ROSENTHAL: I'm new; you're  
not.

ANDREA GLICK: No, I know, I'm just...  
so that you know, so we meet with them every month.

CHAIRPERSON ROSENTHAL: Okay.

ANDREA GLICK: And they often bring  
others in their agency depending on what's listed  
on the agenda 'cause it may impact other areas and  
we always welcome them to bring whomever they want.  
We also meet with them, most of them, the large  
agencies every other week.

CHAIRPERSON ROSENTHAL: Okay.

ANDREA GLICK: They come in with their  
staff.

CHAIRPERSON ROSENTHAL: And as...

[crosstalk]

ANDREA GLICK: Individually.

CHAIRPERSON ROSENTHAL: Oh, wow.

ANDREA GLICK: By agency.

CHAIRPERSON ROSENTHAL: Okay, so for...  
at those meetings do you have the information... I  
think we were going to have the registration... the

Returnable Grant Fund applications. They're at the door. Do you bring those to those meetings so you just...

[crosstalk]

ANDREA GLICK: Uhm...

[crosstalk]

CHAIRPERSON ROSENTHAL: Sort of make sure they're aware of them?

ANDREA GLICK: Periodically we will talk about that.

CHAIRPERSON ROSENTHAL: Okay, cool.

ANDREA GLICK: It's not an every meeting agenda item.

CHAIRPERSON ROSENTHAL: Okay.

ANDREA GLICK: But as it becomes closer to the fiscal year end...

CHAIRPERSON ROSENTHAL: [interposing]  
Yeah.

ANDREA GLICK: Many times we're meeting with a lot of the large agencies every week going over where they are with getting... we look at the Human Services plan and like the guide so we know what contracts are coming up or have to be processed, and so at that point in time we'll talk

about cash flow issues and we do talk about the loan fund and we reiterate that it exists and we talk to the ACCOs about you know, the application process so that they can talk to their vendors about it.

CHAIRPERSON ROSENTHAL: Okay, thank you very much. Do my colleagues have any questions? I just want to open it... yeah, please.

COUNCIL MEMBER DEUTSCH: Thanks, Chair. Thanks for having me this morning and I just want to say that we have probably the nicest chair in the New York City Council right here, so I don't think she knows how to raise her voice yet, but she's very good.

CHAIRPERSON ROSENTHAL: [interposing]  
Thank you.

COUNCIL MEMBER DEUTSCH: I'm very close to my colleague, Helen Rosenthal and I just want to say thank you, Commissioner. You covered all the bases. You spoke very well and we didn't have an opportunity to give out our funding yet, so maybe we'll come back after we see you know, what happens with that funding and how the contracts are going and so on and so forth, but it looks like you have

a good reputation, you're very competent, so we are confident that things will go well. So I just wanted to mention that. Thank you so much.

ANDREA GLICK: Thank you.

CHAIRPERSON ROSENTHAL: You know, actually Council Member Deutsch, who is also the nicest person, anyway, we don't know each other that well yet. [laughter] So you raised a really good point about the City Council discretionary funds and that, you know, to be honest with you, is a tricky one and they are... there's a question about how well we do as a body in how quickly we can get those contracts out, and we've sort of separated out the City Council discretionary awards process in this chart because we want to come back to it at another time. But you know, of course we want to be responsible to the vendors that council members are counting on to provide services in their district as well. So thank you. I appreciate your bringing that up. Yeah, Council Member Miller.

COUNCIL MEMBER MILLER: Good morning, Chair and thank you for this important hearing and thanks to everyone that's come out this morning. I

1 have just a small question as we move on and  
2 probably more as we move forward, but for right  
3 now, as you spoke of expediting... Commissioner,  
4 thank you so much for you and your team being here.  
5 As you spoke about expediting the process along and  
6 some of the measures that you have imposed in  
7 order to make that happen, one of the things that  
8 caught my attention was the elimination of the DLS  
9 submission and what impact that may have had and I  
10 see that you said by according to your review; I'm  
11 paraphrasing; that there was minimal impact, but  
12 what would those impacts have been and potentially  
13 what could have happened if, in fact, by removing  
14 that process are some of the things that could have  
15 been overlooked in terms of its employment  
16 information?

18 ANDREA GLICK: Well, I haven't heard of  
19 any negative impacts with the removal of it or any  
20 employment related issues, so I... but I can tell  
21 you what it did eliminate was a lot of paper. It  
22 was... to get one of those certifications from the  
23 Department of Business Services literally and it  
24 was all a paper-based process. They didn't have it  
25 online. It could've taken a vendor, especially a

1 small community-based provider, which may not have  
2 had as much expertise as required to fill out some  
3 of those complicated forms, it could've taken them  
4 a few months to fill it out, and the administration  
5 at the time I guess did not feel that there was any  
6 value to all of these forms. It wasn't showing  
7 what was really going on in that vendor community  
8 for that specific... for the Human Services  
9 vendors, so before an award could've been made they  
10 would've had to fill out all these forms and they  
11 would literally have to get a letter from that  
12 department that said you know, you've been  
13 certified. And yeah, sure. Lisette would like to  
14 add something.

16 LISETTE CAMILO: So this change was as  
17 a result of an Executive Order that was passed by  
18 the Mayor and before that happened, all human  
19 services vendors had to fill it out and what they  
20 did was they took a look at a number of years  
21 compliance with that requirement to see if there  
22 was any reason to see that that particular vendor  
23 community, human services, did they ever get in  
24 trouble for Equal Employment Opportunity violations  
25 and they found a very low instance of such



violations because that just doesn't happen, well, historically and when they looked at the numbers, they saw that that was a risk-based decision. There were a few violations that had such... to have such an onerous requirement so they had decided to... that that was a good area to streamline that function and so that was why the... the basis for that change.

COUNCIL MEMBER MILLER: So I would say to that that there are a number of mechanisms that have been put in place under City Charter, civil service mechanisms and all of these things for a good reason, and to just unilaterally remove them there has to be an absolute greater reason. And I understand expediting these goods and service to communities that really need them is really important, but I am always leery about the removal of such mechanisms that were put in place to protect citizens; to protect; not just to ensure that everyone had equal opportunities and I want to make sure that there is some oversight around that area as we move forward; that we just don't trash it and not come back and review it from time to time, so.

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ANDREA GLICK: Just keep in mind it was only removed for the human service providers, not for you know, construction vendors or professional... I just want to make sure.

CONCIL MEMBER MILLER: And that would...

[crosstalk]

ANDREA GLICK: Okay.

[crosstalk]

COUNCIL MEMBER MILLER: Apply to everybody.

ANDREA GLICK: Right, okay, I just wanted to make...

[crosstalk]

COUNCIL MEMBER MILLER: That would apply across...

[crosstalk]

ANDREA GLICK: Sure.

[crosstalk]

COUNCIL MEMBER MILLER: The board.

CHAIRPERSON ROSENTHAL: Thank you very much and I appreciate your bringing that up, I really do. I want to thank you. Is there any

other questions? Okay, thank you so much for your time.

ANDREA GLICK: Thank you.

CHAIRPERSON ROSENTHAL: Could I trouble you to stay if you want to? Or if your staff could stay; there is banana bread; [laughter] just to hear you know, what else is going on.

[crosstalk]

ANDREA GLICK: Someone from my office will be staying, so we can...

[crosstalk]

CHAIRPERSON ROSENTHAL: I appreciate that...

[crosstalk]

ANDREA GLICK: Hear that other...

[crosstalk]

CHAIRPERSON ROSENTHAL: Because next up...

[crosstalk]

ANDREA GLICK: Testimony.

[crosstalk]

CHAIRPERSON ROSENTHAL: Is from the returnable... we're going to talk about the...

[crosstalk]

ANDREA GLICK: Mm-hm.

CHAIRPERSON ROSENTHAL: Returnable Grant Fund, but right after that, we're going to be hearing from some of the vendors who...

[crosstalk]

ANDREA GLICK: Mm-hm.

CHAIRPERSON ROSENTHAL: Have issues and I'd really appreciate your guys thinking about...

[crosstalk]

ANDREA GLICK: Mm-hm.

CHAIRPERSON ROSENTHAL: You know, to hear feedback from you afterwards.

ANDREA GLICK: Okay.

CHAIRPERSON ROSENTHAL: Thank you so much. Next I'd like...

[crosstalk]

ANDREA GLICK: Thank you.

[crosstalk]

CHAIRPERSON ROSENTHAL: To ask the Fund for the City of New York to come up: Mary McCormick; Jill Borrero; Georgia Boothe and Andrew Wal... you didn't spell your... Walread. Thank you and right afterwards we're going to hear from Jerry McElroy and Michelle Jackson and Karina Aybar-

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Jacobs. So I appreciate your patience. Thank you very much.

[Pause]  
[background voices]

CHAIRPERSON ROSENTHAL: Thank you so much for coming here this morning. I really appreciate your time and look forward to your testimony.

MARY MCCORMICK: Oh, good morning. My name is Mary McCormick. I'm President of the Fund for the City of New York and I'm here with colleagues: Andrew Walrond, who is the Director of the Cash Flow Program.

CHAIRPERSON ROSENTHAL: Oh.

MARY MCCORMICK: Georgia Boothe, who is a member of the Funds Board who is the CEO of Pathways to Housing, where they house about 700 individuals with mental disabilities in scattered sites around the city and she's also going to be speaking to this issue, and the Vice President for Operations at the Fund...

CHAIRPERSON ROSENTHAL: [interposing]  
Great. Thank you.

MARY MCCORMICK: Jill Borrero and thank you, Chairman... Chairperson Rosenthal.

CHAIRPERSON ROSENTHAL: Chairwoman.

MARY MCCORMICK: Chairwoman.

CHAIRPERSON ROSENTHAL: I'm okay with that.

MARY MCCORMICK: Chair. It's your first hearing; it's our first appearance ever at a City Council hearing.

CHAIRPERSON ROSENTHAL: Oh, wow.

MARY MCCORMICK: And thank you for being here, Council Member Deutsch. We're appearing here in two capacities today, having been involved in this issue for almost 40 years, and what I'd like to do is provide a very brief kind of history and then talk about our experience as a recipient of government contracts; we currently have contracts from 16 different agencies; and then I would like to talk about our experience as managing several cash flow loan programs to deal with this issue. In the last fiscal year, we lent more than \$90 million to more than 300 different non-profits.

And I'd like to begin by just making sure that we all recognize the important role that non-profits play in the provision of services and how they contribute to the economy of New York and to the health and welfare of all of our neighborhoods. It's important for us all, particularly in human services, to remember that many non-profits were created or the mission of the organization was changed or they were increased their size in order to provide services that government wanted them to provide, and there's been a shift in the last 30 years where government that used to directly provide services decided not to for matters of money. It was cheaper to have non-profits do it and in order to avoid the "not in my backyard" issue; that anytime government was going to site a facility in a neighborhood, it was going to create lot of problems and so it became easier to give a contract to a non-profit to operate that facility and put the burden of siting the facility on the non-profit and not on city government. And so as a result, and we all know this, this relationship I think is embodied in the fact that the city contracts about over \$18 billion worth of

1 services to be delivered by non-profit  
2 organizations. And so they are... there's an  
3 interdependent relationship and they're an integral  
4 part of the entire system and so by strengthening  
5 them and improving this process, we're improving  
6 the functioning of government. It's not something  
7 that's just nice to do that will make their lives  
8 easier. They are vital to what the entire city is  
9 about.  
10

11 And so as has been mentioned, I just  
12 want to underscore this too, because it probably  
13 can't be stressed enough and that is the lag time  
14 between a non-profit that is contractually required  
15 to deliver services, right, usually on July 1st.  
16 By the time they start to provide those services,  
17 by the time they get a contract and the time the  
18 contract is registered and the time they get money  
19 can be a very long period of time, and while I  
20 heard that MOCS said you had to prove that you had  
21 a cash flow problem before you qualify for a  
22 Returnable Grant Fund, managing these organizations  
23 is so complicated that these delays cause a huge  
24 number of dislocations and the fact that an agency  
25 may have seven or eight different contracts, it's



1 never what's happening in the instance of just one.  
2 It's how you're balancing the status of all of them  
3 when they're registered and when they come due. So  
4 it is a problem that affects the morale of these  
5 agencies. It adds cost to these agencies,  
6 particularly if they're lucky enough to be able to  
7 find money to borrow, and they spend time that  
8 should have been spent on resources on the  
9 provision of services really dealing with various  
10 contracting issues.  
11

12 So as I mentioned, we're familiar with  
13 this from two different perspectives. I'd like to  
14 talk first about our experience as a recipient of  
15 government contracts through our partner programs.  
16 And currently, we have contracts from 16 different  
17 city agencies, eight different state agencies and  
18 four federal agencies and because of delayed  
19 registration and delayed payments in any given  
20 month the Fund has to find between four and eight  
21 million dollars to cover expenses that have been  
22 incurred where the money has been advanced before  
23 we receive the payment. We currently have 11  
24 partner projects that have government contracts and  
25 they range from the ones you are or will be

familiar with, the \$3,500 City Council discretionary one time contract to an organization such as the Center on Court Innovation, which is a partner project of the Fund, and we have been part of it since its beginning. They currently have 16 government contracts.

CHAIRPERSON ROSENTHAL: Wow.

MARY MCCORMICK: And I might add that the Center on Court Innovation is a leader in the country, certainly in the city in designing and implementing problem-solving courts, and among their current projects is the Midtown Community Court, the Red Hook Justice Center, the Bronx Juvenile Accountability Court, the Crown Heights Community Mediation Center and the Harlem Community Justice Center. And if you're familiar with any of these, you understand how they have put this city really on the edge of being innovative and finding solutions that are being copied; borrowed; adapted really all over the world. So with all of these contracts, and this is not atypical, and I was thinking is CCI considered human services? I'm not even... I don't know. It may be; I'm not sure, but here are the agencies that we have contracts with:

1  
2 the Administration for Children's Services; the  
3 Office of the Mayor Office of Criminal Justice  
4 Coordinator; the Department of Youth and Community  
5 Development; the Economic Development Corporation;  
6 the Department of Health and Mental Health; HRA;  
7 Probation and the Department of Education, and this  
8 is not unusual for non-profit agencies.

9           And I would like to say that while the  
10 Fund has very talented and sophisticated staff to  
11 manage the contracts and to do them correctly and  
12 they work with equally sophisticated and talented  
13 public servants who want to do this well and who  
14 work very hard and go above and beyond, the monthly  
15 cash flow for these CCI contracts is between three  
16 and seven million dollars a month, not through the  
17 fault of any individuals, but through the  
18 complexity, whether necessary or not, of the  
19 system.

20           And I'd like to describe just one  
21 example of a contract that went unregistered for 18  
22 months, and while it's not that common, but it's  
23 also not that uncommon. And that one, in the  
24 summer of 2012, the City Council launched a new  
25 initiative, Cure Violence, to reduce violence in

1 selected neighborhoods and the contract was to be  
2 administered by the New York City Department of  
3 Health and Mental Hygiene. The contract date start  
4 was July 1st, 2012 and that is when the work  
5 started. The two different organizations hired  
6 staff; they purchased the equipment; they got  
7 uniforms; they leased space; all the things to get  
8 this going. It was not until, however, June of  
9 2013, almost the end of the contract, that we had a  
10 contract and we had already paid out 11 months of a  
11 you know, \$900,000 of two contracts equaling \$1  
12 million and the contract was not registered in the  
13 Comptroller's Office until December 2013, 18 months  
14 off the start date and then at one point we were  
15 repaid rather quickly in January, which was very  
16 nice. Do you want to recognize your new colleague?

17  
18 CHAIRPERSON ROSENTHAL: Yes, thank you.  
19 How kind of you.

20 MARY MCCORMICK: I needed a drink.  
21 [laughter]

22 CHAIRPERSON ROSENTHAL: Oh, good.  
23 Well, let's pause for a moment while we recognize  
24 Council Member Constantinides, who I'm... really?

Oh, thank you so much for joining us. I appreciate that.

COUNCIL MEMBER CONSTANTINIDES: [off mic] And congratulations on your first hearing.

CHAIRPERSON ROSENTHAL: Thank you.

MARY MCCORMICK: So that's just a very quick view of our experience with the contracting process. I now want to switch to our experience as providing cash flow loans to deal with this issue. Yes.

CHAIRPERSON ROSENTHAL: Thank you. Could I trouble you to take one more sip of water? I just want to recognize Council Member Johnson. Thank you so much for joining us. I know you have three other hearings.

COUNCIL MEMBER JOHNSON: [off mic] Yes.

CHAIRPERSON ROSENTHAL: And I know everyone's struggling this morning, so I really appreciate it, and thank you for giving a moment.

MARY MCCORMICK: Thank you.

CHAIRPERSON ROSENTHAL: Thank you. No problem.

MARY MCCORMICK: Okay, so as a second part, the Fund for the City of New York was created

1  
2 by the Ford Foundation in 1968, and it was just  
3 eight years into its life that the Fund created its  
4 first cash flow program in 1976. That was 38 years  
5 ago, so I want to underscore again that the problem  
6 we're dealing with is one that has a long  
7 history...

8 CHAIRPERSON ROSENTHAL: [interposing]

9 Yeah.

10 MARY MCCORMICK: And it is long  
11 standing, and when we created that loan program in  
12 1976, it was created to provide... oh, I should  
13 say... let me get all of our programs that... we  
14 have lent now \$650 million. We have made almost  
15 12,000 loans...

16 CHAIRPERSON ROSENTHAL: [interposing]

17 Unbelievable.

18 MARY MCCORMICK: And it's interesting  
19 or I should point out that as a lender of last  
20 resort and as an institution making high-risk  
21 loans, that our default rate is less than one-  
22 quarter of one percent. I'd also like to say on  
23 the \$658 million we have charged no interest, and  
24 when we set the programs up we set them up that way  
25 intentionally because the non-profit that has to

1  
2 borrow money does not have a separate revenue  
3 stream to pay for the interest, and so on this past  
4 year we lent \$93 million and I would say at least  
5 \$70 million of that was lent with no interest and  
6 no fees.

7 CHAIRPERSON ROSENTHAL: Wow.

8 MARY MCCORMICK: And on the return...

9 [crosstalk]

10 CHAIRSPERSON ROSENTHAL: No fees.

11 MARY MCCORMICK: And no fee and the  
12 Returnable Grant Fund has no fees. We just have  
13 two little programs that we charge very modest fees  
14 to cover administrative costs.

15 CHAIPERSON ROSENTHAL: Wow.

16 MARY MCCORMICK: But it's an important  
17 value of the Fund as an organization to do this.  
18 So in our regular first cash flow loan program it  
19 was set up to help with the delayed payments on  
20 contracts after they'd been registered, and that's  
21 very important, and that was good and it's still  
22 good, but it didn't deal with the issue that you're  
23 talking about at this hearing, which are contracts  
24 that are not registered. And that had been a  
25 continuing issue and it became a crisis in the

summer of 1991, when Mayor Dinkins was Mayor, and we had daily newspaper articles talking about the scandal that came from the Department of Youth and its summer employment contracts.

CHAIRPERSON ROSENTHAL: [interposing]

Mm...

MARY MCCORMICK: And here was money; we wanted to employ thousands of kids in the summer; get them jobs; give them stipends; put them to work in the parks and some of the groups could not do that because they could not... they had no access to loans. They didn't qualify for a Returnable Grant... for a fund... regular loan and so we started working with the Dinkins Administration, the Office of Management and Budget and with Department of Youth Services to create the Returnable Grant Fund, and that was its genesis. And the thing that's special about that is you can get the loan before it's registered at the Comptroller's Office, and that was huge because everything else was you had to have it registered first and that program has been very successful. It started with just availability, the two agencies, the Department of Employment and the



1 Department of Youth Services. It's now available  
2 to all Mayoral agencies and the Department of  
3 Education, and then it was increased. It started  
4 with \$4 million and it was increased to \$8 million  
5 in the Guiliani Administration and then was  
6 increased in the Bloomberg Administration to \$20  
7 million.  
8

9 And then from time to time, the Fund  
10 also creates special loan programs, and while MOCS  
11 said that there was never any need for additional  
12 Returnable Grant money, from their perspective  
13 however, they're looking at it that is probably  
14 true, but in the fall of 2012, the finance head of  
15 the City Council, Preston Niblack, called us up;  
16 I'd never met him; and said, "We have a crisis with  
17 childcare loans;" then the Early Learn Program;  
18 "and there is new initiative that's being  
19 implemented. It is taking much longer than anyone  
20 thought, as new initiatives do, and we need \$20  
21 million," because all Returnable Grant money was  
22 out. These would've been Returnable Grant money  
23 otherwise. So we went and borrowed \$20 million and  
24 in five months made \$25 million worth of loans and  
25 what would've been you know again, stories in the

paper about childcare centers that wouldn't have opened, they were opened and were all functioning. We did it a second time in conjunction with the Mayor's Fund to Advance New York right after Hurricane Sandy and we went and raised \$14 million. That money is still all out. We issued against expected FEMA payments, so this is like new territory for us and for the groups that are doing it.

I know that this is a fact finding stage, but I do have two recommendations that are short-term.

CHAIRPERSON ROSENTHAL: Thank you.

MARY MCCORMICK: And the first one... and they both have to do with the Returnable Grant Fund. The first is that it's a cyclical process, but not all the money is... and there's \$20 million in it, but not all the money is out and that we would like to work with MOCS and others to see if we couldn't get at least \$15 million of the \$20 million out all the time. That would increase the lending from \$38 to \$50 million. It doesn't sound like much, but to the individual non-profit...

[crosstalk]

CHAIRPERSON ROSENTHAL: Oh, yeah.

MARY MCCORMICK: It's a lot, and so they could do that by increasing the size of the loans, increasing the number of second loans when there's a delay.

CHAIRPERSON ROSENTHAL: Right.

MARY MCCORMICK: Having just heard that you had to prove you had to prove you had a cash flow need, I would look at what those criteria are and maybe loosen them up because we are expecting the group to cover the cash flow from that perspective, which...

[crosstalk]

CHAIRPERSON ROSENTHAL: Mm-hm.

[crosstalk]

MARY MCCORMICK: Isn't exactly the right perspective. If you've got the contract, there ought to be the money available to you, and then the continuous training and education of ACCOs and then the staffs within the agency.

CHAIRPERSON ROSENTHAL: Right.

MARY MCCORMICK: We all work in complicated universes and we know how A doesn't talk to B; talk to C no matter how. The other

1  
2 recommendation I have is that I think it would be  
3 useful to look at increasing the Returnable Grant  
4 Fund pool immediately or as July in anticipation of  
5 the needs that will be required if the new Pre-K  
6 Program goes through.

7 CHAIRPERSON ROSENTHAL: Oh, that's  
8 great.

9 MARY MCCORMICK: Because we know it's  
10 sitting there. We know that the non-profits that  
11 are going to step forward and open these classes,  
12 that some of them are small, right? They're doing  
13 one or two classes and they will need both  
14 operating money and capital money, and it would be  
15 possible to increase the pool by x amount and say  
16 that this is for those groups and they could have  
17 operating and capital money because of them do have  
18 to fix up the spaces. I mean that's a huge part of  
19 these programs, but it bears looking at and if we  
20 could take that issue of cash off the plate of the  
21 administration and the non-profits it would go some  
22 distance to improve... you know, in ensuring...

23 CHAIRPERSON ROSENTHAL: [interposing]  
24 Mm-hm.

MARY MCCORMICK: A smoother roll-out in what is going to be a complicated process no matter what. So in conclusion, I'd like to thank you for holding this hearing. It's been a long time since anyone has looked at this issue and we look forward to working with you as you play the committee leadership role in improving the contracting and payment process. I'd like to... maybe I should pause for questions before my colleague, Georgia Boothe, talks about her experience; my colleague and board member.

CHAIRPERSON ROSENTHAL: Right. Just one very quick question. I just want to clarify on page six of your testimony; this just caught my attention; so is the idea that among the different grant programs that you have, the Returnable Grant Fund is used typically for prior to registration?

MARY MCCORMICK: Yes.

CHAIRPERSON ROSENTHAL: Okay, great.

MARY MCCORMICK: Yes.

CHAIRPERSON ROSENTHAL: And the others are post-registration.

MARY MCCORMICK: No...

CHAIRPERSON ROSENTHAL: [interposing]  
Except for the early loan.

MARY MCCORMICK: Except the early loan.

CHAIRPERSON ROSENTHAL: Right.

MARY MCCORMICK: Except Sandy.

CHAIRPERSON ROSENTHAL: And Sandy.

MARY MCCORMICK: That's right and  
except sometimes we make exceptions in our regular  
programs.

CHAIRPERSON ROSENTHAL: Absolutely.

MARY MCCORMICK: Because...

[crosstalk]

CHAIRPERSON ROSENTHAL: Thank you.

MARY MCCORMICK: Because the  
registration is so critical.

CHAIRPERSON ROSENTHAL: Of course.  
Thank you so much. Council Member Deutsch?

COUNCIL MEMBER DEUTSCH: Thank you,  
Madam Chair. First, I want to say that Mrs.  
McCormick, my chair has competition of who's the  
nicest person... [laughter]

MARY MCCORMICK: Are you running for  
office? [laughter] I thought the elections were  
over.

COUNCIL MEMBER DEUTSCH: No, they told me I should keep on running like I'm running for election.

MARY MCCORMICK: Okay.

COUNCIL MEMBER DEUTSCH: But I just want to say that I am founder of a not-for-profit organization and we did use your services in the past and the feedback and working with your office was unbelievable and everything ran smooth and you know, things got done. I just want to say that the Fund for the City of New York is a crucial part to our city, the city that never sleeps. We always have to keep on moving and I want to say thank you. Thank you for all that you do.

MARY MCCORMICK: Well, thank you and I'd like to recognize Andrew Walrond, who runs it.

CHAIRPERSON ROSENTHAL: [interposing]  
Yeah.

MARY MCCORMICK: And I didn't say not only is there no interest; in most cases no fees. We can turn it around in two days.

CHAIRPERSON ROSENTHAL: That's insane.

MARY MCCORMICK: The process is expedited. It's online. We ask only questions

that we think are germane. Our lawyers are upset,  
but it works really well, and as I said...

[crosstalk]

CHAIRPERSON ROSENTHAL: Sure.

[crosstalk]

MARY MCCORMICK: Our default rate is...

[crosstalk]

CHAIRPERSON ROSENTHAL: Great.

[crosstalk]

MARY MCCORMICK: Less than a quarter of  
a percent, so thank you.

CHAIRPERSON ROSENTHAL: Great. Thank  
you very much. Next speaker?

GEORGIA BOOTHE: Good morning. I'm  
Georgia Boothe and I'm the Executive Director for  
Pathways to Housing. We provide mental health  
services, as well as housing for homeless mentally  
ill adults. Pathways is most known for inventing  
the Housing First model that is adapted across the  
United States and you know, outside of the United  
States.

I agree with a lot of what was said  
today in terms of the process. You know, I have  
over 20 years experience in the non-profit field,



1 and have encountered this with many agencies in the  
2 city, whether it was ACS or DYCD or DOHMH. But I  
3 think Mary mentioned something earlier that I think  
4 you know, we all have to think about. Most non-  
5 profits in New York City are juggling multiple  
6 contracts. They're city contracts, they're state  
7 contracts and they're federal contracts and all of  
8 them have delays in their process and you know, so  
9 I may have one contract with the city or have two  
10 or three with the state or one with the federal  
11 government, but at any given point if there's...  
12 you know, one month may not seem a lot to the  
13 contract office, but one month can make the  
14 difference in terms of me being able to pay my  
15 staff on time or provide some critical service that  
16 you know, one or more consumers need.

18 I can also speak to the fact that you  
19 know, our agency when I came to Pathways earlier on  
20 with the midst of the economic crisis across the  
21 country and in New York City, we had lost revenue  
22 in terms of private funding and we had also lost  
23 revenue because of cutbacks in some of the  
24 contracts that we had. So it was a really critical  
25 time you know, for our agency and without the help

of the Fund for the City of New York, we wouldn't be around today you know, three years later. I can't say enough about the process. I'm actually quite impressed you know, with you know, the number that Mary just mentioned in terms of folks who default on the loan because the process is incredibly you know, very tight and smooth and you know, it's done in such a way that you get the resources to the folks that need it and our case, you know right away. And you know, the folks from MOCS talk about the process; you know, as someone who's gone through that, there's so many points in that process that can delay, even with everybody trying to do their best effort, whether it's the VENDEX or you know, other paperwork that needs to be done. I have seen a little bit of improvement as far as the electronic process is concerned because you do get these notices. Sometimes some of the delays before this process was the contracting folks sometimes didn't even recognize that they didn't have all the paperwork that they needed in order to expedite the contract. So I think one thing is the electronic system in terms of notifying non-profits that, by the way, your

CHAR500 is missing or this piece of paperwork is not... I think has been very helpful and that email goes out to several people in the non-profits to let them know that, you know, something's missing. Something as simple as that you know, sometimes can add 30 days to the process, so you know, I am encouraged by the improvements that I've seen you know, as far as the process is concerned, but even with everybody trying to do their best, there are so many different people that are looking at any given contract at any... you know, the process is just long and so I think it's so important to have the funds available to non-profits.

The other thing I want to let you guys be aware of is you know, you talked before about some not-for-profits being able to get access on the market in terms of commercial banks. That process is dwindling significantly. There are some banks that are literally saying we're moving out of the non-profit sector because we can't make money off of lending to non-profits, and if they've had an experience where you know, a non-profit default on a... it's like forget about it, so I mean even that process for a lot of non-profits is you know,

dwindling and especially for medium to small non-profits. That is just not as available because of just a change in the economics, the change in the credit and collateral that people have to have. Most non-profits don't own buildings. They don't have you know, the kind of collateral that they need and that's why I think the funds that the Fund for the City of New York administers is so critical to a lot of medium and small size non-profits. They wouldn't be able to continue to meet their goals of the contracts without that being available to them.

CHAIRPERSON ROSENTHAL: Right. Thank you. Thank you so much. I have to say I look forward to reading the transcripts from this hearing to get into the weeds of what you're talking about. I really, really appreciate your coming to give us that information.

GEORGIA BOOTHE: Thank you.

CHAIRPERSON ROSENTHAL: Do my colleagues have any quick questions? Nope, okay. [background voice] [laughter] Banana bread. Thank you so much for coming this morning. I welcome you to stay to hear from our next panel, where we're

going to hear a few more stories, so if I could call up Jerome McElroy and Michelle Jackson and Karina Aybar-Jacobs. [background noise and voices] [off mic] Thank you so much. I appreciate your coming by. Thank you. Absolutely. That's right. We have to stay though. No worries, guys. Thank you so much for swinging by. Alright, Jerry, if we could start with you. I know that you have some other obligations this morning and I appreciate your swinging by, I really do.

JEROME MCELROY: Thank you very much. In fact, I do and I won't be able to stay after I finish my testimony. I am Jerry McElroy. I'm the Director of the New York City Criminal Justice Agency. We contract with the city through the Office of the Criminal Justice Coordinator. We provide pre-trial services to the criminal courts in the city. We have been doing that since August of 1977, so we have been around a long time.

Typically, we have two-year contracts renewable and amendable in between year one and year two. Our issue really has to do with the transition from one contract; at the end of one contract to the beginning of a new contract, so

that is when the cash flow problems that we experience are most pronounced. Let me preface it by saying we are very fortunate that we do have a credit line with a commercial bank. It is \$4 million, in fact. The downside of that is that if the review process takes the typical four months that I'm about to speak to, even the \$4 million would not be sufficient to cover our operations on a monthly basis.

So typically we begin negotiating a new contract the staff of the Coordinator's Office in the spring and we reach agreement on substantive milestones and estimated budgets for that contract. Very quickly I would say those negotiations typically are over in two weeks, if indeed it takes that long. In fact, many of the milestones in the contract are continuations from prior years, so substantively there is little need for in-depth negotiations. The first milestone in our contract has to do with our obligation to interview virtually everyone who is arrested in the city of New York and held for criminal court arraignment. Last year, that amounted to something in the neighborhood of 280,000 interviews and about 75

percent of the contract money goes to that particular milestone.

CHAIRPERSON ROSENTHAL: Okay.

JEROME MCELROY: Although the agreement with the Coordinator's Office is reached quickly, the contract can't be executed by that office and by myself; by ourselves until the budget total is determined, so the Coordinator's Office is working with OMB to determine what the budget total is going to be. Once that is determined, then the dollars can be distributed across the milestones and the contract paperwork can be completed by the Coordinator's Office. We can then execute the contract and it then starts into the review process. That process, as I understand it, includes the following: it goes back to OMB for review; it goes to the Law Department; the Department of Investigation; the Emergency Financial Control Board; the Mayor's Office of Contracts and finally, to the Comptroller's Office for approval and registration. Funds under the new two-year contract cannot flow until then; that is, until it is registered with the Comptroller, so we have been forced to borrow from the bank to finance

our operations until the contract arrives at the Comptroller's Office. I would tell that we have for years now benefited from the Fund for the City of New York. The problem we have there is that we are not authorized to borrow from them until the contract literally arrives in the Comptroller's Office. We don't have to await the full month that the Comptroller has to review and register it, but we can't apply for the Fund until it gets there, and that has sometimes meant in the past that we're a good four months fiscal year before we can even apply to the Fund. The other thing; the other condition that has been... our relationship to the Fund has been terrific. It's very quick. It has been very good for us for many years. The only problem with it is, from our point of view, is that there is a limit of the amount of money that we can borrow, and typically that amount has been somewhat less than our monthly operating costs have been and in recent years as our contract budget has gone up, the discrepancy between what we can borrow and what our operation costs are has increased.

Our experience, and this is over many, many years, is that in moving from the end of one



contract into the beginning of a two-year contract, I said that takes at least four months to get through the review process if all goes well and longer if there is any hold up in that process. Thus, we would typically be without funds until November or later. Indeed, in Fiscal '12, funds did not flow until January, and at that time we had borrowed over \$6 million, including the Fund loan and wound up the fiscal year expending approximately \$90,000 in interest charged by the bank. Just to emphasize the point, that is not separate money. That does not come to us apart from our contract, so essentially it is funds removed from the services that we are expected to provide. Right now, we are currently in the first year of a new two-year contract covering '14 and '15 and for reasons I don't really understand the new funds began to flow in July. We had reached agreement with the Coordinator's Office to do something that might cut this down, and what we did was we began negotiating with them earlier than had been the case in the past and generally had reached agreement with them by the middle of March, if not earlier. However, I did not really know what the

bottom line of the contract was going to be until June, but despite that fact, the contract moved and we actually received new money in July. We did borrow from the Fund for that one month period, but that was not a problem.

The other point I would make is that we are typically in two-year contracts. Years ago, it used to be an annual deal; now it's a two-year contract. What that means is that when we move from year one to year two we do not have a fund flow problem because the funds continue to flow under the terms of year one. Even then we begin to negotiate. We are negotiating with the Coordinator's Office about amendments to those terms and to the budget, if there is going to be any amendment. So what will happen is come July even though the amendments may not have gone through the review process by then, the funds are flowing and so we're not having to borrow money from the bank and then when the amendments have been approved, the budget will be modified if indeed it calls for any increase in that funding.

So in short, the Fund for the City of New York has been enormously helpful to us. Just a

comment about borrowing from commercial banks: we had a contract with the Chase Bank for 35 years, and two years ago we were informed that they were going to drop us. When we pursued that to see why in light of the fact that over 35 years they had obviously made some money off their lending to us and we had never had any kind of fault in our relations with them. Ultimately, I was told that the bank had redone its risk assessment model and when it was concluded, they determined that we no longer fit within the parameter of their risk assessment model and so despite 35 years of doing business together without a single problem, we were dropped. We began looking immediately for another bank and fortunately, we wound up with TD Bank. Again, our loan line now is \$4 million. As I mentioned, going into this new contract we did not have to borrow and that's a good thing, but ultimately, if the experience of the past were repeated again when we move to another two-year contract, we would face real difficulties because as I indicated, a \$4 million line would not be enough to cover us through September; probably into September, but not beyond.

The only other thing I should mention, and I forgot to do so, is ours is a sole source contract. We provide essentially similar services for the city and for the criminal courts for these 30 some odd years.

CHAIRPERSON ROSENTHAL: [interposing]  
Right.

JEROME MCELROY: And it is normally renewed as a sole source contract. So I thank you for the opportunity to talk to you about our experiences. It would be a boon if something were done to at least greatly shorten the kind of process that non-profits go through.

CHAIRPERSON ROSENTHAL: Thank you so much for coming here this morning...

[crosstalk]

JEROME MCELROY: Mm-hm.

CHAIRPERSON ROSENTHAL: And for testifying. I have just a couple of quick questions.

JEROME MCELROY: Sure.

CHAIRPERSON ROSENTHAL: The total value of your contract roughly is? I'm not going to hold you to it.

JEROME MCELROY: Yeah, right now, \$18 million plus.

CHAIRPERSON ROSENTHAL: And when you're doing the amendments with the Office of the Criminal Justice Coordinator what's the value on the margin of the amendments? I mean is it always roughly the same amount of money with give or take a certain amount which explains the adjustments?

JEROME MCELROY: Yes, typically...

[crosstalk]

CHAIRPERSON ROSENTHAL: And then...

JEROME MCELROY: Typically that is the case, that the adjustment from year one to year two is first of all, a substantive adjustment because some of the milestones in our contract have to do with research we're producing and reports that we were producing...

CHAIRPERSON ROSENTHAL: [interposing]  
'Kay.

JEROME MCELROY: And the milestones dates have been satisfied and they're being replaced with additional or new items that we will be producing for the city. That normally does not affect the dollars very much.

CHAIRPERSON ROSENTHAL: Yep.

JEROME MCELROY: What may happen, however, is that a particular program that we're operating may be expanding or we may have identified for the city some needs that are not being accommodated under the existing budget. We may have to add a person here or there. We may have to buy some new computers...

[crosstalk]

CHAIRPERSON ROSENTHAL: Sure.

JEROME MCELROY: That we need, so that the change from year one to year two in budget terms is usually on the margin and not very great.

CHAIRPERSON ROSENTHAL: Is it more than \$90,000 what you pay in interest? I mean what I'm getting...

[crosstalk]

JEROME MCELROY: Well...

[crosstalk]

CHAIRPERSON ROSENTHAL: At is I wonder if one of the solutions couldn't be that there be a base amount that's approved in this particular case and it's beyond the margin piece that's negotiated with OMB.

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2 JEROME MCELROY: Mm-hm. Mm-hm.

3 CHAIRPERSON ROSENTHAL: So just...

4 [crosstalk]

5 JEROME MCELROY: Yeah, I...

6 [crosstalk]

7 CHAIRPERSON ROSENTHAL: Something to

8 think about.

9 [crosstalk]

10 JEROME MCELROY: I think that idea is

11 certainly a beneficial one, but the truth is it

12 would vary by the year. Sometimes we...

13 CHAIRPERSON ROSENTHAL: [interposing]

14 Yes.

15 JEROME MCELROY: Are called upon going

16 from year one to year two to actually introduce a

17 new program.

18 CHAIRPERSON ROSENTHAL: Yes.

19 JEROME MCELROY: And if that's the

20 case, then the costs is going...

21 CHAIRPERSON ROSENTHAL: [interposing]

22 Sure.

23 JEROME MCELROY: Are going to be

24 substantially greater than the \$90,000, which you

25 used...

CHAIRPERSON ROSENTHAL: [interposing]  
Right.

JEROME MCELROY: As an example.

CHAIRPERSON ROSENTHAL: And do the  
number of people you serve without different  
programs, but the base service you provide, the  
number of people affected does that change a lot  
from year to year?

JEROME MCELROY: Well, it has in recent  
years. First of all, the number of interviews that  
we complete has declined somewhat. A few years  
ago, we were doing somewhere between about 325,000  
interviews and because the arrest volume has  
declined and because of certain changes in district  
attorney policy, we interview...

[crosstalk]

CHAIRPERSON ROSENTHAL: Huh.

JEROME MCELROY: Somewhat fewer. I  
mentioned about 285,000.

CHAIRPERSON ROSENTHAL: Yeah.

JEROME MCELROY: But in recent years we  
have also introduced some new programs. We have a  
program called Bail Expediting, in which we attempt  
to assist people to reach family or friends who



1  
2 might help post the bail that has been set for  
3 them. We're now in all four major boroughs. We  
4 previously had been in only two. We have a Failure  
5 to Appear Unit, in which we... on a daily basis we  
6 monitor the calendars in the criminal court and the  
7 Supreme Court and in all cases where someone failed  
8 to show up and a warrant has been issued for that  
9 person, we go into in our information base and we  
10 reach out to the person to get them back into  
11 court. We've been doing that historically in two  
12 boroughs. We are kind of moving into the other  
13 four or least...

14 [crosstalk]

15 CHAIRPERSON ROSENTHAL: Oh, okay.

16 JEROME MCELROY: Attempting to do so.

17 Most importantly, four years ago, we introduced in  
18 the borough of Queens a supervised released program  
19 for non-violent felons.

20 CHAIRPERSON ROSENTHAL: Mm-hm.

21 JEROME MCELROY: That was a substantial  
22 programmatic undertaking. I'm talking about  
23 several hundred thousand dollars...

24 CHAIRPERSON ROSENTHAL: [interposing]

25 Mm-hm.

JEROME MCELROY: As a yearly budget, and then more recently, last April I guess, the program was extended to cover the borough of Manhattan.

CHAIRPERSON ROSENTHAL: Okay.

JEROME MCELROY: And so those programmatic additions have increased our budget fairly substantially in the last few years.

CHAIRPERSON ROSENTHAL: The work you do is incredibly important, so thank you for that and I...

[crosstalk]

JEROME MCELROY: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: Guess our job here is to help make sure that you get paid in time. So the one thing that I heard today that I found a little... that I thought was new information was that it sounds like the Fund for the City of New York sometimes does give loans for pre-registration and...

[crosstalk]

JEROME MCELROY: Yes.

[crosstalk]

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CHAIRPERSON ROSENTHAL: So maybe it's a matter of the cap being lifted and we could work with them about that, but it sounds like there might be earlier access to the...

[crosstalk]

JEROME MCELROY: Right now it's...

[crosstalk]

CHAIRPERSON ROSENTHAL: Funds.

JEROME MCELROY: It...

CHAIRPERSON ROSENTHAL: Is it a matter of the cap?

[crosstalk]

JEROME MCELROY: Yeah, we can get it... well, roughly the Comptroller's Office has 30 days...

[crosstalk]

CHAIRPERSON ROSENTHAL: Right.

JEROME MCELROY: To review and register, although my understanding is they often act more rapidly than that.

CHAIRPERSON ROSENTHAL: Right.

[crosstalk]

JEROME MCELROY: But...

[crosstalk]

CHAIRPERSON ROSENTHAL: But I mean I was hearing Mary say that they can give out loans as soon as the work begins as opposed to when the contract is registered, so that was saying just that...

[crosstalk]

JEROME MCELROY: That has not been my experience with the Coordinator Department.

[crosstalk]

CHAIRPERSON ROSENTHAL: And that's why...

[crosstalk]

JEROME MCELROY: We...

[crosstalk]

CHAIRPERSON ROSENTHAL: I bring it up.

JEROME MCELROY: We go to them through the Criminal Justice Coordinator's Office.

CHAIRPERSON ROSENTHAL: Okay.

JEROME MCELROY: So that it... and the Coordinator is the one who negotiates with them and then notifies us that they have contacted the Fund and authorized the Fund to make the loan and then as was indicated earlier, probably within two or three days they...

[crosstalk]

CHAIRPERSON ROSENTHAL: Yes.

[crosstalk]

JEROME MCELROY: Notify us and we pick up the check.

CHAIRPERSON ROSENTHAL: Right. Okay, thank you so much and thank you...

[crosstalk]

JEROME MCELROY: You're welcome.

[crosstalk]

CHAIRPERSON ROSENTHAL: For coming this morning. Any quick questions? Yeah, I apologize. Council Member Miller.

COUNCIL MEMBER MILLER: Yes, very briefly, Mr. McElroy, were you suggesting that in terms of expediting the process that... and I know you talked about the many steps that different agencies had to review; that possibly that we were duplicating services there and that we could kind of streamline the process and that would help to expedite the registration? Would that...

[crosstalk]

JEROME MCELROY: No, the...

[crosstalk]

COUNCIL MEMBER MILLER: Be one of the things that you suggest?

JEROME MCELROY: Yes, as the director of the agency who's waiting for the money, I would suggest it. I would add the fact that I don't pretend to be aware of everything that each one of these reviewing agencies must satisfy themselves about and so, but if that could be dramatically abbreviated, that would be enormously helpful.

COUNCIL MEMBER MILLER: Yeah, I think it would be.

JEROME MCELROY: And if I might just add one other thing, in our case, as I mentioned, we have been doing this for the city since 1977 and we have never had a problem with the city. We have never had a contractual failure of any kind with the city. Our review from the Coordinator's Office is always excellent and so in a way, that might raise the question you know, this is an agency whose track record is long and perfect and perhaps not in need of the extensive review that's now the case.

COUNCIL MEMBER MILLER: Well, as I mentioned to one of the earlier witnesses, that I

1 think that some of these mechanisms are in place  
2 for a good reason, but I think that our  
3 responsibility in terms of oversight is to ensure  
4 that we're not duplicating services and therefore,  
5 you know...

7 JEROME MCELROY: [interposing] Mm-hm.

8 COUNCIL MEMBER MILLER: Being wasteful  
9 in that manner.

10 JEROME MCELROY: Mm-hm.

11 COUNCIL MEMBER MILLER: Secondly, Miss  
12 McCormick indicated earlier that one of her hopes  
13 would be able to spend out at least three-quarters  
14 of the available money, which meant that she could  
15 increase the size of the loans. Would that help...  
16 be helpful to you? In some instances I know that  
17 you said that you were able to see monies, but not  
18 necessarily the amount of monies that would have  
19 really carried you over in the way that was  
20 necessary, so...

21 [crosstalk]

22 JEROME MCELROY: Yes.

23 COUNCIL MEMBER MILLER: Would the Fund  
24 being able to increase the amount of money  
25 available to you be helpful?

JEROME MCELROY: Yes and definitely, so and if in addition to that we were able to go to the Fund at some point before the contract actually lands on the Comptroller's desk, that would also be very helpful because the period of time between our executing the contract and it arriving at the Comptroller's desk...

COUNCIL MEMBER MILLER: [interposing]  
Right.

JEROME MCELROY: As I indicated, typically takes three to four months and by that time, we have already incurred three months; at least three months of operating costs, which have had to be paid for by our borrowing the money from the bank. So if it was two things; if there was more money available and available earlier, that would definitely be helpful to us.

COUNCIL MEMBER MILLER: Thank you.

JEROME MCELROY: Mm-hm. Thank you.

CHAIRPERSON ROSENTHAL: Thank you very much.

JEROME MCELROY: Okay.

CHAIRPERSON ROSENTHAL: Another just quick... oh, go ahead.



JEROME MCELROY: Oh, I just wanted to mention I left a couple of copies of our annual report there for anyone who...

[crosstalk]

CHAIRPERSON ROSENTHAL: Yeah.

JEROME MCELROY: Might be interested in learning a bit more about what we do and how we do it.

CHAIRPERSON ROSENTHAL: Mm-hm. Thank you, and have you ever talked to the criminal... to the Office of the Criminal Justice Coordinator for a longer term contract or is that not possible because your changing the margin every once in a while?

JEROME MCELROY: We have never had a serious discussion about a longer contract. My own view, and you know, this is kind of off the top, my own view would be it wouldn't necessarily be helpful because eventually unless the... you know, unless the length of the contract is infinity. It reaches an end and we then need to go into another contract, and it's that period between the end of one contract and the beginning of the new one...

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2 CHAIRPERSON ROSENTHAL: [interposing]

3 Yeah, where the...

4 [crosstalk]

5 JEROME MCELROY: That is problematic

6 for us.

7 CHAIRPERSON ROSENTHAL: Although it

8 is...

9 [crosstalk]

10 JEROME MCELROY: I...

11 [crosstalk]

12 CHAIRPERSON ROSENTHAL: Interesting

13 because hypothetical... yes.

14 JEROME MCELROY: [interposing] Mm-hm.

15 CHAIRPERSON ROSENTHAL: Absolutely, but

16 it would lessen the frequency of...

17 [crosstalk]

18 JEROME MCELROY: Yes.

19 [crosstalk]

20 CHAIRPERSON ROSENTHAL: That time.

21 JEROME MCELROY: Yes, it does. You're

22 right.

23 [crosstalk]

24 CHAIRPERSON ROSENTHAL: And I wonder in

25 these cases if it could ever be if there were a

longer annual contract that it would be change orders that would be put in for any new programs that you're providing.

JEROME MCELROY: Mm-hm.

CHAIRPERSON ROSENTHAL: I wonder...

JEROME MCELROY: [interposing] Mm-hm.

CHAIRPERSON ROSENTHAL: If we could...

JEROME MCELROY: [interposing] Yeah.

CHAIRPERSON ROSENTHAL: Explore that. Thank you so much for your time and I know you're headed off to somewhere...

JEROME MCELROY: Thank you...

[crosstalk]

CHAIRPERSON ROSENTHAL: So...

[crosstalk]

JEROME MCELROY: Very much.

CHAIRPERSON ROSENTHAL: No problem.

JEROME MCELROY: And thank you for the hearing. I'm delighted to see that some attention is being paid to the issue.

CHAIRPERSON ROSENTHAL: Great, great.

JEROME MCELROY: Thank you.

CHAIRPERSON ROSENTHAL: Thank you.

JEROME MCELROY: 'Bye now.

CHAIRPERSON ROSENTHAL: Thank you so much for coming this morning and for testifying.

KARINA AYBAR-JACOBS: Sure. Thank you and first of all, yes, thank you for this hearing. This is my first time ever formally testifying in front of the council. My name is Karina Aybar-Jacobs and I am the Program Director for the Anti-Domestic Violence Program New Dawn, or Nuevo Amanecer in Spanish, at the Dominican Women's Development Center or DWDC, which is a multi-services agency located in the Washington Heights area of Upper Manhattan. And we are a non-profit organization dedicated to organizing women and their families to actively participate in the elimination of gender inequality through different services since 1988. And through my program, the Nuevo Amanecer Program, the DWDC has continued to provide services to the domestic violence and their children throughout the city, not just in the Upper Manhattan area, such as crisis intervention, a 24-hour hotline, support groups, individual and group counseling, shelter placement, advocacy and outreach and educational efforts.

1  
2 And I would like to start by expressing  
3 the importance of the DoVE funding or the Domestic  
4 Violence Empowerment Initiative, which is the one  
5 that I will concentrate on today. The DoVE funding  
6 is essential in order to provide our community with  
7 a 24-hour hotline. We are the only program in the  
8 Upper Manhattan area with a 24-hour hotline that  
9 provides information and referral advocacy and  
10 crisis intervention, and the DoVE funds allow us to  
11 provide much needed outreach efforts as well and  
12 prevent this alarming epidemic that as you can see,  
13 statistics have risen in the past years, and  
14 because of the DoVE funding we are able to reach  
15 out to approximately 1,000 women, men and youth in  
16 our communities. And I would like to share that  
17 also we are the co-organizers and founders of  
18 the... it's not written on my testimony, but of the  
19 Brides March Against Domestic Violence every  
20 September 26th.

21 CHAIRPERSON ROSENTHAL: [interposing]

22 Oh, good.

23 KARINA AYBAR-JACOBS: And the DoVE  
24 funds allow us to facilitate this vital event and  
25 we also provide outreach in schools, beauty

1 parlors, churches, clinics, health centers, among  
2 other entities. And I would like to share with you  
3 that some of the funds received by our organization  
4 are administered by government agencies such as the  
5 Criminal Justice Coordinator and the Department of  
6 Youth and Community Development Services, and we  
7 very often have to comply with oversight government  
8 procedures, such as being in good standing or  
9 VENDEX and we agree with that in order to ensure  
10 transparency and a lot of programmatic and fiscal  
11 monthly and quarterly reporting, audits and  
12 policies and procedures, among other demands. But  
13 very often, as it was expressed here earlier, more  
14 demands are put on non-profits such as our DWDC to  
15 work more efficiently and effectively despite the  
16 fact that we are already providing quality services  
17 without timely or adequate reimbursement by the  
18 city. And I provided you and I would like to share  
19 an example of the unfortunate and unacceptable  
20 tardiness that we have experienced with... I would  
21 focus on three fiscal years. First it's year...  
22 July 1st, 2009 through June 30th, 2010, the first  
23 payment that we received was on September 9th of  
24 2011. Therefore, that was 15 months...  
25

[crosstalk]

CHAIRPERSON ROSENTHAL: Oh, my gosh.

[crosstalk]

KARINA AYBAR-JACOBS: Of lateness in payment.

CHAIRPERSON ROSENTHAL: Wow.

KARINA AYBAR-JACOBS: Yes and then we have fiscal year July...

[crosstalk]

CHAIRPERSON ROSENTHAL: So you were providing the service.

KARINA AYBAR-JACOBS: Yes.

CHAIRPERSON ROSENTHAL: So I mean...

[crosstalk]

KARINA AYBAR-JACOBS: Yes, non-stop. Fortunately, we have never stopped. My anti-domestic violence program was established in 1998 and ever since services have not been interrupted despite the fact that we have faced all these challenges. Another fiscal year was July 1st, 2010 through June 30th, 2011 and the payment was received on July 30th, 2012. There again, 13 months of lateness, and then finally, was fiscal year July 1st, 2012 to June 30th, 2013. The first

payment was received on August 27th of 2013, again,  
14 months...

[crosstalk]

CHAIRPERSON ROSENTHAL: Right.

KARINA AYBAR-JACOBS: Of lateness and  
as you can see, we have been receiving payments  
more than a year after we have started providing  
services and this means that we have to up front  
the money for a full year before we get reimbursed  
by the government through CJC, the conduit agency  
and we have similar levels of lateness with DYCD as  
well and it's unacceptable and it must stop. And  
we can't tolerate this level of lateness because  
you know, as non-profits, we are held to such high  
standards of accountability; thus, we expect the  
same for government agencies and staff that are  
paid with our tax money. So we... the excuse that  
we have been given; the reasoning behind it is that  
CJC is understaffed. That's often the reasoning  
and we have multiple contracts, not only city. We  
have state and federal contracts as well, but with  
my program we have DYCD and DoVE and we have  
limited credit lines. We're talking about we only  
have a credit line of \$100,000 and this contract of



1  
2 DoVE it's \$11,000 and we have many financial  
3 obligations and payroll payments that we have to  
4 provide to our hardworking frontline staff, among  
5 bills, as you may know and such actions really  
6 demoralize our agency and the overall health of our  
7 organization. We have been fortunate to have a  
8 very turnover rate. We are very committed to the  
9 empowerment of the families in the Upper Manhattan  
10 area and throughout the city. We actually receive  
11 referrals even from Massachusetts through our  
12 hotline because they are like relocating and even  
13 though we are a non-residential program, we work  
14 very closely with entities such as like say  
15 Verizon, VIP and other organizations so that we can  
16 have services in place for these survivors of  
17 domestic violence and their children.

18 And some of our recommendations are...  
19 and first of all, I would like to emphasize the  
20 fact that it is crucial that we continue to work  
21 together as non-profits and government agencies in  
22 order to meet the needs of the most underserved  
23 population such as domestic violence survivors and  
24 their children. And we propose definitely an  
25 increase in staffing at CJC in order to alleviate

1 the burden of all the demands and the contracts and  
2 an improvement in the allocation and contracting  
3 process used by city agencies in order to disperse  
4 funding in a timely manner. And lastly, advanced  
5 payments to operate during the fiscal year 'cause  
6 as you could see, I mean we were greatly affected  
7 and thankfully we did not lose valuable staff, but  
8 it is really... the demands are much higher and for  
9 case management we have undergone other funding  
10 cuts through different programs. This is...  
11 besides my program, we had a preventive program.  
12 We had a cut and it was no longer funded and it  
13 wasn't because we were not compliant, but it is  
14 that definitely the demand is increasing of  
15 services. And again, I would like to thank you for  
16 this opportunity to testify and share our  
17 recommendations that I'm sure many other sister  
18 organizations are facing the same situation.

19  
20 CHAIRPERSON ROSENTHAL: Thank you so  
21 much for...

22 [crosstalk]

23 KARINA AYBAR-JACOBS: Thank you.

24 CHAIRPERSON ROSENTHAL: Telling your  
25 story. Thank you so much for the work that you do;

that your organization does. It's obviously vital to New Yorkers and it's the heavy little things, so thank you so much for doing that. Can I just... some really just technical quick questions.

KARINA AYBAR-JACOBS: Okay.

CHAIRPERSON ROSENTHAL: So you have \$100,000 line of credit.

KARINA AYBAR-JACOBS: Mm-hm.

CHAIRPERSON ROSENTHAL: What does that mean exactly? Does that mean that you borrow up to \$100,000...

[crosstalk]

KARINA AYBAR-JACOBS: Yes.

[crosstalk]

CHAIRPERSON ROSENTHAL: From the bank?

KARINA AYBAR-JACOB: In order to cover for payroll.

CHAIRPERSON ROSENTHAL: Of course and do you know roughly the interest rate or how much you've paid in interest over time?

KARINA AYBAR-JACOBS: Yes, and that is... unfortunately I do not have...

[crosstalk]

CHAIRPERSON ROSENTHAL: Okay.

[crosstalk]

KARINA AYBAR-JACOBS: That information.

I would like to consult with... would have to consult with my executive director, but that is something that I did not include here, but definitely greatly affect us.

[crosstalk]

CHAIRPERSON ROSENTHAL: If you could let us know...

[crosstalk]

KARINA AYBAR-JACOBS: Definitely.

[crosstalk]

CHAIRPERSON ROSENTHAL: I'd really... you know, I would... it would be so helpful if we knew the largest picture. How much money is the city, by our tardiness in payment for whatever the reasons, is it resulting in not-for-profits having to get bank loans?

KARINA AYBAR-JACOBS: Mm-hm.

CHAIRPERSON ROSENTHAL: And therefore, obviously paying the interest and wouldn't it be interesting to know the total amount that the city is... that we end up paying?

KARINA AYBAR-JACOBS: Yes.

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CHAIRPERSON ROSENTHAL: And I say we  
because ultimately it means that either your  
contract is going to be bigger...

KARINA AYBAR-JACOBS: [interposing] Mm-  
hm.

CHAIRPERSON ROSENTHAL: Because you  
have to pay the interest...

KARINA AYBAR-JACOBS: [interposing]  
Yes.

CHAIRPERSON ROSENTHAL: Or you're  
providing fewer services.

KARINA AYBAR-JACOBS: Mm-hm.

CHAIRPERSON ROSENTHAL: I assume that  
your funders; other funders that no one's  
particularly interested in paying for interest on a  
bank loan.

KARINA AYBAR-JACOBS: I'm sure.

CHAIRPERSON ROSENTHAL: So it's hard  
to...

[crosstalk]

KARINA AYBAR-JACOBS: No.

[crosstalk]

CHAIRPERSON ROSENTHAL: Fundraise...

[crosstalk]

KARINA AYBAR-JACOBS: Yes.

[crosstalk]

CHAIRPERSON ROSENTHAL: For that, so I'd be interested in that.

KARINA AYBAR-JACOBS: [interposing] Mm-hm.

CHAIRPERSON ROSENTHAL: And then could I just get a clearer picture about do you have non-city... so some of your programs that you provide...

[crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

CHAIRPERSON ROSENTHAL: Services for are because of City Council discretionary awards that you're getting like the DoVE?

KARINA AYBAR-JACOBS: That is...

[crosstalk]

CHAIRPERSON ROSENTHAL: Initiative? And is... so is there some stuff that you're doing with City Council discretionary funds and some stuff that you're doing for the city...

KARINA AYBAR-JACOBS: Okay.

CHAIRPERSON ROSENTHAL: That's non-City Council initiative driven?

KARINA AYBAR-JACOBS: Well, with the DoVE Initiative it's predominantly for our 24-hour hotline...

CHAIRPERSON ROSENTHAL: [interposing]  
Got it.

KARINA AYBAR-JACOBS: And for outreach efforts and case management, so it's a combination and DYCD for example, is an initiative that we started where we facilitate trainings and capacity building among our survivors to become peer facilitators in support groups and peer advocates at court and also provide outreach efforts. So and then with the state, then that's like demanding a lot of like advocacy and case management, but it's with different employees, so.

CHAIRPERSON ROSENTHAL: It's all... you know, I'm trying to get at something that is just... it's really hard to...

KARINA AYBAR-JACOBS: [interposing] Mm-hm.

CHAIRPERSON ROSENTHAL: Separate out because...

[crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: I know that in reality, I'm sure any organization gets money from a variety of sources...

KARINA AYBAR-JACOBS: [interposing] Mm-hm.

CHAIRPERSON ROSENTHAL: And then provides a variety of...

[crosstalk]

KARINA AYBAR-JACOBS: Yes.

[crosstalk]

CHAIRPERSON ROSENTHAL: Services. It's not always easy to...

[crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: Draw a line between one and the other, but what I'm trying to decipher and happy for you to get back...

[crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: To me after this...



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2 [crosstalk]

3 KARINA AYBAR-JACOBS: Sure.

4 [crosstalk]

5 CHAIRPERSON ROSENTHAL: Hearing, but if

6 there is some way to cull out. The money that

7 comes from the state provides...

8 [crosstalk]

9 KARINA AYBAR-JACOBS: Mm-hm.

10 [crosstalk]

11 CHAIRPERSON ROSENTHAL: Certain

12 services. The money that comes from City

13 Council...

14 [crosstalk]

15 KARINA AYBAR-JACOBS: Mm-hm.

16 [crosstalk]

17 CHAIRPERSON ROSENTHAL: Initiatives

18 provides some services.

19 KARINA AYBAR-JACOBS: [interposing] Mm-

20 hm.

21 CHAIRPERSON ROSENTHAL: The hotline,

22 maybe...

23 [crosstalk]

24 KARINA AYBAR-JACOBS: Mm-hm.

25 [crosstalk]

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CHAIRPERSON ROSENTHAL: Some other things and then the money from DYCD or other agencies...

[crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: That's non-City Council...

[crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: Related, those services and if there were some way to cull out...

KARINA AYBAR-JACOBS: [interposing]  
Well, what...

CHAIRPERSON ROSENTHAL: [interposing]  
The payments between those and the tardiness...

KARINA AYBAR-JACOBS: [interposing] Mm-hm.

CHAIRPERSON ROSENTHAL: For the different services and...

[crosstalk]

KARINA AYBAR-JACOBS: Oh.

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CHAIRPERSON ROSENTHAL: To be able to identify if one particular source of payment is more tardy than another.

KARINA AYBAR-JACOBS: Mm-hm.

CHAIRPERSON ROSENTHAL: I'm sure the state, of course, it's the worst, but... that's what I've heard, but...

KARINA AYBAR-JACOBS: Actually...

[crosstalk]

CHAIRPERSON ROSENTHAL: So...

KARINA AYBAR-JACOBS: In our...

[crosstalk]

CHAIRPERSON ROSENTHAL: You know separate it out in the city...

KARINA AYBAR- JACOBS: In our experience it has been in particular with the DOVE funding with my program it has been the worst; like the more...

[crosstalk]

CHAIRPERSON ROSENTHAL: And that's the City Council discretionary...

[crosstalk]

KARINA AYBAR- JACOBS: Yes.

[crosstalk]

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2 CHAIRPERSON ROSENTHAL: Funds? Okay.

3 KARINA AYBAR-JACOBS: Yes, it is and...

4 [crosstalk]

5 CHAIRPERSON ROSENTHAL: Alright.

6 [crosstalk]

7 KARINA AYBAR-JACOBS: So yes, and with

8 DYCD we hired a particular person to facilitate

9 what I expressed to you, the empowerment trainings

10 and all of that and for outreach efforts, so

11 everything is well documented and...

12 CHAIRPERSON ROSENTHAL: [interposing]

13 Of course.

14 KARINA AYBAR-JACOBS: And...

15 CHAIRPERSON ROSENTHAL: That's not what

16 I'm getting at.

17 KARINA AYBAR-JACOBS: Mm-hm.

18 CHAIRPERSON ROSENTHAL: So...

19 [crosstalk]

20 KARINA AYBAR-JACOBS: Okay.

21 [crosstalk]

22 CHAIRPERSON ROSENTHAL: Of course, of

23 course. No, I'm just trying to figure out about

24 what is it...

25 [crosstalk]

KARINA AYBAR-JACOBS: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: In the nature  
of the contracting process that...

KARINA AYBAR-JACOBS: [interposing] Mm-  
hm.

CHAIRPERSON ROSENTHAL: Slows down...

KARINA AYBAR-JACOBS: [interposing] Mm-  
hm.

CHAIRPERSON ROSENTHAL: The payment.

KARINA AYBAR-JACOBS: And this is  
actually not... it's not just my agency. We... I  
mean all... pretty much all the DoVE recipients...

[crosstalk]

CHAIRPERSON ROSENTHAL: Yeah.

[crosstalk]

KARINA AYBAR-JACOBS: Are faced with  
the same situation.

CHAIRPERSON ROSENTHAL: Right. Okay,  
alright, we really appreciate your letting us know.

KARINA AYBAR-JACOBS: Okay.

CHAIRPERSON ROSENTHAL: I appreciate  
your taking the time...

[crosstalk]

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2 KARINA AYBAR-JACOBS: Thank you.

3 [crosstalk]

4 CHAIRPERSON ROSENTHAL: This morning.

5 I know you have really important God's work to do,

6 so...

7 KARINA AYBAR-JACOBS: Thank you.

8 CHAIRPERSON ROSENTHAL: Do my

9 colleagues have any... are there any other

10 questions? Do you have... no?

11 COUNCIL MEMBER MILLER: No, actually my

12 esteemed Chair actually asked all the relative

13 questions.

14 CHAIRPERSON ROSENTHAL: I'm sorry.

15 COUNCIL MEMBER MILLER: No, that's good

16 and I just want to echo thank you for the work that

17 you're doing.

18 KARINA AYBAR-JACOBS: Thank you.

19 COUNCIL MEMBER MILLER: The important

20 work that you're doing for our community.

21 Appreciate it.

22 KARINA AYBAR-JACOBS: Thank you.

23 CHAIRPERSON ROSENTHAL: Great. We look

24 forward to following up on the conversation.

25 KARINA AYBAR-JACOBS: Likewise.

CHAIRPERSON ROSENTHAL: Okay, thank you so much for coming and thank you so much for your patience, Miss Jackson.

MICHELLE JACKSON: [interposing] Of course, no problem.

CHAIRPERSON ROSENTHAL: I really appreciate it.

MICHELLE JACKSON: So thank you for providing me this opportunity to testify, and congratulations, Council Member Rosenthal, on your appointment. We look forward to working with you as the Committee on Contracts chair. And I also just want to take a second and thank Mary McCormick and the Fund for the City of New York. We are getting funding for disaster preparedness after Sandy and also...

[crosstalk]

CHAIRPERSON ROSENTHAL: Yeah.

[crosstalk]

MICHELLE JACKSON: I think she summarized the importance of the non-profit sector really well. I always like to hear other people talking about it. So I'm from the Human Services Council. I'm the General Counsel and HSC is a

membership organization of non-profits in New York that provide human services and we do a variety of advocacy and policy initiatives on behalf of the sector and my portfolio includes what we call Business Solutions, which is how non-profits and government interrelate, so...

CHAIRPERSON ROSENTHAL: [interposing]

Yeah.

MICHELLE JACKSON: Late registration, late payments, streamlining the business processes between non-profits and government is important to our membership as providers of social services in New York and to the partners of the government in the delivery of those services.

I want to start with the good news. As you mentioned, the city is much, much better at getting registration and payments out the door than the state, and MOCS has done a tremendous job in improving their late registration numbers and over the years has gotten a lot more contracts out the door and has really helped streamline...

[crosstalk]

CHAIRPERSON ROSENTHAL: Mm-hm.



MICHELLE JACKSON: The process and the creation of the CBO unit has also been a big help to our members. Jenny and Erica behind me are our go-to people. We call them; I call them more than I should and they are really amazing at helping with specific contract issues and finding out where things are, and the creation of that unit has really made the city a leader as opposed to you know, when working with other local governments in the state, having this unit that you can really rely on to help navigate individual issues, as well as kind of look at the systemic issues. So we appreciate the work that MOCS has done in that area, and also with the creation of HHS Accelerator, we expect to see in the next year that the process will become even more streamlined as documents are available online as RFPs are letted and then the contracts can all be finalized online. We also think we will see even more contract registrations happening on time since all the documents will be available in one place. So that's the good news. And as a membership organization looking at the numbers in aggregate, the city is doing a much better job. The city

1 numbers are getting better each year. If you're an  
2 individual organization that is captured with a  
3 late registration, it's chaotic. Non-profits do  
4 not have surpluses. They cannot increase the price  
5 of their products. They don't have money to move  
6 from one line to another. They're...

8 [crosstalk]

9 CHAIRPERSON ROSENTHAL: Yes.

10 [crosstalk]

11 MICHELLE JACKSON: Operating on a  
12 shoestring budget and they're also dealing with  
13 registration issues at the state and federal  
14 government. They're waiting for payments from a  
15 variety of places. So when a contract is late, as  
16 you've heard, the issues are numerous and it can  
17 cost the organization money and they cannot stop  
18 providing services while waiting for contract  
19 registration. You can't tell people in a shelter  
20 to just go home for two months then we'll reopen  
21 the program and you can't stop providing after-  
22 school programs and so being able to have access to  
23 something like the loan fund, as well as continuing  
24 the process of streamlining contract registration  
25 is vitally important. The loan fund is something

our members definitely utilize. We publicize it. We know our membership is aware of it and a lot of our members utilize it and have nothing but good things to say. It's a very easy process. It takes, like they said, two days to get the contracts or to get the money; to get the loan, so that definitely helps. As was mentioned, I think being able to increase the amount of loan funds and the amount of different types of loans that they can get on different contracts, as well as moving up when they can get that money waiting until it gets to the Comptroller's Office 'cause the Comptroller's Office really does just have 30 days to register it, so being able to get the money earlier, especially on a renewal would be great. That would definitely help because as people have mentioned, the interest they pay on private loans is substantive and nobody can fundraise for that money and it means money comes out of programs and it means...

[crosstalk]

CHAIRPERSON ROSENTHAL: Yep.

MICHELLE JACKSON: That non-profits are providing less services, so I think that that's you

1 know, we're looking at the loan fund in more ways  
2 what they can do and I think Mary spoke great about  
3 you know what they would like to do would  
4 definitely help. And I think that there's more  
5 ways that government can streamline the processes.  
6 VENDEX reform is my favorite topic. You'll  
7 probably hear from me more on that.

9 CHAIRPERSON ROSENTHAL: Good.

10 MICHELLE JACKSON: VENDEX reform, it's  
11 a very redundant process. It's something that the  
12 questions that are asked are... the non-profits  
13 already answer in two other places. If they get  
14 state contracts they report it in the vendor rep  
15 system and they all... any non-profit is reporting  
16 on their IRS I-90. As long as they're filling one  
17 out, it's the same questions and so it's a  
18 redundant process and it slows down every part on  
19 both the non-profit side and the government side  
20 filling out that form, and so we definitely echo  
21 MOCS' comments about increasing the threshold and  
22 even looking at ways to get non-profits out of the  
23 VENDEX system; you know, substituting the documents  
24 they're already doing that answer those questions,

so VENDEX reform would be crucial in order to streamline the process.

CHAIRPERSON ROSENTHAL: Mm-hm.

MICHELLE JACKSON: So those are you know, our two solid recommendations and obviously we look forward to looking at different ways. We think that there's a lot. MOCS is already doing a lot and with the HHS Accelerator there's a lot of things in the works that will keep this process moving forward, but we appreciate you looking into the oversight of it.

CHAIRPERSON ROSENTHAL: Thank you so much.

MICHELLE JACKSON: Uh-huh.

CHAIRPERSON ROSENTHAL: Thank you for coming. We really...

[crosstalk]

MICHELLE JACKSON: Of course.

[crosstalk]

CHAIRPERSON ROSENTHAL: Appreciate your expertise on this and absolutely look forward to working with you going forward. Before I steal any of Council Member Miller's questions, I just want

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2 to ask you first, do you have questions about this

3 or do you want me to...

4 [crosstalk]

5 COUNCIL MEMBER MILLER: [off mic] No.

6 [crosstalk]

7 CHAIRPERSON ROSENTHAL: Get started?

8 COUNCIL MEMBER MILLER: [off mic]

9 Actually I don't and I was just hoping that you...

10 that Miss Jackson provided some information

11 about... further information about the services

12 that...

13 [crosstalk]

14 MICHELLE JACKSON: Yeah.

15 [crosstalk]

16 COUNCIL MEMBER MILLER: You provide...

17 MICHELLE JACKSON: [interposing] Mm-hm.

18 COUNCIL MEMBER MILLER: For the non-

19 profits. That would be helpful.

20 MICHELLE JACKSON: Yeah, I'm happy to

21 give follow-up information. We do advocacy and

22 policy on city and state budget issues, as well as

23 we do some capacity building, we do trainings

24 around advocacy, lobbying, government contracting.

25 We answer questions. We do a lot around the non-

profit revitalization and have trainings on different regulations and legislations that impact the sector and we act as kind of a convener of organizations too. So and then those issues that they bring up rise up and we act on their behalf at the city and state level so that we can talk on issues like this because we know providers don't have time to get into the weeds and come to things like this and really prepare, so we take on that role for them.

COUNCIL MEMBER MILLER: Okay.

CHAIRPERSON ROSENTHAL: I was going to ask that question. [laughter] You mentioned very quickly that some members don't use... I mean of course, everything is good...

[crosstalk]

MICHELLE JACKSON: Mm-hm.

[crosstalk]

CHAIRPERSON ROSENTHAL: For the ones who do, but for the members that don't have access to the Fund, could you talk a little bit more about that? You mentioned there might be different types when you say different types of providers...

MICHELLE JACKSON: [interposing] Mm-hm.

2 CHAIRPERSON ROSENTHAL: Who are the  
3 providers? Maybe is it just non-human services or  
4 what does it mean if there is...

5 [crosstalk]

6 MICHELLE JACKSON: Mm-hm.

7 [crosstalk]

8 CHAIRPERSON ROSENTHAL: A provider who  
9 doesn't have access?

10 MICHELLE JACKSON: What... oh, to the  
11 loan fund?

12 CHAIRPERSON ROSENTHAL: Yes.

13 MICHELLE JACKSON: So from my  
14 understanding is most of our members have access to  
15 the loan fund. Some choose to use it, some don't,  
16 so some work with the city agencies where they  
17 don't need loans and some...

18 [crosstalk]

19 CHAIRPERSON ROSENTHAL: Okay.

20 [crosstalk]

21 MICHELLE JACKSON: Have endowments and  
22 even filling out this very simple application isn't  
23 worth that because they can flow money...

24 [crosstalk]

25 CHAIRPERSON ROSENTHAL: Okay.



[crosstalk]

MICHELLE JACKSON: Their own way so some A. If they're lucky have no issues with late registration; don't need to use a loan fund. 2. Some of our especially bigger organizations have access to other things that are cost-effective for them. We do have members who don't actually even have government contracts, so they don't have to worry about this issue either.

CHAIRPERSON ROSENTHAL: Got it. You're dealing with...

[crosstalk]

MICHELLE JACKSON: But you know...

[crosstalk]

CHAIRPERSON ROSENTHAL: A much bigger pool.

MICHELLE JACKSON: Exactly and...

[crosstalk]

CHAIRPERSON ROSENTHAL: Right. Okay.

[crosstalk]

MICHELLE JACKSON: But for the most part, our members who have cash flow issues are aware of the loan fund and you know, I know a number of them have utilized it and I have not

2 heard anyone say that there's like a reason that  
3 they haven't used it other than...

4 [crosstalk]

5 CHAIRPERSON ROSENTHAL: Okay.

6 [crosstalk]

7 MICHELLE JACKSON: Kind of other...

8 [crosstalk]

9 CHAIRPERSON ROSENTHAL: Okay.

10 [crosstalk]

11 MICHELLE JACKSON: Procedural things.

12 CHAIRPERSON ROSENTHAL: Great. Thank  
13 you. Thank you so much.

14 MICHELLE JACKSON: No problem. Thank  
15 you.

16 CHAIRPERSON ROSENTHAL: I do just...  
17 I've sort of heard at this hearing today... I have  
18 sort of five take away thoughts that I just wanted  
19 to mention for us to follow up on and talk about.  
20 One is one that Council Member Miller, you brought  
21 up that I think is important for the city to  
22 consider, and that is the whole notion of  
23 contracting out and as we see over time and as  
24 people have mentioned, you know, the fact that we  
25 have \$18 billion in contracts now. Why is that?

Is this work that the government should be doing in-house versus contracting out? I think there's a tension there or possibly. Is it a political philosophy that... is that reflective of the former government; former Mayor's political philosophy? I think it's a really important question for us to think about in the Contracts Committee, so I really appreciate your bringing it up. And then just around the Returnable Grant Fund, one, the possibility of talking to the administration about expanding the fund for upcoming UPK work and increasing awareness of the fund and what we can do in that regard; possibly increasing the cap for how much money people can... you know, organizations; vendors can apply for so perhaps we'll try to find out who sets that cap and the possibility of increasing it for organizations like the Criminal Justice Agency; possibly getting earlier access. I found that I am left with an unanswered question about when organizations can apply for the fund. I heard today two differing points of view on that and I'd like to clarify that for the city, and then your notion about VENDEX reform. I really appreciate your bringing up that. I'm sure there

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were other things that I didn't catch that Shannon  
and Tim will remind me of afterwards, but I am  
going to call this hearing to a close.

[gavel]

CHAIRPERSON ROSENTHAL: Thank you so  
much.

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Date: 03/19/2014