

The City University of New York



**Testimony of
Executive Vice Chancellor and Chief Operating Officer Allan Dobrin
The City University of New York
New York City Council Hearing:
Fiscal Year 2015 Executive Budget
May 15, 2014**

Good morning, Chairperson Ferreras, Chairperson Barron, and members of the Finance and Higher Education committees. Thank you for the opportunity to speak with you today about the Mayor's 2015 Executive Budget. I am Allan Dobrin, executive vice chancellor and chief operating officer of the University. I am joined today by my colleagues: Iris Weinshall, vice chancellor for facilities planning and construction management, and Matthew Sapienza, vice chancellor for budget and finance.

First and foremost, thank you for your longstanding support. The City Council has demonstrated a deep and abiding commitment to higher education. Your advocacy on behalf of CUNY's students, faculty, and staff has been critical to the University's progress.

Overall, we've experienced record numbers of students coming to the University. CUNY's enrollment has increased by about 24 percent over the last ten years, an increase of over 55,000 students, but has remained fairly level over the last three years. Our enrollment stands at just over 267,000 students. We serve 248,000 additional continuing education and certificate students across the five boroughs. It's a vast enterprise: the largest urban university system in the United States.

This surge in enrollment over the past decade has been even more acute at our community colleges. Since 2004, community college enrollment has increased by almost 37 percent, or over 26,000 students. As has occurred University-wide, student headcount at our community colleges has flattened-out over the past three years. CUNY's seven community colleges serve approximately 98,000 students, almost three quarters of whom graduated from New York City high schools. Seventy-seven percent of those students enter CUNY with remedial needs in at least one area. Many face significant personal and financial challenges. We help them surmount those obstacles and prepare them to compete successfully for jobs that will insure their transit into middle class lives.

To accommodate our expanded enrollment, we have expanded our scheduling grid to encompass more nights and weekends, and at all of our colleges, we offer targeted

advisement and counseling to help students devise a path toward successful degree completion.

The diversity of our student body is unique among American – and indeed – global universities. CUNY students trace their ancestry to over 200 countries and speak more than 190 languages. Nearly 30 percent of our students were born outside the US mainland; 40 percent report an annual household income of less than \$20,000. The racial, ethnic and socioeconomic diversity of our students is one of the University's greatest strengths; it enriches and informs all that we do. Sustaining that diversity is our fundamental commitment.

In addition to our enrollment reaching record levels, our students are winning more national awards than ever before. This year, 17 CUNY students won National Science Foundation Graduate Research Fellowships. At no other public university in the Northeast have students and alumni won more NSF awards than at CUNY. We are grateful for the support that has allowed these talented men and women to achieve their full potential.

The City Council has also been instrumental in helping us develop ways to enhance student progress and your support has far-reaching consequence. The Georgetown Center on Education and the Workforce tells us that by the year 2025, 63 percent of all jobs in the United States will require some form of postsecondary education or training. Statistics show that in New York, unemployment rates for those with less than a high school education are 13.1 percent. For those with an associate's degree, the rate of unemployment is 6.1 percent. Research has consistently proven that states and localities receive a tremendous financial return when investments are made in higher education.

To provide some context to this point, we estimate that 2012-2013 associate degree graduates in New York City would earn \$227.6 million in a full year. This compares to \$161.6 million if all these degree holders only held a high school diploma – a value-added of \$66 million. Baccalaureate degree graduates in New York City would earn

\$468.7 million in a full year. This compares to \$253.7 million if all these degree holders only held a high school diploma – a value-added of \$215 million. This increase in income will have tremendous value to the individual degree holders, so many of whom come from economically disadvantaged backgrounds.

But equally important, we estimate that for CUNY's 2012-2013 baccalaureate degree holders, about \$25.6 million in State taxes and about \$15.6 million in City taxes were generated in their first year employed – about \$14.9 million, and \$8 million more, respectively, than if they had graduated with only a high school degree. In one year, associate degree holders just from CUNY would generate about \$10.9 million in New York State taxes and about \$7.3 million in New York City taxes in their first year employed – about \$4 million and \$2.4 million more than if they had graduated with only a high school degree, respectively.

It is imperative that we continue to place a high priority, as a society, in developing a well-educated citizenry. The overwhelming majority of CUNY undergraduates - 90 percent- remain in New York City or state after they complete their studies. When one considers the taxes that will be generated over the lifetime of CUNY college graduates, most of whom remain in New York, there are few investments we could make that would generate this rate of return. It is no exaggeration to say that the city's economic health is the ultimate beneficiary of your support.

In turning to the Fiscal Year 2015 Executive Budget, let me begin by saying how appreciative we are for the unprecedented support for critical University initiatives contained in Mayor de Blasio's financial plan. I have not seen investment in CUNY of this magnitude in my twelve years with the University. All New Yorkers will benefit from the priority the Mayor and the City Council have placed on higher education.

I would like to take a few moments to describe the initiatives that are funded in the Mayor's Executive Budget. A total of \$18.9 million in new dollars were added in FY2015 for these programs.

A major component of this support will be dedicated to expanding the successful Accelerated Study in Associate Programs, or ASAP, Initiative. ASAP has become a national model for community colleges and the program has won acclaim in the *Chronicle of Higher Education*, in *The Atlantic*, and the editorial page of the *New York Times*.

ASAP began in Fall 2007, with support from the Office of the Mayor's Center for Economic Opportunity, with the goal of significantly improving—even doubling—graduation rates. There have now been seven ASAP cohorts totaling 6,400 students admitted across six of our community colleges. The differences in ASAP's results are seen as soon as the first semester and continue at all junctures over three years. After three years, **47** percent of ASAP students with remedial needs and **56** percent of fully proficient students have graduated, versus **19** percent of non-ASAP students and **28** percent of skills proficient non-ASAP students. But best of all, for the first time we decided to measure **2.5-year graduation rates** (the standard has been three years), and we discovered it is **46** percent, compared to **15** percent of the comparison group.

A key point for us: students in ASAP graduate at three times the national average for urban students, and ASAP students graduate at more than double, approaching triple, the rate of non-ASAP CUNY students. An MDRC study called ASAP “one of the most aggressive efforts in the country to improve the success rates of low income students.” We agree, and under the Mayor's Executive Budget, we can extend this successful program to more of our students. In Fall 2013, ASAP served 3,225 students. With the city's investment, expansion would increase enrollment to 4,352, 8,738 and 13, 090 in each of the next three years.

Next, the University will expand STEM research fellowships for CUNY students. CUNY undergraduates will be offered opportunities to work directly with faculty on research projects. In addition to a fellowship stipend, students will receive laboratory training, academic support, and counseling. Practical lab experience often intensifies student

interest in pursuing STEM careers and provides valuable, job-relevant skills. Year-round fellowships of approximately 600 hours will be offered.

CUNY will create a STEM cooperative education program to allow students earning degrees in technical fields to spend a semester working full-time in a technical position while also taking courses. Three hundred students per year would benefit from this program, starting in Year 3.

In addition, the city's investment will allow the University to pay summer tuition for students in STEM-related disciplines. CUNY students receiving financial aid are not typically able to take summer courses, despite the fact that summer study is proven method of helping students to make significant and timely progress in earning college degrees. Approximately 4,500 undergraduates will benefit from access to these funds.

CUNY will also bolster academic advisement to improve the quality of academic support services. One additional staff member will be added for each 1,500 full-time equivalent students at each campus, to update advisement systems and to provide attention and support to at-risk students. Through this initiative, all campuses will implement "early alert" systems to identify students facing academic challenges early in the semester and provide them with additional support. Improved academic advisements benefits all students, but especially STEM students because of the complexity of their degree requirements.

Turning to the year ahead, the 2015 Executive Budget adds \$15.2 million to the community college operating budget pursuant to the maintenance of effort provision. In addition to the STEM Support Expansion initiative mentioned earlier, community college rental needs of \$1.5 million are fully funded and baselined. The financial plan also adds \$2.8 million for the Civic Justice Corps program at John Jay College.

The executive budget, however, did not include funding for the Dominican Studies Institute and the Center for Puerto Rican Studies, each of which is a leading national

center for historical and cultural research. The Creative Arts Team, which provides learning opportunities for at-risk students, and the Joseph S. Murphy Institute's campus-based worker education programs were also unfunded. Your assistance in restoring funding for these important programs would be greatly appreciated.

We are extremely grateful to the City Council that funding for the Black Male Initiative has been baselined in the City's financial plan. This permanent source of funding will enable continuity and long-term planning in our work to support the increased participation and success of under-represented groups in higher education, particularly black men. It also sends an important signal to external funding agencies that the initiative is being supported on an ongoing basis.

We have heard the voices of CUNY's elected student government leaders who are urging CUNY to support City Council Academic Achievement Awards, modeled after the Vallone Scholarships. That initiative provided financial aid to students who graduated with a B average from New York City high schools and who maintained that B average at the University. These new merit-based awards would be available to deserving students at both the senior colleges and community colleges. We are extremely encouraged and appreciative that these financial aid awards were included in the Council's formal response to the Mayor's Preliminary Budget.

We were also grateful that the Council's budget response called for a full restoration of funding for another program that has proven to be successful, CUNY Prep, in the Bronx. This program was established in 2003 and is a collaboration of the Mayor's Center for Economic Opportunity. The program helps students age 16 to 18 earn their High School Equivalency Diploma and enter college. CUNY Prep's mission is to develop learners who have the academic, personal and social skills necessary for higher education. Unfortunately, there is currently no support for CUNY Prep in the Executive Budget for FY2015.

I am now going to turn to the issue of facilities and CUNY's Capital Budget. CUNY has 24 institutes including four-year colleges, community colleges and graduate schools. The facilities for the senior colleges are the responsibility of the state and the community colleges are funded 50% by the state and 50% by the local jurisdiction, the city in our case. CUNY's seven community colleges, with the exception of Queensborough Community College, are all urban campuses that were established in buildings converted from other functions. Community college facilities comprise over 7 million square feet, and nearly three-quarters of it is at least 40 years old.

The City Council has been an outstanding partner to CUNY, especially to our community colleges, by providing funding and support for critical maintenance work as well as for major projects, such as the new Fiterman Hall at Borough of Manhattan Community College and the new North Hall and Library at Bronx Community College. Both of these buildings added much-needed space but have also enriched the campuses with modern, well-designed facilities that inspire students to learn. Thank you for helping CUNY to complete these buildings.

Funding from the Council also contributed to the success of the CUNY in the Heights program, which moved a few years ago into leased space on Broadway between 213th and 214th streets in Upper Manhattan. We were able to secure the lease and build out the new facility with \$2 million generously provided by the Council, and a state grant. CUNY in the Heights is proving so popular that we are now looking to lease additional space to accommodate demand.

At the Senior Colleges, funding provided by the Council has contributed to expansion of the Performing Arts Center at Brooklyn College, upgrades to libraries at Hunter and Medgar Evers, construction of a greenhouse facility on the roof of Lehman College's new science building, renovations to Queens College's Kupferberg Arts Complex, and the addition of campus-wide site signage at College of Staten Island.

Thank you for that commitment.

For a moment if you will indulge me, I want to take you back a few years. In 2007 after decades of deferred maintenance, CUNY, with the assistance of the State University Construction Fund, completed a state of good repair analysis on all its campuses. The results were analyzed by Pacific Partners Consulting Group. Using a lifecycle model based on current replacement cost, CUNY was provided with an estimate of the funding necessary to eliminate its backlog of deferred maintenance as well as the funding needed to replace or reconstruct essential facilities and their components and subsystems as they approach the end of their useful life (our renewal costs). In 2007, that analysis showed that our community college campuses, where the city is financially responsible for 50% of the costs, had a backlog of nearly \$500 million of work to be completed. The study also said that if we did not address the work identified, the cost would continue to increase on average of \$65 million per year. That proved to be true: when we updated the study in 2012 the backlog grew to be \$730 million for the community colleges, despite the funds we expended to date.

That report was a turning point because it allowed CUNY to articulate its critical maintenance needs in a methodical manner and provide costs associated each component. It truly was the beginning of a renaissance for our facilities.

The Council was one of the entities that understood this and has been a steadfast partner helping CUNY address multiple projects at all our campuses. In particular, some of the largest, most intractable projects have progressed because of this body.

Over the past five years, the Council has provided nearly \$90 million in funding to address health and safety issues and deferred maintenance on the community college campuses, along with funding for individual programmatic projects. This is in addition to funding from the Mayor and the borough presidents. Since we match all our community college funding with state appropriations, that means we gained \$180 million dollars in projects with City Council support.

Here are just a few of the largest critical maintenance projects that the City Council either funded or supported in the last five years that contribute to the well-being and operation of our community colleges:

- the first phases of campus-wide utility upgrades at Bronx Community College, costing \$50 million;
- the first phase of façade repairs to BMCC's 199 Chambers St. Building, \$5 million ;
- a major upgrade of the campus central plant at Kingsborough Community College for \$19 million;
- also at Kingsborough, renovations to the T2 classroom building, \$5.2 million ;
- various ADA bathroom upgrades and roof repairs at Hostos, \$1.8 million ;
- and at LaGuardia we completed a modernization and expansion of the bursar and admissions offices, \$6.6 million.

Those are completed projects. Going forward, with funding already provided by the Council we will complete other important projects, including the façade for LaGuardia Community College's Center 3 Building. The building's enormous terra-cotta façade is 100 years old and must be replaced if the building is to be preserved. Because of a lack of funding, we had originally planned to phase this project, which would have added to the expense and duration of the work. But thanks to the City Council and the city's commitment in the FY2013 budget, CUNY has bid the work all at once, saving money and expediting the completion of this \$120 million dollar project. Other major projects that will benefit from this funding in the future are:

- Bronx Community College's ongoing major utility upgrades, roof replacements at several of the colleges, and
- construction of a new dining facility and kitchen at Queensborough, and renovation additional floors of the 500 Grand Concourse Building at Hostos Community College.

But as you can tell from the state of good repair report I quoted earlier, much work remains and you will continue to see requests for critical maintenance from our colleges.

This year CUNY has identified and prioritized over \$250 million in critical maintenance projects at community colleges that need funding.

Now, turning to the details of the City budget just released by the administration: the Fiscal Year 2015 Executive Budget delays \$108 million of Mayoral funding scheduled in the current year of the plan (FY14) to fiscal years FY15 and FY16. The majority of the delayed funding is for the new Hunter Science and Health Professions building. The delay is not a reduction in funding, but rather a re-scheduling of funds to better reflect when contracts are expected to be awarded. CUNY expects this change to have little impact on program goals. We hope meet with OMB shortly and further discuss CUNY's community college critical maintenance needs.

One of our priorities this year is funding for a new Allied Health and Sciences Building at Hostos Community College. Design will begin soon for this 170,000-square-foot building. The facility will provide modern classrooms and science labs for the college's allied health programs in dental hygiene, radiological technology, and nursing, as well as its growing engineering and natural science programs. The building will provide dental and wellness clinics, where students will gain practical experience and the public will receive dental hygiene and wellness education. We look forward to sharing updates on the progress of this important new facility for Hostos Community College. To date we have \$9 million, \$4.5 million from the City and \$4.5 million from the state, for this \$215 million facility.

CUNY is also in the early stages of developing a strategy to identify a permanent home for Guttman Community College. The college is currently located at the former Katharine Gibbs School on 50 West 40th Street, under a lease that expires in 2020. We look forward to working with state and city officials to find a permanent solution.

The community colleges received \$20 million for critical maintenance and projects that already have some city funding. The State in the last five years has consistently matched any funding for community colleges that was put up by the city.

Chairperson Ferreras, Chairperson Barron, and members of the Finance and Higher Education committees, on behalf of all of us at the University, let me thank you again for your support of CUNY. Your partnership has enabled a transformation that few thought possible. We're very grateful for it and look forward to working closely with you on the budget in the weeks ahead. Thank you.



FISCAL YEAR 2015 EXECUTIVE BUDGET

TESTIMONY

BEFORE THE NEW YORK CITY COUNCIL

**COMMITTEES ON FINANCE, YOUTH SERVICES AND
COMMUNITY DEVELOPMENT**

PRESENTED BY

COMMISSIONER BILL CHONG

MAY 16, 2014

INTRODUCTION

Good morning Chairs Ferreras, Eugene, and Arroyo and members of the Finance, Youth Services, and Community Development committees. I am Bill Chong, Commissioner of the Department of Youth and Community Development (DYCD). Thank you for the opportunity to discuss the Fiscal Year 2015 Executive Budget.

The Executive Budget builds on the commitments we made in the Preliminary Budget to address inequality and ensure greater opportunity for our city's children, youth and families. We look forward to working with the Council to reach an adopted budget that moves forward with the Mayor's essential investments identified in his Executive Budget.

FY 2015 EXECUTIVE BUDGET OVERVIEW

DYCD's proposed FY 2015 budget is now at \$484.2 million. The majority of this funding is city tax levy -- \$257.4 million. The rest is as follows: \$64.6 million in federal funds, \$156.1 million in intra-city funds and \$6.1 million in state funds. While most of the increased funding is for the OST middle school expansion, we are also investing in other programs such as shelter beds, SYEP, Beacons and Cornerstone.

DYCD PROGRAMS

I will now discuss specific highlights of the Executive Budget and DYCD's programs:

After School and Summer Programs Expansion

As part of the Mayor's commitment to the overall middle school after school expansion and the need to prevent summer learning loss, the Executive Budget expands OST, Beacon and Cornerstone middle school summer programs by 17,100 slots, thereby doubling the total number of middle school youth served this summer to over 34,000. Funding for summer programs as part of the middle school afterschool expansion has also been included in FY 2016 and the out years (nearly 41,000 new slots).

Since the preliminary budget and RFP, we have refined how the middle school expansion will scale up. The Executive Budget also enhances and aligns current OST programs with the middle school expansion program model of 540 hours and \$3,000 cost per participant. Last Friday, proposals for the middle school expansion were due. We had a robust response -- over 300 proposals were submitted, and we have started to evaluate the applications.

Further Expansion of Crisis Beds for Runaway and Homeless Youth

The Executive Budget adds \$950,000 for another 24 crisis shelter beds. Combined with the Preliminary Budget, this represents a total increase of \$3.4 million and 100 crisis beds in FY 2015. DYCD now has a total of 353 shelter beds (216 crisis; 137 transitional).

Summer Youth Employment Program (SYEP)

This year, nearly 130,000 youth applied for an SYEP job. The Executive Budget invests another \$8.5 million, helping SYEP reach similar service levels as FY 2014, while paying the higher state minimum wage. The city tax levy portion of SYEP now stands at \$29.2 million, the highest it's been since the FY 2009 level of \$30.9 million. The adopted 2014-15 state budget is providing the city with \$14.4 million in state SYEP funds, which is \$1 million more than we forecasted in the Preliminary Budget. We've also raised \$1.5 million in private funds since then, and our private fundraising efforts continue. Recently, we contacted 40 companies and foundations, in an effort to secure additional donations before this summer.

Center for Economic Opportunity (CEO) Funding

The Executive Budget adds \$10.6 million in CEO funds for the Young Adult Literacy Program, and Young Adult Internship Program. Combined with \$3.9 million in Young Men's Initiative (YMI) funding, we are very pleased to continue these two programs which are critical to re-engaging our city's opportunity youth. The Executive Budget also adds nearly \$1.5 million for Teen ACTION (service learning).

Legal Services and ESOL Classes for Immigrants

In an effort to consolidate and streamline the provision of legal services citywide, DYCD's IOI funded immigration legal services (\$3.2 million) will be transferred to HRA. We are working with HRA to implement this transfer. The remaining \$1 million in IOI funded ESOL programs will remain with DYCD.

Baselining and Negotiated Acquisition

As you know, the FY 2014 November Plan baselined several Council-funded one-year initiatives, including OST, RHY, IOI and adult literacy. This was reflected in the FY 2015 Preliminary Budget. We have started the process of negotiated acquisitions for 383 contracts, and expect programs to seamlessly continue on July 1, 2014. We notified providers by email and phone call about their one-year extension. They will receive their updated contract documents soon -- some have even received them already.

CONCLUSION

The Mayor's Executive Budget is progressive and fiscally prudent. It makes smart investments to benefit our city's future. With this budget, programs can focus on meeting the needs of New Yorkers and helping them advance socioeconomically, instead of facing the uncertainty of fluctuating annual budgets and lack of resources. By investing in communities, we are building a stronger New York and fulfilling the Mayor's vision of tackling income inequality. I look forward to working with you to fulfilling his vision.

I am joined by Deputy Commissioners Susan Haskell and John Cirolia, and Acting Deputy Commissioner Alan Cheng. We are pleased to answer your questions. Thank you.



FY 2015 Preliminary Budget Hearing

Testimony of Julie Menin

Commissioner, Department of Consumer Affairs

Presented to:

New York City Council

Committee on Consumer Affairs

Committee on Finance

May 16, 2014

Good afternoon Chair Espinal, Chair Ferreras, members of the Finance Committee and members of the Consumer Affairs Committee. I am Julie Menin and am honored that Mayor de Blasio has appointed me as the new commissioner of the Department of Consumer Affairs (DCA) and I greatly appreciate the opportunity to share with you some highlights of DCA's work and the important new initiatives that we will be undertaking in the next fiscal year to implement the Mayor's vision for DCA.

DCA's mission is to empower businesses and consumers alike to ensure a fair and vibrant marketplace. As a former consumer protection attorney, owner of a restaurant, market and catering company, chairperson of Community Board 1 here in Manhattan and as a community advocate, I am keenly aware of the importance of this work and its impact on our City. DCA is also a Charter-created regulatory agency charged with protecting consumers and educating businesses. DCA licenses and regulates almost 80,000 businesses in 55 different industries and protects consumers by enforcing laws such as the City's landmark Consumer Protection Law. DCA has a tremendous history and does such important work--I am grateful to have the opportunity to share it with you today and I look forward to forging new ground together.

Paid Sick Leave

I would like to begin by discussing a vital new law that DCA is charged with implementing and one of our top priorities: Paid Sick Leave.

I want to thank the Council for recognizing DCA's unique role, and ability to both educate and enforce, by placing the new Paid Sick Leave Law within our agency. We are thrilled to be overseeing this law, which in its new expanded form, will change the lives of an additional 500,000 New Yorkers and will mean that they do not have to choose between their family and their job.

In the last month, we have worked with you and your colleagues, sister agencies, and dozens of community and business groups to educate employers and employees about paid sick leave. On June 2, the second phase of our advertising campaign will launch and will include an increased saturation of ads. The second phase is focused on educating both employers and employees of the upcoming date of July 30 when employees can begin using accrued leave. The ads will be in 2,000 subway cars, 2,000 buses and 260 subway stations, as well as print ads in daily, community and foreign language newspapers, TV and radio PSA's and digital ads.

DCA is in the process of coordinating a Day of Action on June 3, the day a wrap in the *Metro* newspaper will appear. By working with sister agencies, elected officials, advocacy groups, and community groups, DCA hopes to have 1,000 volunteers, including all DCA staff, leafleting about paid sick leave during the morning and evening rush hours. There will be an online sign up on DCA's website where people will sign up for a 7 a.m. or 5 p.m. shift. We will send people to the most trafficked subway stops, high traffic pedestrian areas and door-to-door to businesses in commercial corridors throughout the boroughs to distribute information on the Paid Sick Leave Law. We will focus on borough equity and ensure that activities are happening in neighborhoods across the city, with particular emphasis on areas where there is a high concentration of workers. Commissioner Carrion and the Community Affairs Unit will be significantly engaged with our Agency on planning and recruitment.

But we cannot be successful in this endeavor without a strong partnership with elected officials. Beginning Monday, the Administration will reach out to each of your offices to determine areas of your districts that would be best to engage the public and partner with you and your staff to hit the pavement.

Another essential component of our outreach campaign is training events for both employers and employees. We have already presented at dozens of events citywide in English, Spanish, Korean and thanks to Council Member Chin, Chinese. A special thanks to Council Members Espinal, Ferreras and Cornegy for the events they co-hosted and attended. We are also co-hosting Town Halls in each borough with the Public Advocate, and the Borough Presidents in each borough. We look forward to hosting events with each of you and will be contacting your offices soon to coordinate.

In addition to our extensive outreach efforts, our division has been working hard on refining the process for ongoing education, investigation, and mediation. To date, we have made informational materials and forms available on our website, which has already received almost 75,000 visits, and have a team handling inquiries and accepting complaints. We expect to have the division fully staffed in the coming weeks.

Paid sick leave represents the newest addition to the Department's portfolio of important work, and DCA received \$4.8 million in the Fiscal 2014 Preliminary Budget to launch the initiative, and \$1.8 million in out years to cover annual costs.

In terms of the Department's overall budget, we expect to spend \$32.7 million in Fiscal 2015, which includes \$23.5 million in PS funding and \$9.2 million in OTPS funding. In addition to the new funding for Paid Sick Leave, this also includes additional funds for IT support staff to assist with ongoing support and maintenance of Accela, the new enterprise licensing system for DCA and DOHMH.

DCA's revenue for Fiscal 2015 is projected to decline to \$33.2 million, from \$39.1 million that we expect to take in during Fiscal 2014. This change is primarily tied to fine reduction, which is part of a broad drive by DCA to redefine the way our Department interacts with businesses.

I will now discuss this new approach to Business Education and Regulation in more detail.

Business Education and Regulation

One of our biggest strategic priorities is implementing Mayor Bill de Blasio's vision of ensuring that fines are not levied in an inequitable and punitive fashion, and instead, focused on education and helping small businesses create more jobs.

Enforcement

DCA is making a number of important changes to eliminate unnecessary and burdensome fines on small businesses. Beginning June 30, DCA will implement the new Cure Law, which gives us an unprecedented opportunity to allow businesses to correct first-time violations for many signage infractions. We are confident that that by educating businesses about the law and giving them the opportunity to correct these violations, we will also achieve compliance, which helps both businesses and consumers. We also reviewed our fine structure and inspection checklists for Tax Preparers and for General Retail violations, which impact many small

businesses. In addition, DCA recently introduced new inspection mapping tools that will help ensure that our enforcement efforts are distributed sensibly and equitably across all New York City neighborhoods. We will use the tools to make sure that no business and no neighborhood is subject to a burdensome frequency of inspections. Through these initiatives, in conjunction with other steps intended to reduce financial burdens on small businesses, DCA anticipates a reduction in fines by over 20 percent from Fiscal Year 2012.

Even after businesses receive violations, we work with them to resolve the charges and avoid going to hearing. Businesses that receive violations are given the opportunity to settle the violations before the hearing, online, by mail or in person. We have found our settlement program is an effective tool in educating businesses on violations, while also providing an opportunity to resolve violations at a reduced rate. We're also open early to allow businesses to settle their cases before the start of the business day.

Outreach and Education

We are always looking to expand on our efforts to educate businesses in order to help them comply with the law, which is good for both businesses and consumers. For example, our improved online Business Toolbox features the laws and rules that DCA enforces for each industry, online licensing services, business resources such as model contracts, the City's first and only online live chat option, and makes public the checklists that DCA inspectors use to inspect over 30 different types of businesses. Since we launched the Live Chat for Businesses in December 2012, we have responded to questions from more than 13,000 individual businesses; 4,500 of these were this year. The inspection checklists have been downloaded almost 35,403 times this Fiscal Year, and we will continue to update them. We also added checklists for six new industries this week and we are planning to translate them into multiple languages.

DCA is committed to ensuring that all businesses understand the inspection process and how they can comply with the law. DCA recently formalized its standing practice of offering inspections in multiple languages through implementing the recently passed Language Preference Law, which provides businesses the option of having inspections conducted in the language of their choice. This fiscal year alone we provided interpretation services in over 30 languages and we will be growing this number to take into account the diversity of New York City's small businesses.

Public Awareness

Our Good for Customers, Great for Business public awareness campaign at the beginning of last year included campaign ads on subway cards, bus shelters, telephone kiosks and the Metro newspaper. As part of the campaign, we also updated the 10 Things Every Business Should Know guide, which is available in English, Spanish, Chinese, Korean, Russian, Haitian-Creole and Bengali. Please let us know if you would like this guide or any of the checklists to share with your constituents. There is also a video version of the 10 Things guide on our YouTube channel with captions in those languages. We also widely distribute the Business Owner's Bill of Rights.

Educating, Empowering and Protecting Consumers

Another strategic priority is to empower and protect consumers. In the coming year, we will do that in three ways: mediation of complaints, public awareness and education, and financial empowerment.

Consumer Complaints

Last year, we mediated more than 3,700 consumer complaints and secured more than \$5.8 million in restitution for consumers. In the next fiscal year, we plan to increase public awareness about the ability to file a complaint with DCA to ensure that consumers throughout the City understand the work we do and how we can help protect them in the marketplace. We will be looking to explore consumer protection in ways we haven't in the past, with a particular focus on those who are most vulnerable like those in lower-income and immigrant communities. DCA wants to be aware of these issues and at the cutting edge of consumer protection and education. We look forward to working with you to learn about the issues you hear about in your communities and to pass the laws we need to protect New Yorkers.

I'm also proud to say that our Director of Consumer Services has been selected as one of six public servants to receive the 2014 Sloan Public Service Award from the Fund for the City of New York. On June 4, Deborah Garner will be recognized at a ceremony with Mayor de Blasio and hundreds of attendees for her more than 15 years of dedication to helping New Yorkers. The Sloan Public Service Awards from the Fund for the City of New York recognize City employees whose work performance and commitment to the public go above and beyond. This is what Deborah and the entire Consumer Services Division does every day.

Public Awareness and Education

DCA has long participated in events throughout the city to educate consumers about their rights. Last year we met more than 33,000 consumers directly at community meetings to answer their questions and assure them that DCA will continue to protect their rights. But, we will be significantly expanding our outreach efforts in FY15. The first place you will notice our increased efforts is with Paid Sick Leave but this will be the tip of the iceberg. We are developing a robust outreach plan for both businesses and consumers that will have much a much further reach, more events, and a real focus on community engagement. We also plan to make DCA's materials available in many more languages than covered by Executive Order 120.

Last year we had more than a million visitors to our website, which has tips, guides, license check, complaint forms and more. I'm happy to say that we will be implementing a redesign in the coming year that will dramatically increase the usability and accessibility of our website and it's wealth of information. DCA will also continue to increase its engagement on social media. Currently, DCA connects with more than 7,500 New Yorkers on its Twitter, Facebook and, the newest addition, Instagram and we have almost 30 educational videos on our YouTube channel.

Financial Empowerment

The City's Financial Empowerment Centers, which cost \$1.9 million annually and offer free, one-on-one financial counseling, are the hallmark program of DCA's Office of Financial Empowerment (OFE). Since the program began in 2008, counselors have helped more than

28,000 New York City residents pay down more than \$17.7 million in debt and build more than \$2.8 million in savings.

In the upcoming year, OFE's focus will be on expanding our efforts to ensure that New Yorkers have more access to financial empowerment services and products than ever before.

To increase awareness about the Financial Empowerment Center services, a new public awareness campaign will launch on June 2 with ads in subway cars and stations, as well on social media. The ads feature real clients' stories of how the Centers helped them budget, save, improve their credit score, and tackle their debt. This campaign will include a number of community engagement strategies, including direct outreach in neighborhoods near the Centers, and targeted ads in community newspapers.

In a further expansion of this work, in March, we launched the Ventanilla de Asesoría Financiera, or Financial Counseling Window, at the Mexican Consulate General in New York. Since opening in March, the Ventanilla has already provided one-on-one financial counseling to over 200 Mexican nationals. This program was a result of our *Immigrant Financial Services Study*, the first study to take a closer look at the financial behaviors of specific immigrant populations in New York City. It found that 57 percent of Mexican immigrants surveyed are unbanked, or don't have bank accounts, and many immigrants surveyed expressed uncertainty about the process of opening a banking account, identification requirements, and language barriers. The Window seeks to address and overcome these issues through counseling and information in a trusted location. Earlier this week DCA met with a number of consulates to share this idea, as well as information about paid sick leave, and we see a potential for similar work in other trusted community spaces like consulates. We are also working to integrate counseling with housing and workforce development and expand in other ways to increase access to this vital service.

Although the tax season has come to a close, there are still a number of sites open to filers. This year, the NYC Earned Income Tax Credit Campaign included more ways to file for free and more sites than ever before with the expansion of an innovative drop-off service, Virtual VITA. A technology-based model of the traditional Volunteer Income Tax Assistance (VITA) program, these sites allow filers to drop off their tax documents to be completed by an IRS-certified volunteer and receive their return electronically or return to the intake site for review and pick-up. Across the five boroughs, a record 125 sites offered free tax prep services, both virtual and traditional, and free online filing was available through nyc.gov/taxprep. This year, through OFE's efforts, more than 90,000 returns were filed for free.

We also offered the SaveUSA program for the seventh year in a row. This year, 1,142 tax filers pledged \$692,406 in initial savings. Last year in New York City, almost 700 tax filers with low incomes saved nearly \$668,000 through SaveUSA, which includes initial savings plus matching funds. These 2013 savers received close to \$223,000 in matched funds on February 1, 2014.

In 2014, OFE will finish updating the 2010 Citywide Financial Services Study, partnering with Urban Institute, which quantified the unbanked marketplace and identified critical indicators of financial behavior and housing financial stability in New York City.

In closing, as Council Members, you have your finger on the pulse of what is happening in your districts and what matters to residents and businesses. We want to hear from you.

Thank you for your time. I would be happy to answer any questions you may have.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: MARLA TEPPER

Address: _____

I represent: NYC DCA

Address: 42 BROADWAY, 8th FLOOR

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THE CITY OF NEW YORK**

Appearance Card

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Date: 5/16/14

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Name: ALBA PICO

Address: _____

I represent: NYC DCA

Address: 42 BROADWAY, 8th FLOOR

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Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: PETER BRULAND

Address: _____

I represent: NYC DCA

Address: 42 BROADWAY, 8th FLOOR

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: JULIE MENIN

Address: _____

I represent: NYC DCA

Address: 42 BROADWAY, 8th FLOOR

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THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: Bill Chang, Commissioner

Address: _____

I represent: DYCD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: John Cirolia, Deputy Commissioner

Address: _____

I represent: DYCD

Address: _____

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: Matthew Sapienza

Address: Vice Chancellor for Budget and Finance

I represent: CUNY

Address: 205 E. 42nd St.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: Iris Weimshall

Address: Vice Chancellor, Facilities, Planning and

I represent: CUNY Construction

Address: 205 E. 42nd St.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: Allan Dobrin

Address: Executive Vice Chancellor & Chief Operating

I represent: CUNY

Address: 205 E. 42nd St.

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: Susan Hesicell, Deputy Commissioner

Address: _____

I represent: DYCD

Address: _____

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 5/16/14

(PLEASE PRINT)

Name: Alan Cheng, Acting Deputy Commissioner

Address: _____

I represent: DYCD

Address: _____

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