

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
MENTAL HEALTH, DEVELOPMENTAL DISABILITY,
ALCOHOLISM, SUBSTANCE ABUSE, AND DISABILITY
SERVICES, COMMITTEE ON HEALTH, COMMITTEE ON SMALL
BUSINESS, COMMITTEE ON ECONOMIC DEVELOPMENT

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May 20, 2015
Start: 10:08 a.m.
Recess: 04:22 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E:

JULISSA FERRERAS-COPELAND
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ANDREW COHEN
Co-Chairperson

COREY D. JOHNSON
Co-Chairperson

ROBERT E. CORNEGY, JR.
Co-Chairperson

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MARK S. WEPRIN
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A P P E A R A N C E S (CONTINUED)

Doctor Ramanathan Raju
President/CEO
New York City Health and Hospital Corporation

Marlene Zurack
Senior Vice President/Chief Financial Officer
New York City Health and Hospital Corporation

LaRay Brown
Senior Vice President: Strategic Planning,
Community Health, and Intergovernmental
Relationship
New York City Health and Hospital Corporation

Doctor Marry Bassett
Commissioner
New York City Department of Health and Mental
Hygiene

Sandy Rozza
Deputy Commissioner of Finance
New York City Department of Health and Mental
Hygiene

Daniel Kass
Deputy Commissioner Environmental Health
New York City Department of Health and Mental
Hygiene

Gary Belkin
Executive Deputy Commissioner
Mental Health

Doctor Aletha Maybank
Assistant Commissioner
New York City Department of Health and Mental
Hygiene

Doctor Barbara Sampson
Chief Medical Examiner
Office of Chief Medical Examiner

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

Dina Maniotis
Executive Deputy Commissioner
New York Office of Chief Medical Examiner

Maria Torres-Springer
Commissioner
Department of Small Business Services

Kyle Kimball
President
Economic Development Corporation

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CHAIRPERSON FERRERAS-COPELAND: Good
morning and welcome to, to the city council's third
day of hearings on the Mayor's Executive Budget for
Fiscal 2016. My name is Julissa Ferreras-Copeland.
And I am the chair of the Finance Committee. We are
joined by the Committee on Health chaired by my
colleague Council Member Corey Johnson and the
Committee on Mental Health, Development Disability,
Alcoholism, Substance Abuse, and Disability Service
Chaired by my a count, by a Council Member Andrew
Cohen. We've been joined by Council Members Chair
Johnson, Chair Cohen, Council Member Vallone, and
Council Member Crowley. Today we will hear from the
Health and Hospitals Corporation, the Department of
Health and Mental Hygiene, and the Office of the
Chief Medical Examiner. Then the afternoon the
Finance Committee will be joined by the Committees
on Small Business and Economic Development. And we
will hear from the Department of Small Business
Services and the Economic Development Corporation.
Before we begin I'd like to thank the finance
division staff for putting this hearing together
including the director Latonia McKinney, the chief

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counsel Tanisha Edwards, assistant counsel Rebecca
Chasan, deputy directors Regina Poreda Ryan and
Nathan Toth, unit heads Iesha Right [sp?] and Emera
Eddive [sp?], senior finance analyst Crilhien
Francisco who covers HHC DOHMH and the Office of
the Chief Medical Examiner, finance analyst Aliyah
Ali who covers SBS and EDC, and the finance
division administrative support unit Nicole
Anderson Maria Pagan and Robert A. Catalano [sp?]
who pull everything together and thank you all for
your efforts. I'd also like to remind everyone that
the public will be invited to testify on the last
day of budget hearings and June 9th beginning at
approximately 1:30 in this room. For members of the
public who wish to testify but cannot attend the
hearing you can email your testimony to the finance
division at finance testimony at council dot NYC
dot gov and the staff will make it part of the
official record. Today's executive budget hearing
starts with the Health and Hospitals Corporation
HHC Fiscal 2016 executive budget totals 7.18
billion dollar which will only, which only four
percent comes from city tax levy dollars and intra-
city [phonetic] funding. Even with the multibillion

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dollar budget HHC shows a projected operating
deficit of 618 billion dollars in Fiscal 2016 which
rises to 1.5 billion dollars in Fiscal 2019.

Correction, 618 million. If we were 618 billion
we'd have a lot of problems. And our budget
response the council proposed two items to address
HHC's operating deficit and capital infrastructure.

However neither were included in the executive
budget. The first item was a request for, to
increase HHC unrestricted operating subsidy by six
million dollars in recognition of the financial
challenges of service uninsured in medical,
Medicaid patients. The second proposal was a
request to include 15 million dollars of capital
funding to complete the second phase of capital
improvements to increase accessibility in the
women's health areas of selected HHC facilities as
part of the women with disability capital project.

Excuse me I' trying to do this while not sneezing.

Appropriate for HHC. Okay. In Fiscal 2014 the
council committed 2.5 million dollars to the
project but no additional funding has been
earmarked since with respect to my district in
particular I'm happy to report that HHC's capital

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commitment plan includes an 11.1 million dollars
for the renovation of Elmhurst Hospital adult
emergency department. However I must know that the
funding is not committed until Fiscal 2017 and 2018
and I would like to have seen the funding available
sooner. I'd like to remind my colleagues at the
first round of questions for the agencies will be
limited to five minutes per council member. If
council members have additional questions we will
have a second round of questions and three minutes
per council member. Before we hear from the
president and CEO of HHC Doctor Raju I will turn
the mic over to my co-chairs Council Member Johnson
followed by Council Member Cohen for their
statements. Thank you.

CO-CHAIRPERSON JOHNSON: Thank you Chair
Ferrerias-Copeland. I have to get used to saying
Ferrerias-Copeland. Good morning everyone. I'm Corey
Johnson Chair of the Committee on Health. This
portion of the hearing will focus on the Fiscal
2016 executive budget for the New York City health
and hospitals corporation. HHC's Fiscal 2016
expense budget totals 7.18 billion dollars with a
projected operating deficit of 618 million dollars

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as the chair said a projected closing cash balance
of 351 million dollars in fiscal year 2016. I
expect that a good portion of today's hearing and
discussion unfortunately will cover the many
challenges to HHC's long term financial
sustainability. As the corporation has experienced
significant cuts with more looming. The committee
looks forward to a detailed discussion the 309
million dollars in corrective actions that HHC is
undertaking in light of its projected operating
deficit which will grow to 1.5 billion dollars in
fiscal year 2019. Moreover this committee looks
forward to a third discussion on these corrective
actions especially the included plan to outsource
dialysis services. The committee will also engage
HHC in a conversation regarding the impact of the
state's enacted budget, budgetary risks and
concerns at the federal level, metro health plus,
and finally a discussion on HHC's role in the
expansion of neighborhood hubs that the Department
of Health and Mental Hygiene is currently planning
and undertaking. Before we begin I would like to
thank my committee staff who've worked thoroughly
to help coordinate today's hearing Crilhien

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Francisco the committee's finance analyst, David
Seitzer the counsel to the committee, Crystal Pond
the finance the policy analyst to the committee,
and Louis Cholden-Brown my legislative and budget
director. I also want to say that HHC is the best
public hospital system in the united states if not
the world. And we are immensely lucky that we have
a public hospital system of its size, quality, and
magnitude in our city. And I am really heartened
that we have great leadership from Doctor
Ramanathan Raju who we're going to hear from and
his team. But I am also enormously worried given
that New York state I believe have not stepped up
in the way that they need to for our city's public
hospital system. And the federal government has
been even worse when it comes to getting HHC the
financial resources it needs to be on a sustainable
path. And I know that some of the corrective action
decisions that have been made were not easy
decisions to make. And they had to be done in a
creative way given the current situation that HHC
is facing. And I do not want to sound alarmist but
I know we're going to be able to have a
conversation today about the fears surrounding what

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is HHC's future when you have a deficit that's
going to balloon to be over a billion dollars in
the next five years after HHC had cut enormous cuts
earlier during the Road Ahead plan to try to get
HHC on a sound financial path. So we need to figure
this out. It's not an easy conversation to have but
I don't want us to look back three or four years
from now and say why didn't we take the right
action to save HHC. And I feel like unless we do
all we can as a municipal government working with
our partners in state and federal government HHC
could be in significant trouble and we don't want
that to happen especially in light of how important
HHC has been last fall with Ebola in Bellevue and
the work that you all do every single day for the
most vulnerable New Yorkers. So before we hear from
Doctor Ramanathan Raju I will turn the mic over to
my co-chair and chair of the Committee on Mental
Health Council Member Cohen for his opening
statement.

CO-CHAIRPERSON COHEN: Thank you Chair
Johnson and Ferreras-Copeland. Good morning I'm
Council Member Andrew Cohen, chair of the Council's
Committee on Mental Health Developmental

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Disabilities, Alcoholism, Substance Abuse, and
Disability Services. We'll now hear from the Health
and Hospitals Corporation on its Fiscal 2016
executive budget. First I didn't like to
acknowledge the members of this committee Council
Member Crowley, Council Member Vallone, and Chair
Johnson who have joined us so far. I too share the
concerns of my colleagues regarding the projected
budget deficits. And the committee looks forward to
detailed discussion of HHC's projected operating
deficit of 618 million for physical 2016 and how it
may impact HHC's abilities to carry out its mission
especially in respect to the quality of care.

Further the committee would like to engage in a
dialogue regarding HHC's provisions of mental
health services and how they expect to meet these
demands given the corporation's financial deficit.
The committee is eager to engage in a discussion
with HHC regarding the two million dollars added in
the executive budget for HHC's collaboration with
the Mayor's Office to combat domestic violence, to
provide mental health services to victims of
domestic violence at family justice centers across
the city. Additionally we are interested in the

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increase in funds for the expansion of assisted
outpatient treatment programs. And we would like to
speak about our ongoing concerns as to how they,
they shift to manage care for behavioral health
which is slated to start in New York City this
summer will impact HHC's provisions of mental
health services. Before we begin I would like to
thank my committee staff for their hard work in
preparing for today's committee hearing; Kimberly
Williams the committee council, Michael Benjamin
the policy analyst who's hiding over there I think
and Corrillian [phonetic], Crilhien Francisco the
Committee's Financial Analyst thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Cohen and Chair Johnson, Doctor Raju my
council will swear you in and then you may begin
your testimony.

DOCTOR RAMANATHAN RAJU: Thank you.

COMMITTEE CLERK: Do you affirm that
your testimony will be truthful to the best of your
knowledge, information, and belief.

DOCTOR RAMANATHAN RAJU: I do.

COMMITTEE CLERK: Thank you.

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DOCTOR RAMANATHAN RAJU: Good morning.

Good morning Chairperson Ferreras, Chairperson
Johnson, Chairperson Cohen, and members of the
Health, Finance, and Mental Health Committees. I am
Doctor Ramanathan Raju, President CEO of New York
City Health and Hospital Corporation. Your public
hospital system. I'm joined at the table by Ms.
Marlene Zurack our senior vice president and chief
financial officer and Ms. LaRay Brown of Senior
Vice President for strategic planning, community
health, and intergovernmental relationship. Thank
you for the opportunity to discuss the Financial
2016 executive budget, our financial plan, and key
programmatic initiatives. I will begin by focusing
on number one priority that I have for Health and
Hospital Corporation that is improving the patient
experience. Last month I set forth a new vision for
health and hospital corporation. ...our staff...
leadership the key stakeholders. The lynch pin of
our 2020 vision is make patient experience the best
that ca be. We must recognize that the valley of
excellent patient experience is critical part of
the... to compete in a dynamic marketplace. A diverse
group of 200 including our staff... staff community

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advisory board members labor representatives and
consumers. I've began the process of developing
strategies to turn this vision into reality. By
this autumn we will develop a plan of action.
Regardless of the title every employee can
contribute and make a difference for us. Improving
the patient experience will have several benefits.
It'll lead to higher patient satisfactions codes
which will increasingly impact the, what payers
pay, the healthcare providers, higher patient
attention rates, and increase I number of new
patients. Together these outcomes will lead to a
healthier bottom line. In 2020 we aim to increase a
number of patient we serve annually to two million
New Yorkers, expand the number of New Yorkers...
health plan... to one million. And 80 percent of
these patients are connected to all primary care
doctors and improve the in patient satisfaction
scores to 80 percent on the outpatient satisfaction
scores to 93 percent. At our last health committee
hearing I outlined main points on the, on... agenda
to position health and hospital corporation in a
position so we can preserve our mission and compete
in a demanding ever changing health care

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marketplace. For the benefit of the members of the
finance and the mental health committees I'll
briefly summarize the points. ...expanding access to
care, increasing of market share, stabilizing our
financial health, and focusing in, on workforce
development. The Health and Hospital Corporation...
in expanding preventive and primary care services
over the past decade. We also improve the quality
of care we provide and strengthen the patient
safety programs. Now we need to expand access to
care so that our patients can get an appointment
more quickly. We've expanded hours and nights and
weekends inn every borough so that our patients
have a wider range of appointment times. They're
also working to reduce the time it takes for the
patient to come in, come in for their appointments
to see the doctors and finish their visit. By
becoming more efficient we can create an additional
capacity and be respectful of our patients' time. I
don't think any patient likes sitting down in the
waiting room while they wait to see this doctor. ...
to expand access to care will be needed, we need to
work increase our market share. Today we serve
roughly one out of every six New Yorkers. I want

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this number to grow over the next five years so
that we serve one out of every four New Yorkers.
Our health plan... is a key to this initiative. ...is
one of the highest performing Medicaid managed care
plans in terms of customer satisfaction and quality
of care in New York state. Our health plan now has
more than 473 thousand members. My goal is for this
number to grow to one million by the end of the
year 2020. This is ambitious but if you don't have
high expectations you'll never know what you can
truly achieve. As we increase our market share we
will strengthen our finances in order to sustain
our mission to serve all New Yorkers. New patients
will lead to increased patient revenue. That said
because most of our patients are insured through
Medicaid and Medicare the payments are not
sufficient to cover all of the costs. In order to
stabilize our finances we're also working to
control cost, find new sources of revenue, and
manage our responses, resources more effectively.
I'll speak more about it... review of financial plan.
The next... priority is a workforce development. When
I spoke last month I said the positive patient
experience is not possible without a positive

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employee experience. Our workforces is the, is our
greatest asset. We are a mission driven diverse,
and culturally competent staff. We look like our
patients. And our patients look like us. We can't
lose sight of that. We will be investing in new
programs to benefit our employees. We'll continue
to talk and listen to our labor partners on the
ways we can continue to collaborate together. As I
mentioned the last hearing health and hospital
corporation has to constantly identify new ways,
new ways to reduce and elevate our budget gaps
since reimbursement we receive does not cover our
costs. It is not easy. But though, through the
support from the city on the ongoing restructuring
cost containment and revenue optimization we have
managed to balance our budget. For FY2016 our
operating expenses are projected to be 7.18 billion
dollars. And the revenue is projected to be 6.56
billion dollars. This leaves a gap of 618 million
dollars. Our corrective action plan is projected to
garner 475 million dollars in combination of
savings and new revenues. After we apply the full
93 million dollars ending cash balance projected
for our current financial year this leaves us with

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a projected closing cash balance of 352 million
dollars in FY 2015. Over the life of the plan we
project a 914 million gap in FY 2017, 1.3 billion
in FY '18, and 1.48 billion by FY '19. As with all...
financial plan we are developing corrective actions
to address these gaps. The major components of a
cost containment plan for FY '16 includes 75
million dollar savings through... We have been
redesigning our... services to improve quality and
save cost. We renegotiate existing contracts, apply
sanitization to the... cost and waste and fully
utilizing discounted pharmaceutical programs for
government and safety net hospitals. Through
increased revenue collection we will see a 72
million dollars in the FY 2016. This is a
combination of better documentation calling for
both chronic and seconded diagnosis along with
decreasing the... denials. For the... additional 30
million dollar... reimbursement as a result of... for
federally qualified... status for our diagnostic and
treatment centers. I just... 2016 financial plan
include recent budget actions in Albany and
Washington DC. The 2015/2016 state budget include
two proposals that are benefit... 7.5 million

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dollars. It eliminates both readmission penalty
which will save us 3.5 million dollars and across
the board rate reduction for inpatient OB services
which increase reimbursement for dual services by
approximately four million dollars. It also
includes new funding for a quality... program. We do
not have an estimate of how much funding we'll
receive. We, we expect it to be modest. One of the
most important items for us in this year's
executive budget of the three year extension of the
state... loss on, on discussion on the
disproportionate... funding to remind the committee
that this program provides federal Medicaid
matching dollars to... to make payments to the
hospitals that create disproportionately high share
of uninsured on Medicaid patients. The... funding
that we'll receive is critical and is critical in
supporting our mission allowing us to serve the low
income on uninsured people. We believe that the
state policies should be changed so that... funds
follow the patients and directly targeted to
hospitals that serve disproportionately high
numbers of uninsured patients and Medicaid members.
We advocated for distribution methodology to allow

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the funding to go to the hospital who serve the
target population. We are concerned that without
changes to the present methodology the distribution
of these funds we will absorb all of the initial
federal... cuts. ...successfully know that first to
secure the flexibility for the New York state
health department to revise the... funding... without
having to seek further legislative approval when
the federal... begin the start date of the... was
easily delayed. This delay give a two more budget
cycles during which we'll seek changes to protect
our cooperation from absorbing a disproportion
amount of the cuts. Under the important chain to
the state budget this year was an amendment to the
modify how Medicaid upper payment limit funds are
distributed. This technical change was made to
address new federal requirement. The UPL funds
supplement Medicaid funding and these funds make up
a significant part of our budget. Separately
there's a change to the, there's a change to the
methodology on how the UPL funding, funding is
calculated by... of Medicare and Medicaid. And this
change combined with the ongoing transition to
Medicaid managed care puts our share of funding at

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risk. We... comprehensive innovative proposal to the
state to protect... UPL payments from drastic
reductions. We'll continue our efforts to maximize
amount of UPL funding that is due to us so there'll
be a sufficient resources to serve our patients.
There is, there was a positive... that came from
Washington recently. With the passage of Medicare
access and cheap redistribution act the dark fix...
bill which means the health and hospital
corporation and the hospital community will not be
at risk of annual ritual congress... to come up with
a budget offset which reduces funding to the
hospitals to award significant cuts to the
physician payments. In addition this legislation
postponed the Medicaid dish cuts which I mentioned
before under the federal financial year of 2018. It
is... from the, from the onset of significant
projected discuss New York as well as to health and
hospital corporation. However while benefit from
the delay initially this will be offset... long terms
since a congress added... of discuss extending them
to FFY 2025. The magnitude of this cuts was
increased was... well as... in federal financial year
of 2022. In the city budget we are pleased that as

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a part of the executive budget we received an
additional 17 million dollars in funding for
collective bargaining agreements for FY '15 which
increases to 28 million in FY '19. We will also
receive new funding for initiative to provide
mental health services at city's family justice
centers. It, two million dollars allocated for FY
'16 and this grows to 3.3 million dollars in FY
'17. This is important initiative. We look forward
to working with the mayor's office to combat
domestic violence to individuals and families
seeking help. One final area of where we expect to
receive new funding before close of this financial
year is from New York state Delivery System Reform
Incentive Payment program called DSRIP. As I
mentioned in March our DSRIP initiatives will
further increase access to care develop care
coordination programs, develop primary care, and
peer health integration initiatives, and develop IT
initiatives to link these programs on a population
health improvement based platform. We have budgeted
60 million dollars in FY 2015. It grows to 333
million dollars in FY '18. Allow me to reemphasize
that these funds had not grant, these funds are not

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grant funds and should not be considered as a
solution for our budget deficit. There's a second
component of DSRIP funding. It is for use for the
capital projects. These funds are intended to
support sustainability of DSRIP transformation
efforts. We will submit an application for...
projects totaling to 463 million dollars. These
projects are critical to achieving the important
goal of improving access, care coordination, and
sharing information with our partners which
includes many many community based organizations.
Turning now to capital, our own capital program
11.1 million dollar new funding was provided to ...in
Queens to expand the hospital's emergency
department. This an important project that we're
undertaking to address a growth in volume to the
hospital seen over the past several years. I want
to thank Council Members Ferreras and Dromm and
members of the Queens delegation for contributing
to this project. We also thank Borough President
Melinda Katz and the former borough president Helen
Marshall for providing the capital funding. In
terms of recent updates work has been completed or
in, or is underway on several major projects.

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Harlem Hospital opened and expanded and modernized
dental center earlier this month. The 6.3 million
dollar project increased the capacity and features
new equipment that will benefit more than 20
thousand patients who receive services there. I
want to thank Council Member Inez Dickens for
providing us with more, more than 1.8 million
dollars in funding for this project. ...healthcare
service... lower Manhattan celebrated the grand
reopening ceremony last month to mark the
completion of its major modernization which
includes a renovated state of the art skilled
nursing facility with an additional 80 beds. ...Bronx
Hospital we completed the renovations to the... suite
and reopened this vital service this fall... Thanks,
thanks again to Council Member Richie Torres,
Council Member Andy, Andrew Cohen, and members of
Bronx delegation who provided the capital funding
in last year... hospital opened a new women's health...
which will expand access to prenatal care and
comprehensive OB services. I want to thank again
Council Member Ferreras and Dromm for the
contribution to this project. The health and
hospital corporation we establish new... care center

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on Staten Island planning.. underway for this site.

As a follow-up to hearing, council held in 2013 on
access to healthcare services for women with
disabilities the council approved 2.5 million
dollar capital funding for FY 2014 to make
improvements at our facilities. These funds will be
used to make renovations and purchase equipment to
make exam rooms and bathrooms optimally accessible
for patients with disabilities. The first phase of...
preliminary design work including cost estimate is
complete and the construction will begin later this
year at... sites. We are very appreciative of this
investment. ...recommendation in the council budget
response for an additional 15 million dollars in
new funds to expand this important work. Before I
conclude I want to share with the details of
recently announced FEMA award to rectify the
damages caused by Hurricane Sandy. As you know our
cooperation suffered serious losses as a result of
Hurricane Sandy. We experience physical damage to
four of our facilities. And nearly 250 million
dollars in losses due to the closure of Bellevue
and Coney Island Hospitals. I was extremely pleased
to stand with Mayor de Blasio and Senator Schumer

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last fall when they announced an award of 1.723
billion dollars to complete repair and protect our
hospitals that were damaged by the Sandy. We are
working closely with the Mayor's Office of Recovery
and Resiliency on these projects. I'm very thankful
for the support and advocacy we received from the
council which helped us immensely with this award.
This award includes a 923 million dollars... Coney
Island Hospital to build a freestanding building on
the hospital campus that will be raised above the
500 year flood level to house critical
infrastructure including the use of emergency
department, imaging services, and surgical suites.
This project would also include funding for the
hospitals... The amount includes funds previously
awarded to make repairs to the hospital basement,
first floor, and electrical systems. 499 million
dollar for Bellevue Hospital to pay for the
restoration work on the electrical system and the...
already completed. This will also pay for the
installation of flood walls and gates to protect
the hospital through 500 year flood level and the
new flood proof elevators to raise the vital
structure out of the basement. 181 million dollars...

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to build a floodwall paid to replace the generator
which was destroyed and create additional
protection to this critical facility electrical
system. And 120 million dollar... hospital again to
build a flood wall around the facility and pay for
the electric repairs. We appreciate the council
support of health and hospital corporation. This
concludes my testimony. I'm look forward to
listening to your comments and answering your
questions. Thank you very very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Doctor Raju. Thank you for your testimony and
for bringing clarity to a lot of the questions. We
were following along and you've answered some of
our questions so please forgive us if we repeat
some of the things you already answered but it
really is to get it clearly on the record for us. I
wanted to talk about cash and accrual financial
plans. The governmental accounting standards board
in the New York State Financial Emergency Act
require HHC to repair its annual audit financial
statements on an accrual basis. However the
corporation also prepares its financial plan on a
cash basis. For the council's budget hearing the

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cash plan is used. Can you walk us through the
difference between the cash and the accrual basis
of accounting and what benefits does HHC see in
discussing its financial plan on a cash basis?

DOCTOR RAMANATHAN RAJU: Chairperson I
would like to have Ms. Zurack answer the question
for us.

MARLENE ZURACK: Thank you very much. So
fundamentally the difference between cash and
accrual has to do with at the point in time you
recognize the revenue or the expense. So in an
accrual system you recognize the revenue at the
time it was earned and the expense at the time it
was obligated. In the cash system you recognize the
revenue or the receipt at the time it was collected
and the expenditure disbursement at the time it was
actually paid. It's very critical for the
corporation to really monitor its cash very closely
because we've you know certainly have to maintain
our cash in order to make our payments. So we're
very mindful and we tend to in our, in our board
and other, and other forums report on a cash basis.
However we also report on accrual basis as you, as
you have stated. In some instances when you're

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reporting on accrual basis you're, you're, you're
using estimates as opposed to actuals so the
estimates can change a lot so that's a, that's
another issue.

CHAIRPERSON FERRERAS-COPELAND: So can
you tell us, because I know we, we're, we're basing
it on one on your, on, on how you report to us. But
what's the difference in the deficit or, or your, I
don't think you're ever in a surplus but your
deficit on both reporting.

MARLENE ZURACK: Okay so for example
last year when we filed our books I believe we had
about, we actually had a, a deficit.

CHAIRPERSON FERRERAS-COPELAND: Right.

MARLENE ZURACK: And I want to say it
was about four or five hundred million dollars
whereas we on a cash basis had you know basically
broke even. So the difference was...

CHAIRPERSON FERRERAS-COPELAND: ...say it
was even?

MARLENE ZURACK: Basically, basically
last year.

CHAIRPERSON FERRERAS-COPELAND: Okay.

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MARLENE ZURACK: the difference was that
on the accrual basis we had to recognize
depreciation as an expense which is something the
city doesn't have to do in its books but because
we're a separate entity and we're subject to
different rules so we had to recognize certain
noncash expenses. Very, there are a couple of very
large ones one being depreciation and the other
being the cause of employee retirement health
insurance...

CHAIRPERSON FERRERAS-COPELAND: Mm-hmm.

MARLENE ZURACK: ...which is, is rather
large so that actually took us into a rather large
deficit condition.

CHAIRPERSON FERRERAS-COPELAND: So do
you think that the way we interface currently with
the council, are those the most accurate numbers
for...

MARLENE ZURACK: I think so and I think
it's the most real time way for you to really be
monitoring us. So that would be my recommendation.

CHAIRPERSON FERRERAS-COPELAND: Okay. I
know that, well I mentioned this in my opening
testimony, opening statement I wanted to focus in

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on capital before I opened it up to my colleagues
and then we'll come back on a second round but in,
as I mentioned in fiscal 2014 if council did a lot
of work at the time I was chair of the women's
issues committee and we identified the need to be
able to make the experience for disabled women, a
one that was humane, one that was humane, one that
had integrity, and one that we needed to update a
lot of our facilities. And you know through
negotiations HHC agreed we put two, 2.5 million
dollars in the capital understanding that there
would be 15 million, a build up to 15 million. Can
you update the committees on HHC's plans and what
has been accomplished this far and what facilities
have been impacted by this funding and clearly we
don't see it in the budget now. So what are you
plans 2014 we're now at FY '16 and I got to believe
that something has happened or nothing has happened
so I just need to have a better update on this.

MARLENE ZURACK: Sure. Thank you council
member. And as you know that project was one in
which frankly not only your leadership but your
colleague's leadership but one in which we...

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CHAIRPERSON FERRERAS-COPELAND: Yeah
Council Member Arroyo.

MARLENE ZURACK: Council Member Arroyo
and one in which we frankly were very enthusiastic
to engage in with the independent care system. So
what has happened so far. In as much as we knew
that the dollars that were put into the budget for
the capital improvements was not going to cover the
total cost of all their improvements that would be
needed we agreed with the ICS to do assessments and
literally on site surveys by persons with
disabilities with architectural firm that has, has
expertise in designing healthcare facilities to do
those assessments for each of our facilities. So in
fact that body of work has been done. In addition
given the two and a half million dollars we also
went further to dig deeper into four, at four
facilities to do the design plans because of course
you don't start spending the capital money until
you've designed the work. You've done the, the
level of estimation as what, what the work would
cost. And so that body of work has been completed
for Marcano [sp?] in the Bronx, the renaissance in
Harlem, and Cumberland in Woodhull Brooklyn and in

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fact we went through a process with the
independence care system and the clinical teams at
the facility to target which spaces right. So in,
in the case of Marcano it was decided that the
most, the most effective level of investment would
be made in the radiology space itself. As compared
to the renaissance diagnostic and treatment center
what was seen as most acutely needed was to
actually do the renovations and install special,
specialized equipment in the women's health areas
just to give you two examples. So the, and included
in the space redesign was also an identification of
the type of specialized equipment that would be
needed. So in the exam rooms for example adjustable
tables, having... list, to your point of providing
respectful care to women with disabilities as they
are getting not just their mammograms but their
other OB, you know their gynecological services and
other primary care health services. Did... answer
your question?

CHAIRPERSON FERRERAS-COPELAND: Yeah. I
just wanted to, and, and we're trying to make sure
that the 2.5 billion, million dollars has not been
moved.

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MARLENE ZURACK: No it has not been.

CHAIRPERSON FERRERAS-COPELAND: ...under,
I, it was, we were under the understanding that the
monies were moved to another project. So the, it's
fully funded at 2.5 and what is your plans to fully
fund the 15 million dollar need which is what we
had proposed, we were saying 2.5... [cross-talk]

MARLENE ZURACK: Right.

CHAIRPERSON FERRERAS-COPELAND: Right.
2.5 in FY '14 and we were going to kind of ramp it
up as we went along. When's the ramp up? Like it,
there's going to be this...

MARLENE ZURACK: So the, the ramp up
we'll, we haven't actually done any ramp up plan
yet. We have the baseline for all the facilities
and now what we'll have to do knowing that we have
15 million or once we know we have 15 million.

CHAIRPERSON FERRERAS-COPELAND: Well you
gotta [phonetic] go find the 15 million.

MARLENE ZURACK: I know that. So we
haven't done any plan for how to, what work to be
done with 15 million because we don't have 15
million.

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CHAIRPERSON FERRERAS-COPELAND: I just
want to be clear this is where our frustration
kicks in. Because when we have this conversation in
FY '14 it was with the understanding that the plan
was going to be ramped up not that we were going to
have to wait to FY '16 to ramp it up.

MARLENE ZURACK: Yeah I know.

CHAIRPERSON FERRERAS-COPELAND: So we
want to make sure that we are clear from the
council, from the council's perspective that this
is a priority to us and that we have to figure out
how... because my, the ideal situation is that right
now you would also be looking at other facilities.
So what you did last year is what should be
happening at four more facilities. And kind of
getting in the...

MARLENE ZURACK: Yeah let me, let me do
two things. It's my understanding that when we have
the conversation a couple fiscal years ago it was
for a total of five not 15 million dollars and we
receive two and half million dollars in the capital
budget for fiscal year '14 I believe. Part of
receiving...

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CHAIRPERSON FERRERAS-COPELAND: Go
ahead.

MARLENE ZURACK: Oh okay. Part of the,
when we got the two and a half million dollars we
actually begun to do the assessments that are
needed beyond the foresights that I mentioned in
anticipation of doing the body of work. So we've
done that...

CHAIRPERSON FERRERAS-COPELAND: Right.

MARLENE ZURACK: ...but we're not going to
begin the actual renovation beyond the, facilities
beyond what we have the money to do.

CHAIRPERSON FERRERAS-COPELAND: So the
additional 2.5 is what we should have ready for the
next phase. And the 15 comes from what you
responded to us that you would need to do all the
facilities.

MARLENE ZURACK: That's right.

CHAIRPERSON FERRERAS-COPELAND: Okay so...

MARLENE ZURACK: I'm glad that was
clear.

CHAIRPERSON FERRERAS-COPELAND: Yeah.
Well that's what these hearings are for.

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MARLENE ZURACK: And do we assume that
the ramp up should be at the 2.5 million number?
Like is that how we should get to 15?

CHAIRPERSON FERRERAS-COPELAND: We, we
think that's reasonable. These are, we're, we're
going to be doing renovations in spaces in which
we're currently providing services.

MARLENE ZURACK: Right.

CHAIRPERSON FERRERAS-COPELAND: So it is
reasonable to, for us in, in our conversations with
the independent care systems they've also
acknowledged that we can phase this, the body of
work in. I think the important thing which I have
not mentioned is separate and apart from the
capital investment. You may recall that there was a
significant right, there was a significant and has
been and will continue to be a significant body of
work that the committee suggested occur in terms of
training the clinical and support staff so that the
while we were improving the physical environment
the service delivery was being provided in a way
that was responsive to persons with disabilities
needs and we're moving that along. And in fact we
actually worked with the independents care system

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to get grants to support that training through the
New York Community Trust and then there was a
subsequent grant which we actually helped write for
them through the New York state health foundation.
And they are also building other grant fundings for
that body of work.

CHAIRPERSON FERRERAS-COPELAND: Right
right thank you. I do remember the training
component and how important that was. OMB Director
Dean Fuleihan told us that HHC had come up with a
three hundred million dollar plus savings plan as
many city agencies had done. Citywide savings
program is supported to find budgetary savings, new
revenue, and efficiencies that will not impact
service levels. Please explain how HHC plans to... a
hundred million dollars next year by eliminating a
thousand full time equivalent positions and how
that will not impact services.

MARLENE ZURACK: So we've actually
replaced our old system with what we're calling our
global FTE system. In our old system we had, we had
a, a very arduous process when, when staff would
leave where facilities would have to seek central
office permission for replacing staff and for lots

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of individual items. So what we've replaced that
with is a system where essentially the facilities
are given a personal services budget that is an
amalgam of all the different ways that people use
staff including overtime, including contract,
temps, affiliates, etcetera. And we, we took all
the different ways that we use staff and we turned
it into a number. So whereas our typical 35
thousand FTEs became 44 thousand FTEs because it
actually included overtime, it included other
things. It included temps. So that gives our
facilities the capacity to better manage the
workforce they have. We also have had declines in
our work load. We've had declines in our work load
both in terms of number of patients and in the
amount of services those patients use. So when you
factor in the number of people we had for the work
load we had, there is room to reduce by a thousand
FTEs but the facilities are able to do that by
reducing overtime, they're able to do that in a
number of ways. And an immediate effect of this is
that actually we're just beginning to convert some
of the people we used to have as sort of temporary
per diem workers into per atom workers because

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there's really no harm to doing that and it is the
right thing to do. So we're in the process of
converting 700 per diems into per anems [phonetic].
So we made it more flexible for the...

CHAIRPERSON FERRERAS-COPELAND: ...just
for, for clarity because it seems that you know
we're calling them a thousand employees. You're
calling them hours. So what is it going to be at
the end of the day? Are there people that are going
to be laid off by... [cross-talk]

MARLENE ZURACK: Nobody's going to be
laid off. It's, it's, I just want and Doctor Raju
can answer the more program question it's a
thousand full time equivalents. I'm sorry for using
the acronym earlier. So what we essentially say you
know an hour of overtime, you know if you have 35
hours of overtime that's one full time equivalent
position. So we gave the executives and the
managers more flexibility in how they use folks
which made it from a budget perspective easy to
convert the per diem to per anems. We took a look
at the work load and we discovered that there was
room to reduce full time equivalents, not
necessarily people by a thousand FTs.

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CHAIRPERSON FERRERAS-COPELAND: So I
just want to be clear again this savings will not
result in any, any loss of employment.

DOCTOR RAMANATHAN RAJU: You are
absolutely correct.

CHAIRPERSON FERRERAS-COPELAND: Okay.
Thank you. I have another question but I'm going to
do it on our second round so that we can allow our
chairs and council members to ask their questions.
Chair Johnson.

CO-CHAIRPERSON JOHNSON: I think...

CHAIRPERSON FERRERAS-COPELAND: I, I'm
sorry we've been joined by Minority Leader Ignizio,
Council Member Koo, Council Member Rosenthal,
Council Member Miller and Council Member Arroyo.

CO-CHAIRPERSON JOHNSON: You can keep
massaging you while you read the names.

CHAIRPERSON FERRERAS-COPELAND: I'm
sorry.

CO-CHAIRPERSON JOHNSON: Okay. Thank you
for your testimony again and thank you for being
here. Why should the public not be alarmed given
your testimony that a projected operating deficit
of 618 million dollars for this next fiscal year

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2016 is going to increase significantly in the out
years in 2019 to well over a billion dollars, 1.5
billion or is it 1.9? Whatever the number is 1.5
billion, why shouldn't it, we not be deeply deeply
concerned about HHC's future? Why should we not be
scared? It's a lot of money.

DOCTOR RAMANATHAN RAJU: I, I agree with
you. I think we're all concerned. We're all
worried. But the, the fact what we're trying to do
here Chairman is that we are trying to find ways to
mitigate that so that we continue to provide the
services we are very proud to provide and we
continue to do that. So we don't, as I always said
multiple forums our mission is, is not for sale.
It'll never be. So we will find other ways of
trying to mitigate this in able to do that. So the
major portion of that is get a, better patient
experience, time to return the patient within our
system and trying to get new patients into a system
so that we are able to get in a patient revenue on
trying to manage some of this mitigate some of
those big cuts which are coming our way because of
the federal cuts as well as... cuts.

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CO-CHAIRPERSON JOHNSON: As a result of
this deficit that we're talking about does HHC
anticipate outsourcing any services.

DOCTOR RAMANATHAN RAJU: At the present
time I have no idea, I have no plans or intention
to outsource any more services.

CO-CHAIRPERSON JOHNSON: And would you
consider consolidating certain services that could
achieve some cost savings?

DOCTOR RAMANATHAN RAJU: I have no
plans, intention to outsource any more services.

CO-CHAIRPERSON JOHNSON: And would you
consider consolidating certain services that could
achieve some cost savings?

DOCTOR RAMANATHAN RAJU: At the present
time we are basically looking at a market share and
getting more revenue into the system. We are not
looking at other thing except the, the service,
what do you call it our... change savings, we're
trying to work on it as you do that... revenue
enhancement, better coding and also denials
management where we are getting denied the pay by
the payers for the service we provided and we are
taking a very you know proactive aggressive... to get

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back this money and that is what is in the plate
right now.

CO-CHAIRPERSON JOHNSON: There are no
anticipated closings of any hospitals that are on
the horizon?

DOCTOR RAMANATHAN RAJU: There are no
anticipated closure of any hospitals.

CO-CHAIRPERSON JOHNSON: And as the
chair said and as you reemphasized there is no plan
for reduction in staff especially for service
providers?

DOCTOR RAMANATHAN RAJU: You are
correct.

CO-CHAIRPERSON JOHNSON: You know Doctor
Raju I completely believe in your leadership and I
have said that and will continue to say that
because I think you've done an incredible job in
your time as president of the corporation. And I
really hope that you're right in being able to
improve patient experience and retain patience to
drive ore revenue for the corporation. But I am
still nervous and alarmed and worried that given
the deficits going to balloon to 1.5 billion
dollars out of a seven billion dollar corporation I

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am just still extraordinarily nervous about the
precarious situation that HHC finds itself and not
by its own making but by a lack of commitment from
Washington DC and Albany not making the changes
that are needed to have HHC get the support that it
needs.

DOCTOR RAMANATHAN RAJU: I completely
agree with you Chairman because this is a tough
times, the tough times for hospital industry in
this country. They are very tough times for public
hospital systems like ours which has got a mission
and we proudly you know carry and we want to do
that. So there are no options available here. We
want to provide services. We want to keep a mission
intact. We want to keep all the employees'
workforce intact and we need to keep our services
intact. So the three things which you need to go
together the one thing we, we can do is we can find
is how we expand our services, get more market
share. Is it easy? No it's not going to be easy.
It's going to be very very very tough to get it
done. But we need to all work together and right
and all we need is support from the Washington, we
need the support of the, at the state level to do

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that. One of the things I mentioned to you was the...
the disproportion... methodology is. That is really
detrimental to us because when the... start coming in
we're the first one to get it. So that will put us
in a very tough situation so...

CO-CHAIRPERSON JOHNSON: So we have two
budget cycles to fix that.

DOCTOR RAMANATHAN RAJU: Yes.

CO-CHAIRPERSON JOHNSON: So that needs
to be fixed by 2017.

DOCTOR RAMANATHAN RAJU: Yeah because
you got lucky. They, they, they moved the... cuts by
one more year so we got a little more breathing
time.

CO-CHAIRPERSON JOHNSON: What is Senator
Hannon saying?

DOCTOR RAMANATHAN RAJU: We, we met with
all of them. We, we all declared our feelings at
the present time they decided... law but they don't
want to really do anything with the methodology by
which the money is allocated.

CO-CHAIRPERSON JOHNSON: Unacceptable.
Unacceptable. Unacceptable. The state needs to step
up and do its part because the people that are

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going to suffer are our most vulnerable who rely on
HHC. So I know part of the plan is to increase
enrollment in metro health plus and that you laid
out just a couple of months ago an ambitious plan
to try to increase enrollment numbers to close to a
million people enrolled. MetroPlus has been around
for a long long time. It's a great health insurance
product that helps a significant number of people.
How many people are currently enrolled in
MetroPlus?

DOCTOR RAMANATHAN RAJU: 473 thousand
people.

CO-CHAIRPERSON JOHNSON: Okay so it
took, what year was it created?

DOCTOR RAMANATHAN RAJU: 25 years ago.

CO-CHAIRPERSON JOHNSON: Okay. So it
took 24 years to get to 400 thousand people.

DOCTOR RAMANATHAN RAJU: Yes.

CO-CHAIRPERSON JOHNSON: So how do we in
the next five years make it go from 400 thousand to
one million when it took 24 years to get to 400
thousand. How is that realistic?

DOCTOR RAMANATHAN RAJU: It is, I,
that's a good question. The issue is this are

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different times. The... is open to those right to the
exchange population. We can actually go for
exchange population. The new model of basic health
plan that is between 133 percent federal poverty
limit, 200 percent but they are a market we want to
get into that. We want to get into the market in
Staten Island right which... market of Staten Island.
We are working with the IDNYC folks to figure out
how we can get more... undocumented immigrants into
the system right able to manage them in a way to do
that. So we will right, and most importantly we
also want to working with the, the... and our unit
partners whether we can offer MetroPlus as one of
the plans for the city employees as a possibility
so...

CO-CHAIRPERSON JOHNSON: Well that's the
biggest thing.

DOCTOR RAMANATHAN RAJU: Yes.

CO-CHAIRPERSON JOHNSON: I mean the
largest share of folks that could participate are,
and they need buy in and they need to understand
but DC 37 ad all of its locals, we have... here and,
who's been a great partner with the council and I
know has been trying to work with you all. We have

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1199 we have many other municipal unions that if
they shifted their insurance to members to Metro
Health Plus that is the way to achieve that number.

DOCTOR RAMANATHAN RAJU: You're
absolutely right. We are exploring every
possibility and we need to understand that the
MetroPlus growth is not over the last 25 years. The
last five years is really the majority of the
growth of MetroPlus happened period of time. And
we... different product. Now we are product on the
exchange. We have a Medicare product. It used to be
with just a Medicaid project. Now we are Medicare
product. We have a, a special needs product. We
have a, we have HIV product. We have a exchange
product. Now we have long term care product. Then
we are basic health plan. They expanding it to the
folks right so we are really embarking on a large
you know massive campaign try to improve that. With
one million is a big number yes absolutely is a
very ambitious agenda as a acknowledge in my
testimony. But there is no other way here. We got
to really find enough revenue to offset all the
cuts which are coming our way because we do not

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want to do the other things of reducing employees
at reducing services.

CO-CHAIRPERSON JOHNSON: So I have a,
plenty of other questions. I'm going to ask one
more and then I want to go to Chair Cohen and then
there are plenty other members that have questions
but I'm going to come back for a second round like
Chair Ferreras-Copeland is as well but you know
Ryker's is a disaster. The healthcare services
provided by Corizon has been an embarrassment and a
failure to the city. The cost of the three year
contract is lose to 440 million dollars. We have
seen over a dozen preventable deaths over the last
five years where now the city is on the hook on the
lawsuits for negligence related to Corizon not
doing its job in many cases. We've seen the most
recently Gordon Campbell the chair of the Board of
Corrections Board be moved over to be Vice Chair of
the HHC Board and we've seen... Brezhnev [sp?] who
used to be in the HHC Board moved over to the Board
of Corrections Board to be chair of Board of
Corrections. It would be great if FFC was able to
take over healthcare services on Ryker's I know how
challenging it is and how difficult it is. I know

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how it's not the easiest work to do and given that
we're talking about your deficit and the challenge
you're facing. I don't want to make it even more
difficult but the city cannot be okay with Corizon
and their failure. The contract is up on December
31st. I know that HHC has been in conversations
with the Board of Corrections, the Department of
Corrections, the Department of Corrections, the
Department of Health and Mental Hygiene and the
administration on how to move forward. And I want
to see and hear from you where things currently
stand in HHC playing a bigger role in providing
health care services to people that are on Ryker's
Island and at other Department of Corrections
facilities in the city.

DOCTOR RAMANATHAN RAJU: At the present
time we are in conversation with the, all the
parties, Department of corrections, Department
health and mental hygiene, city hall, and we are
looking at every plan possible and as I said before
the health and hospital corporation is a
quintessential team player. Whenever there is a
need in the city we always stepped up... of HIV in
the past or anywhere... so we are looking at all the

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options and they... discussion is still going on. So
whatever the city wants us to do...

CO-CHAIRPERSON JOHNSON: Would you all
be able to do it if you were asked to do it.

DOCTOR RAMANATHAN RAJU: I don't know
that. I got really think about it and they got to
figure out how to get it done...

CO-CHAIRPERSON JOHNSON: We don't, we
don't have much time to figure it out.

DOCTOR RAMANATHAN RAJU: I, I think as
soon as they let me know this is what it is then
we'll come up with a plan for you.

CO-CHAIRPERSON JOHNSON: Okay. Chair
Cohen.

CO-CHAIRPERSON COHEN: Thank you. We
have a full schedule today so I'll try to be brief.
But I, I have to follow-up a little bit on, on the
deficit questions because I believe the technical
term for the cash accounting basis is hand to mouth
and I'm curious in terms of an, on an accrual basis
what is the actual operating deficit in those
terms.

MARLENE ZURACK: I'm, I'm actually
getting Fred to give me the plan. So you also have

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to realize something. When we're presenting the,
the deficit we're presenting what we call the above
the line deficit. So the above the line deficit is
before the corrective actions. So the, you know the
617 million dollars was the above the line deficit
but there were 475 million in corrective actions to
cure that. On the accrual plan for that same year
you have a 987 million dollar deficit. And then
after the correction, corrective action you go down
to 500 million. But as I'd said earlier because you
have non-cash expenses you end years with deficits.

CO-CHAIRPERSON COHEN: But in order to
get a sort of more accurate feel for what the
deficit is I mean essentially you're barrowing
money from next year, the cash, or from the
previous year I guess cash comes in that you
booked, that you accrued in, in the last fiscal
year you're...

MARLENE ZURACK: So we're not, we're not
literally barrowing money. It's, it's basically
we're recording a, in the, in the, you know
obviously reporting anticipation of a future
expense long time in the future. So when I sited
the employee health insurance or I sited

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depreciation they're not expenses in your current
year. They're expenses way out in the future. So if
you were to, to have to pay for them today you
really wouldn't be able to provide the level of
services that we can provide the way we're doing
it.

CO-CHAIRPERSON COHEN: But you have
obligations to your retirees and I mean those...

MARLENE ZURACK: I understand that and,
and what we are including is what we pay to the
current retirees. So for example you know in our
current year and, and realize this you know in
terms of those future obligations they're assuming
a lot of things that are unknowns in terms of how
the actuaries actually book for that. So we are
including what we pay for the current retirees for
their health insurance as well as the pensions,
etcetera. And our pension contribution is in fact
actuarial so it is in fact anticipating the future
expense. And we are paying our debt service today
but we're not counting our depreciation.

CO-CHAIRPERSON COHEN: I'm curious at,
when a inmate in Ryker's is having a, a mental
health crisis that requires hospitalization are

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they going to Elmhurst or are they going to
Bellevue or some other facility?

DOCTOR RAMANATHAN RAJU: Both depending
on if it's a female it goes to Elmhurst. If it's a
male it goes to Bellevue.

CO-CHAIRPERSON COHEN: And I was also
curious in your testimony you talked about the
state waiving the readmission penalty. I mean I
wonder if that's really a good thing. I mean it
seems to be that there's a tremendous trend in
medicine to try to reduce readmission I, so it
seems... to me that we're going to save money?

DOCTOR RAMANATHAN RAJU: You know the
readmission question is national debate right now.
The problem is the readmissions occur for multitude
of reasons. Two major issues are the lack of better
treatment, and lack of better discharge planning...
readmission. That, we should be held responsible
for. The readmissions which occur because of social
economic determinants is, is the nature of it. And
mostly the public hospital served the people right,
most vulnerable people. So they have, some of the
people have got no home to go to. They have no
support systems right. They have no transportation.

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They have no access to... you know good food. So all
those things really play a role in the readmission
system. We're not opposed to holding ourselves
accountable for the readmissions... but we need to...
and we need to have a level playing field. That is
what we are, we are working on.

CO-CHAIRPERSON COHEN: I mean
essentially you're saying that you deal with a, a
tougher population than national average and I
understand. I just have couple of quick questions.
The family justice centers, the executive budget
added two million dollars for the expansion of
services at the city's family justice centers. Can
you explain this new initiative and how this
money's going to be used?

LARAY BROWN: Sure. LaRay Brown. We are
working with our colleagues at the Mayor's Office
of Domestic Violence on developing the
implementation plan but briefly this would entail
the provision of psychiatric or psychiatrist as
well as clinical social workers or psychologists on
site at the, at the, at the four family justice
centers. The idea would be that, the consumers of
the family justice centers would be able to get not

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just the other services that are being provided
but, but would get mental health diagnosis, mental
health treatment including the provision of
medication etcetera on site. So as part of the
entire array of services that the justice centers
provide to their consumers if more intensive
services are needed by individuals who use the
family justice centers then there will be linkages
to the nearest HHC hospital as well. So, but as I
said we're working very closely to actually map out
the, the, our schedule of ramping up the services
and the procedures of referral mechanisms for those
services.

CO-CHAIRPERSON COHEN: If you could keep
us posted on that...

LARAY BROWN: Certainly.

CO-CHAIRPERSON COHEN: Assisted
outpatient treatment. The executive budget includes
2.95 million in fiscal 2016 for the expansion of
AOT services. Can you explain how that's going to
work?

LARAY BROWN: So actually this is more
of a technical adjustment. What had happened was in
2012 that program was transferred to the department

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of Health and Mental Hygiene and a small amount was
retained with HHC because there was a certain,
there were certain number of physicians on an
affiliate contract that we had. And we had
anticipated that DOH would have made different
arrangements since we were giving them more time to
continue to retain these physicians on our
affiliate contract. So it's much more of a
technical adjustment than anything else.

CO-CHAIRPERSON COHEN: Finally Doctor
Raju can you take one second to crow about the
facility at Belleview that we saw last week I guess
and the good work that's being done there?

DOCTOR RAMANATHAN RAJU: First of all
thank you very much for supporting us and... we had a
great event with the first lady in which we, we
showed them the partial hospitalization program at
Belleview. Belleview is probably some of you know
has got the, the children's seatbelt which is like
a trauma centers for the... emergencies that is a...
children... probably in the state. ...very very few in
the country which is like a model for everybody. So
this partial hospitalization program is a great
program by which we, when we move the patient, we

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in patient outpatient setting we slowly ease them
in is a...path by which they are able to readjust
themselves to schools and they have a school day at
Bellevue to get them into that. So this is really,
have a much better chance of re, getting back into
the, so, in the community better than just
discharging... one day they're on kid care, next day
you discharge them, then you expect them to start
functioning them. So it's a great program and I
really you know happy that you all support that. I
think this kind of model should be there because we
can't just simply take an... ill patient and all, say
that you're okay today, go back in society and
function normally and that's not a good method... So
we are very proud of the program. We are very happy
with the support which, which are extended to us.

CO-CHAIRPERSON COHEN: You should be
proud. It was a very impressive facility. Thank you
very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Cohen and Chair Johnson. We will hear
from Council Member Vallone followed by Council
Member Rosenthal.

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COUNCIL MEMBER VALLONE: Thank you to my
fellow chairs and still good morning. Doctor thank
you for your testimony. I just want to follow on
Chair Johnson's request... Ryker's Island. You know
I, unique position that I sat on the Board of
Corrections for almost five years. I went through
the contract negotiations with PHS and now with
Corizon. And we do have a small window of
opportunity here with not a lot of options. So I,
we really are imploring you because of your vision
of what you're doing now to really think about
creating a new system that could either replace or
enhance to work in conjunction [phonetic] with or
phase out over time. Because we're really not given
a lot of opportunities, that's the problem. We
don't have a lot of choices. There aren't a lot of
vendors out there that can come forward and say
I've got a plan for Ryker's. So we're very limited.
So it's not like we have a magic wand that you and
I and all the rest can say let's pick from these 76
different providers. They don't exist. But
unfortunately that shortcuts are. Vision for what
to do at Ryker's Island. And the chairs have been
very adamant about making changes. And I think this

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would be a great place. So you would mention just
quickly so is there, or is there any additional
talk or plans of creating this new entity or new
non-for-profit or some type of combination that we
could work with under your leadership to create a
new provider for Ryker's Island?

DOCTOR RAMANATHAN RAJU: No we are
involved in, in discussions, multiple discussions
with the city and other stakeholders and they, they
are reviewing all the alternative, all the options
available to us. And as I said to the committee
right if we are... right, if you believe that,
because you believe in the same things you believe
in Council Member that we need to have, our inmates
need to get the best of the medical care we can
get. So I think we are just to exploring the
possibilities. We are... in a very constant
communication with administration stakeholders. So
once the decision's made we will abide by the
decision.

COUNCIL MEMBER VALLONE: Well we
appreciate that. And I think if we're not at that
point and I think with Chair Johnson and Chair
Cohen and Chair Ferreras we would need to before

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that contract is entered into to really be your
backbone to make sure there... same requests have
been happening year after year and we always get
sure sure sure we'll give you more mental health
providers, we'll give you more psychiatrists, we'll
give you more psychologists, we'll give you more
social workers. But there's also working with
Department of Corrections. You know there's so many
issues are faced there so you're, it, it's not just
on your shoulders that we want to work with and
being the big stick if we have to be to making sure
that whoever gets this contract finally makes the
necessary changes so that the support staff is
there, that they're protected and that can actually
address the concerns of the overwhelming demand of
mental health services now on Ryker's Island.

DOCTOR RAMANATHAN RAJU: Appreciate your
commented and you know on the you conference you
placed on us so we will, we'll continue discussing
with administration.

COUNCIL MEMBER VALLONE: The last thing
is just a, just to further give me a better
understanding of the timeline. One of the things
you put in your testimony was the supply chain

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services to make changes in that to make several
million dollars of... realize gets that savings back...
to renegotiate contracts, standardization of cost
and waste. Is that something you expect to realize
this year? Is that something over phase in over
number of years? How is that going to work?

MARLENE ZURACK: So we've already gotten
some benefit this year. We've gotten about 30
million of that this year so we need to up it and
continue it. So we've already gotten, in this year
we've achieved 30 million of that 75 million. So
the folks doing it need to add more items and
they're constantly coming up with new proposals.

COUNCIL MEMBER VALLONE: So for this
year it's 30 but you envision...

MARLENE ZURACK: Yes...

COUNCIL MEMBER VALLONE: ...additional 45?

MARLENE ZURACK: It'll grow. Yes.

COUNCIL MEMBER VALLONE: Thank you so
much. Thank you chairs. I'm done.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member. We'll have Council Member
Rosenthal followed by Council Member Miller and
then Council Member Arroyo.

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COUNCIL MEMBER ROSENTHAL: Thank you so
much Chairs. Doctor Raju I don't know if we've ever
met but congratulations on your job. You've got a
huge undertaking. I happen to know your CEO Marlene
Zurack and I know you are in solid hands. You could
not have a better person doing this job and I'm so
just delighted for her to see her here. I'm going
to ask one quick, I'm going to ask just a couple of
in the weeds questions if that's alright. As you
know the city is doing a big effort to make sure
everyone's being paid 11.50 an hour. Although
certainly I'd like to see this be 15 dollars an
hour. There is an effort I this budget to raise
wages to 11.50. Do you know if any of your full
time or part time employees make less than 11.50 an
hour no way.

DOCTOR RAMANATHAN RAJU: Nah. No.

COUNCIL MEMBER ROSENTHAL: Do you know
if they make anything less than 15 an hour. I'm
just, now I'm just curious.

DOCTOR RAMANATHAN RAJU: ...get back to
you but... [cross-talk]

COUNCIL MEMBER ROSENTHAL: I'd be
curious to know.

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DOCTOR RAMANATHAN RAJU: ...I think we, I
doubt very very much they're making less than 15.

COUNCIL MEMBER ROSENTHAL: Yeah I'd be
curious to know social workers, case workers... I'd
love to know the salaries.

DOCTOR RAMANATHAN RAJU: Sure we will...

COUNCIL MEMBER ROSENTHAL: Thanks if you
get back to me on that. And then just a few other
weedy questions. It looks like the biggest problem
is basically a drop of a billion dollars in
revenues from this or that. And it also looks like
you've done a couple of really solid things they
just wanted to ask about... did you already
renegotiate your debt? It shows a hundred million
in savings for next year?

MARLENE ZURACK: We have consistently
refinanced our debt when there is opportunity. So
yes we have, there is a small opportunity I the
future that we will probably take advantage of in
the fall?

COUNCIL MEMBER ROSENTHAL: Right, so is
that already a...

MARLENE ZURACK: No.

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COUNCIL MEMBER ROSENTHAL: ...guarantee
the 244 for this year... oh no sorry for 2016 the
243, has that already been refinanced?

MARLENE ZURACK: Some of it has already
been refinanced. There's a small opportunity to
achieve savings may be around five million through
additional re-financings we consistently meet with
our underwriters to explore when it's the right
time to do that.

COUNCIL MEMBER ROSENTHAL: It's getting
out of being the right time to do that so that's
why I wondered if this number is a lock. And then
similarly with malpractice settlements you're
assuming a hundred million less in payouts last,
next, next year?

MARLENE ZURACK: Well that actually was...
you know in, in consideration for the revenue that
we lost and, and the problems that we had with
Superstorm Sandy this, there's, we didn't make the
city's malpractice payment. So the city paid it on
our behalf in last...

COUNCIL MEMBER ROSENTHAL: For 15?

MARLENE ZURACK: Yeah for 14.

COUNCIL MEMBER ROSENTHAL: For 14?

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MARLENE ZURACK: Right.

COUNCIL MEMBER ROSENTHAL: Got it. And
in 15?

MARLENE ZURACK: In 15 the plan
anticipates our making the full payment. WE HAVE
OVER THE YEARS ACHIEVED DRAMATI SAVINGS IN
ALPRACTICE. We took over, we, we took over the
legal, the legal services and we also used a lot of
new methodologies for settling cases. And we went
from a high of like 210 million down to where we
are now.

COUNCIL MEMBER ROSENTHAL: Yeah I mean
actually your preliminary, your exact number for 15
shows 233 million which is a higher number and then
you, it looks like you're trying to achieve a
hundred million more in savings next year.

MARLENE ZURACK: Yeah the, the 15
includes some prior year that we weren't, we
weren't able to pay the city because of cash flow.

COUNCIL MEMBER ROSENTHAL: You know I'm
going to stop there in, in my time I just want to
reiterate Marlene Zurack.

DOCTOR RAMANATHAN RAJU: Okay. Thank
you.

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CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Rosenthal. We'll have Council
Member Miller followed by Council Member Arroyo.

COUNCIL MEMBER MILLER: Thank you Madam
Chair and thank you to the co-chairs and thank you
Doctor Raju and your teams. And good to see you
again. I want to just stay on the human capital
side, a low bid. I obviously know that. And I know
that you said that there would not be layoffs in
the foreseeable future, in fact that there would be
folks that would be transitioning to full time
work. So given the numbers are those folks
transitioning with, with, with fringes? And, and...

MARLENE ZURACK: So we have
approximately 700 per die folk that in the next two
payroll cycles we're going to be transferring two
per anem. And that will enable them to get full
benefits beyond what they're getting now. So it, it
really will be a, a major improvement for those
people.

COUNCIL MEMBER MILLER: Okay and, and
are those a part of the contracted workers or are
those part of the unionized work force?

MARLENE ZURACK: The unionized.

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DOCTOR RAMANATHAN RAJU: Unionized.

COUNCIL MEMBER MILLER: Okay. There has
been, I didn't hear you mention it although I see
in the testimony the DISRIP and I, I think that
we've kind of perhaps maybe minimized the, the, the
impact because I think that this could
fundamentally change how services get delivered
particularly as it pertains to communities. Could
you elaborate on, on what we may see and in fact if
in fact those partnerships will have an impact on
the workforce as well.

DOCTOR RAMANATHAN RAJU: Okay so we... my
testimony simply limited to the, the financial
aspect of DISRIP. It... determined as medical and
workforce aspects of this... an important need to
discuss that. The DISRIP is going to change the way
we practice medicine. It is going to... in patient
care to outpatient care, outpatient care. So we
have to really be prepared for that. And we also
have to prepare for, excuse... we also be prepared
for workforce retraining. So the... so these are
challenging times but there's also great
opportunity for the Health and Hospital Corporation
to be the leader in the transformation because we

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know the community care. We know the primary care,
much preventive care better than any other hospital
system in New York City. And we also have
relationship with the more communities
organizations than any other system in the, in New
York City. So I believe that this an opportunity
for us to kind of be in the forefront of the
transformation and make sure, and make sure that
the preventive medicine in the primary care gets...
as opposed to in patient... and... care.

COUNCIL MEMBER MILLER: Have we
identified who those partners will be, will be
participating in the program in those various
communities.

DOCTOR RAMANATHAN RAJU: Yeah we have
like the 200 plus partners. We have identified, we
are working with them. They are the part of a large
system called performance provider system PPS and
we are large PPS and we are... in all four boroughs
except Staten Island where we don't have a, a...
hospital. And we work with more than 200 plus
partners on various community based organizations
federally qualified health centers, downstate

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medical center is a partner. So we working with all
the people collaborating.

COUNCIL MEMBER MILLER: Could, could we
have a list of those partners that, that... part of
the program as well.

DOCTOR RAMANATHAN RAJU: Sure. Very
happy to share it with the council member.

COUNCIL MEMBER MILLER: Okay thank you
so much. Appreciate you coming out.

CHAIRPERSON FERRERAS-COPELAND: Thank
you council member. We'll have Council Member.
We'll have Council Member Arroyo. We've been joined
by Council Member Espinal and Cornegy.

COUNCIL MEMBER ARROYO: Thank you Madam
Chair and nice to see you... always. Going over your
testimony you're happy about some new funding that
you're receiving to offset the collective
bargaining agreements that have been negotiated.
And you indicate funding in 15 and 16. What hap, is
this ongoing or one time funding or in 18 are we
going to have a heart attack because...

MARLENE ZURACK: No... [cross-talk] no
it's on, it's ongoing through the life of the plan.

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COUNCIL MEMBER ARROYO: Okay. And, and
the same thing for the new initiative to work with
the behavioral health integration...

DOCTOR RAMANATHAN RAJU: Yeah family
justice center.

COUNCIL MEMBER ARROYO: Uh-huh.

DOCTOR RAMANATHAN RAJU: Yeah.

COUNCIL MEMBER ARROYO: Is that...

MARLENE ZURACK: That's actually...

COUNCIL MEMBER ARROYO: Is that...

MARLENE ZURACK: ...two million growing to
3.3 million. And it also, then it goes, it's two
million in fiscal 16...

COUNCIL MEMBER ARROYO: Mm-hmm.

MARLENE ZURACK: ...and 17... it's 3.3.

COUNCIL MEMBER ARROYO: And that will be
ongoing funding moving forward so that if the
administration changes its mind about this
initiative you're going to be forced to reduce the
service or...

MARLENE ZURACK: It is our expectation
that this will be ongoing support on that because
it such a important service and the, we should
continue to keep doing this.

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COUNCIL MEMBER ARROYO: Okay. So let's
talk about capital funding. In the past we've made
some very significant efforts here in the council
to support HHC and its need for improvements at the
facilities. What's your ask of the council this
year for, besides the women's health stuff that we
are not going to talk about.

DOCTOR RAMANATHAN RAJU: Okay yeah
that's...

MARLENE ZURACK: Thank you Council
Member. And thank you in the past because we work
very closely on the broader capital requests. This
year it's between 26 and 27 million dollars...

COUNCIL MEMBER ARROYO: For which
facilities?

MARLENE ZURACK: We can give you a list
because that's total.

COUNCIL MEMBER ARROYO: Okay...

MARLENE ZURACK: Okay... [cross-talk]
...facilities what projects. And then I'm going to
reiterate the same thing I say year after year.

COUNCIL MEMBER ARROYO: Mm-hmm.

MARLENE ZURACK: Your executive
directors coming to council members in March when

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we are already finalizing a list for capital
projects is unacceptable.

COUNCIL MEMBER ARROYO: So if you want
we can do an in service training for your heads of
the hospitals to get them on a cue that gets us
information timely in order for us as individual
members to plan our idealize but also as, as the
council and the chair works to, to be supportive of
the work that, and by that I mean the health
committee chair.

MARLENE ZURACK: we would very much
appreciate that and so we'll work with your office.

COUNCIL MEMBER ARROYO: It's a very
frustrating experience.

MARLENE ZURACK: We, we...

COUNCIL MEMBER ARROYO: ...and I've spoken
to the president offline about my frustration...

MARLENE ZURACK: Yes.

COUNCIL MEMBER ARROYO: ...year after
year.

MARLENE ZURACK: And, and as...

COUNCIL MEMBER ARROYO: Receiving a
request from meeting in March is unacceptable.

MARLENE ZURACK: And as you know...

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COUNCIL MEMBER ARROYO: So I, I want to
talk about dialysis.

MARLENE ZURACK: Okay give it back...

COUNCIL MEMBER ARROYO: You come to us
with a reduction plan that includes savings because
you're going to outsource dialysis. And we have
disagreed vehemently with you on that strategy.

What were you anticipating saving? And why are we
still pursuing the outsourcing of dialysis? She
just said that you took legal working, in house and
you saved money. Why would we not practice that
with such an incredibly critical level of care?

DOCTOR RAMANATHAN RAJU: You know the
dialysis approval of the contracting happened
before my time. Yes it was there, it was already
going...

COUNCIL MEMBER ARROYO: You can change
your mind.

DOCTOR RAMANATHAN RAJU: No, I know.
The... will be, the issue what we created what,
access was, my question was always about not to, is
not about the money. It is about do we have enough
capacity to provide dialysis to everybody who need
dialysis in our service? That is the fundamental

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point. I'm not taking a step on this either

supporting them or not supporting them. I

consistently did not appear on the behalf to do

that. The issues raised by union partners were

quality issues. And the quality issues... [cross-

talk]

COUNCIL MEMBER ARROYO: Serious quality..

DOCTOR RAMANATHAN RAJU: Yes,

absolutely. So those issues are being communicated

to the Department of Health and, and State

Department of Health with a final arbitorative

quality. In fact it is going before them tomorrow.

And I always said I would abide by whatever

decision they make out of this. Because this has

already been a contract already signed before I

came in. I'm taking that contract back you know

when there is no essential capacity I need to be

very careful about it. So I'm not taking a stand on

that. I understand you know this is a, a very

contentious issues for the lot of our partners as

well as labor partners as well as our, our

representatives. But whatever we do we do it

carefully, judiciously, we're able to do that. So

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let's wait for the decision and then we'll make a
decision.

COUNCIL MEMBER ARROYO: I appreciate
that. And I hope that we're going to always keep in
mind that a dollar saved here does not necessarily
mean that we reached the goal of being the best
quality care provider that you've articulated in
your testimony we want HHC to be...

DOCTOR RAMANATHAN RAJU: Yes,
absolutely. If the Department of Health comes in
and say the quality of this, of this vendor is not
good I'll be the first to want to say...

COUNCIL MEMBER ARROYO: Thank you.

DOCTOR RAMANATHAN RAJU: ...that's it,
you're gone.

COUNCIL MEMBER ARROYO: Thank you. Thank
you Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Arroyo. We've been joined by
Council Member Rodriguez. I know Chair had a second
round of questions. I want to just ask my question.
The corporation's four year capital plan includes
81.78 million for the electronic medical records
across the HHC system. Can you explain what this

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project will entail and describe the timeline for
this overhaul? Has HHC achieved any progress in the
implementation? And as we have seen recently in the
9-1-1 system and other large capital projects there
are legitimate concerns regarding cost overruns and
major technologic projects across the city. Does
HHC anticipate any cost overruns or delays with the
electronic health records overhaul.

DOCTOR RAMANATHAN RAJU: At the present
time we are on budget and on the timeline we
expected. We will implement the clinical system of...
in the first to want to go live it'll be in Queens
network in the first quarter of next year. And we
are still on the same timeline. We have been
working very closely with, with the new leaders and
able to get this done in a, in a much more, in a
more better fashion on the calendar, the quarter on
next calendar year. Okay, I'm sorry. This is a
financial... it is a next calendar year right 2016
you know we'll implement that. So as of now we are
about 89 percent of the bill is already complete.
Now we be started testing the system in the next
month or so, then we need to train everybody into
that. So we are going by network by network so that

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we have, we have, we are, we are able to do this in
the, in the sequence and fashion... It is a huge
project and we understand the complexity of it and
we are monitoring it very very carefully on a
regular basis. We have a monthly you know governors
committees which look at every aspect of it and
there are reports generated say where we do, what
we need to do with that. So we will track this
project very carefully, make sure it is on time and
on budget because I do understand the sensitivity
of the other projects not getting it down to the
right framework it creates a more pressure on us to
do the right thing.

CHAIRPERSON FERRERAS-COPELAND: Great.

And just as a follow-up if we're going to the
electronic systems how much do you think you would,
how long do you have to save, for example you're
doing testing now. Something happens it crashes,
how long do you, would you find yourself saving
both maybe in some cases paper or what's 'replacing
the electronic system.

DOCTOR RAMANATHAN RAJU: No the system
we are implementing is one of the most terrible
system in the country.. is the, the leader of the

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system. But as it happens.. any other system we do
have contingency plans. We have two layers of
backup materials able to do that. And we will also
have a way of you know if he ever goes down we go
into paper and then it gets inputted back in the
medical record that we test the system all the tie.
So we are too consistency contingency plans. We are
two places where we store our medical... one place
goes down other place will be able to come in. It
is, we will be able to get back the medical records
within a very short period of time able to do that.
So actually the, the... we are, have less concerns
then with the... systems which is, doesn't have the
kind of stability but... do that.

CHAIRPERSON FERRERAS-COPELAND: So this
is very farfetched but in a recent council trip to
Taiwan we learned that their health system, it's
basically their metro card, their health insurance
card, everything. So we think our... ID's doing
something we have to go to Taiwan to figure out
what they're doing. So in future 2030...

DOCTOR RAMANATHAN RAJU: Mm-hmm.

CHAIRPERSON FERRERAS-COPELAND: ...2040...

DOCTOR RAMANATHAN RAJU: Yes.

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CHAIRPERSON FERRERAS-COPELAND: ...What,
how do you think that we will be using as New
Yorkers we'll be using once all the systems are
integrated will there be an opportunity for someone
to be able to access their health records anywhere
in New York City through their Muny [phonetic] ID?

DOCTOR RAMANATHAN RAJU: Absolutely.
It'll be done but the only thing we need to be
careful about is a patient privacy issues are
paramount in, in the medical record. But I am
absolutely certain that we'll find a way to be able
to protect information and also make the
information available to the folks who need it. So
I am sure that we will be far ahead of that as a
part of it. And we are in the process of uniting
these medical records... talk to each other. In fact
the last time you know the nation coordinate...
policy for the nation, health records basically
made it very clear. I do not want just interfaces.
I want system to work to integration of the
systems. They need to work together. So you are, we
are moving the right direction so that every system
will talk to everybody else.

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CHAIRPERSON FERRERAS-COPELAND: Okay
great. Thank you. Chair Johnson.

CO-CHAIRPERSON JOHNSON: Thank you Chair
Ferrerias. So Doctor Raju the corrective action cost
containment plan expects 309 million dollars in
savings for the next four fiscal years. Lab
transformation and pharmacy FQHC look alike status,
dialysis outsourcing, revenue collection, supply
chain efficiencies, and a thousand global FTE
reduction. That comes out to be about 1.2 billion
dollars' worth of savings to help the corporation.
I have some concerns about some of these but the
one I wanted to focus on is on dialysis outsourcing
as we talked about for a long time. So I have a
letter in front of me from Doctor Jay Wish Indiana
University School of Medicine who sent a letter to
NYSNA regarding doing an analysis on big apple
dialysis management and looking at their numbers.
And he says as part of it I disagree with the
conclusions and the report from Cook County, they
did a report saying that they thought big apple
dialysis was okay that the quality of care provided
to dialysis patients by big apple is comparable to
that provided currently by HHC. Cook County

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minimized the alarmingly high standardized
mortality ratios and standardized hospitalization
ratios at the big apple facilities by stating these
rates cannot be fully evaluated because patients
may have higher hospitalization or death rates due
to their coexisting medical conditions. Not going
to read the whole thing but it goes on and he says
in conclusion I am convinced by the material I
reviewed that big apple's outcomes are inferior to
those of HHC and by implication the quality of care
provided by big apple to dialysis patients is
inferior to that provided by HHC since case mix
cannot be blamed for poor performance on
standardized ratios. Be happy to answer any
questions and make myself available and come to New
York and plead to Doctor Raju not to allow this to
go forward... nah he doesn't say that. But I want to,
I know the cost savings is slated to save HHC 20
million dollars a year for the next four years for
a total of 80 million dollars. There's supposed to
be a vote from the state committee on this
tomorrow. And I wanted to understand what your
thoughts and where this is for you all.

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DOCTOR RAMANATHAN RAJU: Councilman
thank you. We had a, a lot of discussions on this.
And I maintain, and again as was mentioned to the
other council member's question the contract was
signed even before I came into my job. But having
said that there was some real quality issues
raised. And I assure the quality, the council
member... if there are quality issues which are
inferior then I'll be the first one to do that. But
right now the matter is before the state of New
York Health Department the ultimate arbitrate
quality. And this letter was returned to them I
hope. Because I am not... get the letter. So... But the
problem is tomorrow they'll decide and they'll
decide the quality of care of these people are not
good then we will abide by the decision. I am not
really going to hold on to a, a provider who has
got inferior qualities. So I'm not, so I won't do
that. [cross-talk] ...know by tomorrow.

CO-CHAIRPERSON JOHNSON: But are you
saying, and I think it's important to HHC to exert
some leadership here with the committee that's
making this decision and say we have some concerns
given what's been raised with us and we're not sure

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that this should move forward. I think that would
be meaningful before this committee takes a vote
tomorrow.

DOCTOR RAMANATHAN RAJU: The, the issue
will be that the reports are all there. We sent
the, whatever reports they wanted rescinded to
them... it is before the committee and the committee
which is arbitrating the quality will make a
decision. We'll abide by whatever decision the
committee has set so I'm not really taking a stand
on this. I never supported that particular...
dialysis big apple dialysis right. The quality
issues are before the committee to decide. So I
will leave the committee to decide that because I'm
not nephrologist and there seem two difference of
opinions between the nephrologist in different
parts of the country which is not unusual.

CO-CHAIRPERSON JOHNSON: Well Doctor
Raju... [cross-talk]

DOCTOR RAMANATHAN RAJU: ...people can,
can disagree.

CO-CHAIRPERSON JOHNSON: You and I have
worked quite well together and I respect you but I,
and I do not mean this in an adversarial way, but

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if in fact the nephrologist who have determined
that big apple's quality is not as good as what's
being currently provided this is going to have an
impact on patient's care, on how long they're going
to live, on how many times they'll be hospitalized.
These are primarily poor people of color that are
receiving these services...

DOCTOR RAMANATHAN RAJU: Mm-hmm.

CO-CHAIRPERSON JOHNSON: ...at HHC. And I
think it would be a huge disservice to HHC's
patients if there is even a question to allow this
to move forward because it is going to have an
impact in that 80 million dollars is going to be
saved basically on the backs of poor patients who
need dialysis. And I'm very concerned about that.

DOCTOR RAMANATHAN RAJU: I, as I said
before, again this is, as far as I'm concerned it
has got nothing to do with the cost savings. Eight
billion, seven billion dollar company it's just the
organization with more than 1.9 billion dollar
deficit the 200 million dollars is not going to
make a big difference for me. For me it's always
access. Do we have enough access, enough chairs for
everybody who need dialysis, especially poor

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people, people of color, people who can't afford to
pay for it, people are undocumented immigrants in
this country who are, who we really serve do they
get enough chairs, enough dialysis... do that, right.
That is the question. Again I absolutely agree with
you. As a physician I will never allow an inferior
quality person to provide dialysis services to my
patients.

CO-CHAIRPERSON JOHNSON: But questions
have been raised...

DOCTOR RAMANATHAN RAJU: No no, you're
right. But that is the, the question not regard...
it's going to be decided tomorrow. Tomorrow in 24
hours we'll know whether this is a good quality,
not a bad quality if they ever say is not a good
quality then the, the discussion actually ends
there. And that's the end of the big apple dialysis
tomorrow. So I think... within next 24 hours we
should know where we are going to end upon this.

CO-CHAIRPERSON JOHNSON: Well I hope
that the decision that is made tomorrow is not a
decision that is going to negatively and
detrimentally impact peoples' lives.

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DOCTOR RAMANATHAN RAJU: I hope, I agree
with you. I hope the same way like you Council,
Chairman.

CO-CHAIRPERSON JOHNSON: So maybe you
can go tomorrow and say that.

DOCTOR RAMANATHAN RAJU: I'm not getting
involved in this because this is not, this not
something it is being discussed at the state level.
So I'm not taking... [cross-talk]

CO-CHAIRPERSON JOHNSON: But it affects
HHC.

DOCTOR RAMANATHAN RAJU: No. Chairman I,
the, the, I don't... what I'm trying to tell you is
not the fact, the fact is it is before the
committee tomorrow. They got all the documents they
need. These are the people who are very respected
doctors across... state sitting in the... [cross-talk]

CO-CHAIRPERSON JOHNSON: Two... two of the
people from Big Apple Dialysis sit on the
committee.

DOCTOR RAMANATHAN RAJU: But they can't
work for... [cross-talk]

CO-CHAIRPERSON JOHNSON: I, I know they
recused themselves but it's still, it's still not

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right. Okay. So we're not getting anywhere on this
but you know my position, my position is clear and
I hope that the right decision is made tomorrow for
the patients that need it. I want to quickly move
on to DISRIP. You mentioned it in your testimony. I
wanted to understand the money that is allocated,
project for this year, 66 million dollars next
year, next fiscal year 199 million, the year after
that 336 million and the year after that it dips
down to 296 million dollars in expected DISRIP
funds projected. You guys laid out how much money?
Two billion dollars? How much money did you guys
outlay for DISRIP?

MARLENE ZURACK: I'm sorry what do you
mean by outlay? [cross-talk] Originally projected?

CO-CHAIRPERSON JOHNSON: What you put up
for the match.

MARLENE ZURACK: Oh the IGTs is actually
this is a net number that we carry in the plan.

DOCTOR RAMANATHAN RAJU: No we get the
IGT back. This is a net numbers after we get back
what IGT, this is a amount of money we'll get in
addition to what we paid for and we'll have that
money.

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CO-CHAIRPERSON JOHNSON: So do you think
that HHC is getting its fair share and an adequate
amount?

DOCTOR RAMANATHAN RAJU: It, it is, is a
projection chairman because it depends as we know
this is not a grand dollars. This is, we need the...
money so we need to perform in an absolutely 100
percent make sure that every project we have
undertaken are completed and able to get that. So
we project at the present time that in addition to
getting back... IGT we will have a net. And after
expenses of, of doing this we will net 68 million
dollars the first year and subsequent years. That's
the way it working... [cross-talk]

CO-CHAIRPERSON JOHNSON: So the total
expected from DISRIP is around...

MARLENE ZURACK: So, so Council Member
you see 960 as the total that's the net benefit to
HHC after expenses but there's another year to
DISRIP. DISRIP goes into...

CO-CHAIRPERSON JOHNSON: 2020...

MARLENE ZURACK: ...beyond the life of
the...

CO-CHAIRPERSON JOHNSON: Yeah.

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MARLENE ZURACK: ...city plan. So there's
a, there's another 150 million that we were
projecting..

CO-CHAIRPERSON JOHNSON: But as Doctor
Raju said this is all sort of a guestimate because
it has to do with meeting certain performance
standards that are set.

MARLENE ZURACK: Right.

CO-CHAIRPERSON JOHNSON: So this is
guessing what you think you'll be able to get but
until we see that HHC is able to achieve what was
set out we're don't, we don't exactly know.

DOCTOR RAMANATHAN RAJU: We don't know
that and there is a... had a little more complexity
to it. It is not only that we are to perform at,
all our, we had to achieve all our goals. All the...
should achieve the goal and the state has to
achieve the goal. So there are three layers of it.
So there is a lot of complexity involved in this.
This is a projection at the present time. We have a
lot of work to do. And that is a, really a, a good
question because that is, really points out the
weakness that I'd, of the entire projection.

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CO-CHAIRPERSON JOHNSON: Okay. Lastly
the state budget included an appropriation of 567
million dollars which included federal funds for
the vat program, the vital access provider program
within the amount appropriated 245 million dollars
is allocated for financially distressed safety net
hospitals.

DOCTOR RAMANATHAN RAJU: Yes...

CO-CHAIRPERSON JOHNSON: HHC doesn't
qualify.

DOCTOR RAMANATHAN RAJU: We were
specifically excluded from it by the state
language... [cross-talk]

CO-CHAIRPERSON JOHNSON: Awful. Awful.

DOCTOR RAMANATHAN RAJU: Yes.

CO-CHAIRPERSON JOHNSON: I mean this is
embarrassing that the state is behaving this way
towards the best public hospital system in the
United States, short changing us as a city,
shortchanging the people that need HHC specific...
language specifically written to exclude HHC who
needs these funds more than many other hospitals
that are receiving them.

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DOCTOR RAMANATHAN RAJU: I agree
chairman. I, I don't know, I think they don't like
me very much.

[laughter]

CO-CHAIRPERSON JOHNSON: Well it is a
disservice to the city. Can't make it about you.

DOCTOR RAMANATHAN RAJU: Yes.

CO-CHAIRPERSON JOHNSON: Okay. Well
thank you for being here. We have plenty of other
follow-up questions. Anything that we can do to
continue to support HHC to get that 400 thousand up
to a million at MetroHealth Plus, anything we can
do to change the charity's law over the next two
years, anything we can do to ensure that the
language allows you all to participate in the, the
VAT program, anything we can do to encourage you
all to take over healthcare at our city's
correctional facilities, anything we can do to make
sure you close that 1.5 billion dollar deficit over
the next five years and anything I can do to get
you to show up tomorrow to say no privatizing
dialysis at HHC I'm ready willing and able to
support you in these and any other efforts that you
need from the city council.

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DOCTOR RAMANATHAN RAJU: Chairman I
really want to thank you for your support, your
continued support to us and the Health and Hospital
Corporation. Since the time I arrived here you have
been a great supporter and helped us. So I
appreciate that. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Doctor Raju. We're going to have follow-up
questions from all three of our committees. We ask
that you respond to them expeditiously as we'll be
using them for negotiations.

CO-CHAIRPERSON JOHNSON: Dialysis just
got pulled from the agenda tomorrow I'm told. Thank
you for listening.

CHAIRPERSON FERRERAS-COPELAND: So we've
been joined by Majority Leader Van Bramer. Again
Doctor Raju if you can get back to us...

DOCTOR RAMANATHAN RAJU: Okay.

CHAIRPERSON FERRERAS-COPELAND: ...I'd
appreciate it. Thank you for coming to testify.

DOCTOR RAMANATHAN RAJU: Thank you very
much for the opportunity.

CHAIRPERSON FERRERAS-COPELAND: Of
course. We're going to take a five minute break

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before we welcome Doctor Marry Bassett, the

Commissioner of the Department of Health and Mental
Hygiene.

[pause]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the city council's hearing on the
Mayor's executive budget FY 2016 We just heard from
the health and hospital's corporation and now we
will hear from Doctor Marry Bassett. The
commissioner of the Department of Health and Mental
Hygiene before we hear from the commissioner I will
open the mic up to my co-chairs. And due to time I
will forego an opening statement. My co-chairs
Council Member Johnson and Council Member Cohen
will read their opening statements. Chair Johnson.

CO-CHAIRPERSON JOHNSON: Thank you
Council Member, Chair Ferreras-Copeland of the
hearing focuses on the fiscal 2016 executive budget
for the Department of Health and Mental Hygiene.
DOHMH is overall fiscal 2016 expense budget totals
1.48 billion dollars, an increase of about 80.4
million dollars as compared to the fiscal 2015
budget at adoption. For fiscal 2016 DOHMH's
projected budget increase by 104.8 million dollars

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from 1.376 billion to 1.48 billion. Since the
preliminary budget DOHMH's budget for fiscal year
2016 increased by 33.35 million dollars from 1.45
billion dollars. Of this amount DOHMH's executive
budget includes 22.6 million dollars in new needs
which includes 1.1 million dollars for enhanced STD
clinic services, one million dollars for the
enhancement of Hepatitis B and C programming, four,
447 thousand dollars for the enforcement of pet
shop regulations, 5.4 million dollars for school
health services in community schools, 1.7 million
dollars for new programming at Ryker's Island for
young adults, 1.2 million dollars for a feasibility
study on animal shelter expansion, 1.1 million
dollars for the creation of a coordinated citywide
mental health plan, three million dollars to attack
rat reservoirs and expand rat indexing, 2.3 million
dollars for the expansion of the newborn home
visiting program, and two million dollars for
activities related to tobacco control. The
department proposes to spend 761 million dollars on
public health related services in fiscal year 2016
which is 74.2 million dollars more than the budget
at adoption in fiscal year 2015. First I'd like to

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state that this committee is pleased to see that
the executive budget includes one million dollars
for the enhancement of services at all eight of
DOHMH's STD clinics which the council called for in
our preliminary budget response. At our request
which called for the administration to allocate two
million dollars to enhance services at all city STD
clinics it was part of, it was part of the
council's call for the city to establish a
blueprint towards ending the epidemic. However
while I'm elated to see this enhancement of STD
clinical services I look forward to hearing from
DOHMH on the other proposals on prevention, viral
suppression, and supportive services that were not
included in the executive budget. The city's
commitment to ending the epidemic is vital in
advancing the state's plan to reduce new HIV
infections as 80 percent of all New Yorkers with
HIV reside in New York City. Additionally it is
equally pleasing to see that the department has
added a million dollars to enhance surveillance
outreach and data collection as it pertains to
viral hepatitis. Another council request and our
response to the preliminary budget. As of 2013 an

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estimated 100 thousand New Yorkers had hepatitis B
and about 150 thousand have hepatitis C. And this
funding will go a long way, along with the recently
passed hepatitis legislation and the council's
hepatitis B and C initiative will help DOHMH's
provision of services for populations afflicted by
viral hepatitis. In addition to new needs and other
adjustments the committee looks forward to the
discussion neighborhood hubs, clinic expansion, and
efficiencies the department will undertake in
fiscal year 2016. Finally the committee looks
forward to hearing detailed information from DOHMH
on the status of baselined funds. During our
preliminary budget hearing the department promised
that all remaining RFPs would be released and as of
today there are many community based organizations
that have no idea if they will continue to receive
funding in fiscal year 2016. The committee looks
forward to hearing how DOHMH plans to mitigate the
impact of the timing of procurement of baseline
funds. Before we begin I'd like to thank my
committee staff who have worked thoroughly to help
coordinate today's hearing; Crilhien Francisco the
committee's finance analyst, David Seitzer counsel

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to the health committee, Crystal Pond, policy

analyst to the health committee and Louis Cholden-

Brown my legislative and budget director before we

go to Commissioner Bassett I want to turn it over

to Andy Cohen, the chair of the Mental Health

Committee but before I do that Commissioner I just

want to say thank you. I am glad to finally see an

administration that is not cutting 50 to 100

million dollars from DOHMH every single year but

it's adding new monies towards public health

initiatives that matter to our city. The 22 million

dollars in new needs that I outlined are fantastic

things that the council has pushed for and I think

worked collaboratively with you and your team on

and identifying key areas that we need investment

in in public health. And so seeing an increase,

seeing new needs tackled seeing HIV being addressed

we're not fully there. We still need to push seeing

viral hepatitis, seeing an investment community

schools, seeing mental health programming at

Ryker's, and the list goes on. I think is a

testament likely to the mayor's confidence in your

leadership and in your team's leadership to carry

out these vital public health programs in New York

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City you always say it but I think it's important
to say the team that you have of deputy and
assistant commissioners they've been a pleasure to
work with and we look forward to continuing to work
with you and them to carry out these exciting new
programs but also there is plenty of more for us to
push for before the budget is adopted and with that
I want to turn it over to my friend and colleague
and co-chair Council Member Andy Cohen.

CO-CHAIRPERSON COHEN: Thank you Chairs
Johnson and Ferreras-Copeland. Good morning
Commissioner. This portion of the hearing focuses
on Fiscal 2016 executive budget for the Department
of Health and Mental Hygiene. The department
proposes to spend 556 million on mental hygiene
related services in fiscal 2016 which is seven more
million than the budget at adoption for fiscal 2016
an increase of slightly more than one percent. I'd
like to start by thanking the administration for
adding 750 thousand dollars for a distribution of
Naloxone kits and 500 thousand for expanding access
bifenthrin in its response to the physical 2016
preliminary budget this committee and the council
called on the administration to include two million

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dollars in order to expand access to Naloxone kits.

According to the fiscal 2015 preliminary mayor's

budget report death from accidental drug overdoses

have increased from 651 deaths in fiscal 2015 to

786 in fiscal 2014. Buprenorphine and Naloxone are

medications used to treat opioid dependence.

Buprenorphine suppresses cravings and withdrawal

symptoms and produces similar effects to the abused

drugs and allows patients to engage in therapy

counseling and support whereas Naloxone is used to

counter the effects of opioids especially in

overdoses. This committee looks forward to detailed

discussions on the procurement distribution and the

expected impact of these medications. In addition

to this new funding to prevent overdose deaths the

fiscal 2016 executive budget includes 1.13 million

for DOHMH's coordination of mental, of the mental

health roadmap being headed by the first lady

Chirlane McCray and 1.7 million for new programming

for new programming for young adult inmates ages 16

to 21 currently in Ryker's. It also includes a

substantial savings in the early initiative, early

intervention program. The committee would like to

hear on the timeline implementation of these

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matters and any budgetary concerns associated with
the. Additionally the committee looks forward to an
update on the state and federal actions on
behavioral health which may impact mental health
programming in New York City such as Medicaid
redesign, distiup harps [phonetic], and article 31
school based clinics. Lastly I just want to echo
the concerns raised by Chair Johnson. We as a
committee and across the entire council have been
raising regarding the administration's baselining
of council initiatives. There is the issue of the
reduction in the number of contracts, the timing of
these contracts given that the majority of the RFPs
have not even been released. The contracts
themselves will not be awarded well past July
first. DOHMH apparently expects the service
providers to wait in limbo for the contract
determinations until well into the fall. The timing
issue is a hardship for the council as well DMH
will not award these contracts until well after
adoption. So I hope to work collaboratively to come
up with a solution that we, to fund the bridge
between discretionary funds and RFP awarded funds.
I just want to make a note though or acknowledge

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that I think Doctor Belkin and his team for we
really been working collaboratively in regular
communication so I just want everyone to know that.
Two, thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Cohen. You will now be sworn in by my
council to the committee and then you can begin
your statement.

COUNCIL: Do you affirm that your
testimony will be truthful to the best of your
knowledge, information, and belief?

CHAIRPERSON FERRERAS-COPELAND: Great.
And just before I'm sorry we've been joined by
Council Member Rodriguez, Arroyo, Cohen, Johnson,
Corney, Vallone, Williams, and Levin. You may
begin.

DOCTOR MARRY BASSETT: Thank you. And
before I begin with my prepared statement I want to
thank the council for its collaboration over the
past year and for the kind remarks that have been
made particularly regarding the fabulous team that
we've assembled at the health department. So good
morning Chairpersons Johnson, Ferreras, Cohen, and
members of the committee. I am Doctor Marry Bassett

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Commissioner of the New York City Department of
Health and Mental Hygiene and I'm joined today by
my First Deputy Commissioner Doctor Oxiris Barbot
and Sandy Rozza the Deputy Commissioner for Finance
at the Department. Thank you for the opportunity to
testify on our executive budget for fiscal year
2016. This administration which places social
justice at the heart of its agenda has worked
deciduously to protect and promote the physical and
mental health of all New Yorkers. Our commitment to
addressing gaps in mortality and health status have
been a core function of, core focus rather during
our first 17 months. The mayor has articulated this
vision through the 1NYC plan and specifically the
goal of reducing premature mortality by 25 percent
by 2040 while reducing racial and ethnic
disparities. This is a frame through which the
department's work will be seen. And, whether it is
monitoring air quality to inform how we can control
emissions, facilitating better stairway access to
encourage physical activity, or requiring multi-
unit housing locations to create and inform tenants
about their policy on smoking. This work begins
with our youngest and most vulnerable New Yorkers.

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We must promote the healthy development of children
through multi-disciplinarian interagency
approaches. The department's work led by deputy
commissioner George Askew considers how we can take
a holistic approach that targets communities and
recognizes that a child's wellbeing is closely tied
to his or her environment. We must align
neighborhood institution services and residents to
ensure that all children are healthy and safe. It
is in this context that we recently launch the talk
to your baby campaign. This initiative highlights
the everyday moments such as grocery shopping, bath
time, or preparing dinner that provide wonderful
opportunities to talk, read, and sing to young
children. We hope to empower all parents with a
knowledge that simple things like pointing to and
identifying an orange in the grocery store can have
powerful effects on their child's developing brain.
This campaign was developed in collaboration with
the New York City children's cabinet, a group of
commissioners and directors from 20 different city
agencies and offices. It recognizes that by age
three children from low income families have heard
more than 30 million fewer words than children from

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high income families. We can and we must reduce
this disparity to promote and protect the wonder of
childhood to create a better future for all New
Yorkers. Let me turn now to the fiscal year 2016
budget for the Department of Health and Mental
Hygiene. The department's current operating budget
is 1.4 billion of which 644 million is city tax
levy and the remainder is federal, state, and
private dollars. This reflects a net increase in
spending of 52 million from city tax levy from
fiscal year 2015. I'm pleased to report that our
agency at the mayor's request has found 7.5 million
in programmatic and contractual savings that will
have no impact on services. These efficiencies will
be achieved by reducing spending on areas such as
consultants and temporary staff, renegotiating
service contracts with our maintenance and
information technology providers and reducing
contractual spending by bringing some services in
house. The fiscal year 2016 executive budget
reflects our city's pressing health needs. For
example rising homelessness remains a profound
barrier to mother and child health and safety,
nearly 23 children are in a New York City shelter

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on any given night and the average stay for

families and their, with children last 427 days.

Did I say 23 thousand, no I didn't. I misspoke.

Nearly, let me repeat that. Nearly 23 thousand

children are in New York City shelter on any given

night and the average stay for families lasted 427

days. It is so important that department received

1.5 million to offer home visiting services to

mothers and infants who reside in the department of

homeless services shelters. This initiative will

reach about 18 hundred new mothers and we will be

able to educate them on breastfeeding, infant

safety, and link them to supportive services. Our

interagency collaboration also extends to mental

health care where the department has looked across

disciplines to address the full need for

prevention, treatment, and system reform. The

budget adds 1.7 million for fiscal year 2016 and

3.7 million in fiscal year 2017 and beyond for

crucial mental health services in our correctional

health system. This funding will provide for

psychiatric assessments and afterschool therapeutic

arts programming for all youth under 21 at Ryker's

Island along with substance abuse programming for

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16 to 21 year olds in our correctional system.

Separate funding is also allocated for relationship
counselling for all foster care teens, geriatric
mental health in senior centers, and a significant
expansion of mental health services in schools and
all contracted family shelters. I want to thank the
first lady and executive deputy commissioner Doctor
Gary Belkin for their leadership and advocacy on
this broad range of mental health issues. As the
first lady has so eloquently said we need to make a
community wide commitment to speaking our pain
about mental health. In this way we shot of the
stigma and take the first critical step towards
healing. As we launch this broad undertaking to
improve mental health outcomes we also need to
renew our effort to reduce tobacco use which
remains the leading cause of premature and
preventable death in New York City. As many as 12
thousand New Yorkers die every year from tobacco
related illnesses and smoking is much more common
among those with poor mental health. Thousands of
New Yorkers live with painful and debilitating
disease caused by smoking and second hand, exposure
to second hand smoke including heart disease,

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stroke, diabetes, many cancers, and emphysema. In
the past three years there's been a statistically
significant increase in the number of New York City
adults who smoke. For the first time since 2007 the
number of smokers in New York City has risen above
one million. These setbacks coincide with a more
than 45 percent reduction in funding for tobacco
control. As such the department has decided to
dedicate 1.28 million in additional funding for its
tobacco control initiatives. We will continue our
landmark advertising campaigns and seek innovative
ways to reverse this troubling trend. Our budget
also allows the department to dramatically expand
our work to reduce rats and improve communities. We
will add 50 staff members at a cost of 2.1 million
in city tax leveling for fiscal year 2016 to
aggressively combat rat reservoirs. As you will
recall this began as a pilot project last year.
These reservoirs are environments that offer ideal
conditions for... somehow my pages are out of order
here... for there, for large number of rats to live
and breed. They typically exist over areas that may
include parks, sewers, street medians, comprised
sidewalks, compromised sidewalks, and subways. We

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anticipate that targeting rat reservoirs will
benefit the immediate area by reducing rat
population, protecting infrastructure and
contributing to cleanliness and hygiene. The budget
also reflects the administration's commitment to
building full service animal shelters in every
borough. We will spend 1.2 million to hire two new
staff to manage our search for sites in the Bronx
and Queens. I know how much we all care about
animals including your beloved moose Chair Johnson
and I'm thrilled to be moving forward on this
initiative. I now will update you on some of the
programs that my staff and I have been working on.
The Center for Health Equity continues its
innovative work to decrease health disparities and
in the coming years we'll move to fully establish
its office of faith based initiatives. This
includes the hiring of three community coordinators
and allows us to develop a strategic plan for
addressing chronic disease related health
disparities. I'm also pleased that the executive
budget includes funding for the center's
neighborhood health hubs initiative. New funding
will result in a reimagining of district health

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center buildings, sites that in east Harlem and
Bed-Stuy we'll begin the process of multi-sector
community health planning programs. These hubs will
bolster our district public health office
engagement in neighborhoods that it experience a
disproportionate share of disease burden and
enhance the regular coordination and collaboration
with community organizations, institutions, and
residents. In East Harlem they will work in concert
with our community health workers... structural and
neighborhood level interventions to clinical care
to reduce drivers of disparities in our city. The
department also remains concerned about drug use in
our communities and particularly we are monitoring
synthetic marijuana use following a spike in early
April where we tracked 120 emergency department
visits from the drug. Synthetic marijuana is a
mixture of herbs which many people inaccurately
believe is safe. It often contains dry shredded
plant material on to which chemicals are sprayed
and smoking the substance can create dangerous
effects including anxiety, paranoia, rapid heart
rate, vomiting, people can even end up in intensive
care. I want to thank Speaker Mark-Viverito for

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highlighting this problem in east Harlem and across
the city. We urge New Yorkers who see this drug for
sale to report it to 3-1-1. It is important that
all New Yorkers understand that despite what the
package may say there's no way of knowing exactly
what synthetic marijuana users are putting in their
bodies. I am also pleased that the budget contains
1.25 million for Naloxone and Bifenthrin to reduce
death and health consequences of opioid misuse and
addiction. The department is facing an average of
700 unintentional overdose deaths per year and
continues to take a multi-pronged approach to drug
use prevention. Emergency preparedness is another
important priority for the department. This
investment in preparedness has not only been
critical for our successful response to small and
large emergencies, most recently Ebola, but also
supports public health activities and has increased
our community resiliency and engagement work. In
late April Deputy Commissioner Marissa Rafael
testified before the United States House of
Representatives Committee on Homeland Security
regarding strategic perspectives on the bio-
terrorism threat. Marissa spoke on the need for

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continued investment and public health preparedness

and our response to emergencies. Federal public

health emergency preparedness funding for New York

City decrease 35 percent from its peak in fiscal

year 2005. And this led to a nearly 50 percent in

our public health preparedness and response

workforce. This short-sightedness is a mistake.

There must be a sustained commitment to major

[phonetic] urban centers such as New York City so

that we can be prepared, prevent, and respond to

what comes next. In addition to its programmatic

agenda the, the department continues to pursue its

priorities legislatively. One critically important

issue is the ability of pharmacists to administer

vaccinations for different diseases. Currently 47

states including the District of Columbia and Porto

Rico allow pharmacists to administer all the

vaccines endorsed by the advisory committee on

immunization practices. New York sadly lags on this

issue. Pharmacists have the authority to vaccinate

but it will sunset in 2015 and it only allows them

to administer influenza pneumococcus ostrum [sp?]

and intrecocal [sp?] vaccinations to adults age 18

and older. It means that in neighborhoods where New

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Yorkers can't easily travel or make time to see

their doctors we limit their access to getting the

vaccines that they need. Pharmacists who are

regulated by the State Department of Education

offer vaccination in safe environments. We

encourage people to visit their doctors.

Pharmacists are a compliment not a substitute for

seeing a primary care provider. Yet when it comes

to preventing harmful diseases ready access is

crucial since the, the state first authorized

pharmacists to offer adult influenza vaccinations

that cover jumped from 53 to 67 percent and

following this policy change we saw a significant

improvement in vaccination rates among black New

Yorkers and a narrowed gap in vaccinations between

black and whites. We look forward to working

together on this issue. Lastly I want to talk on,

talk a little bit about an important issue as we

say in our dog licensing media campaign is your dog

a real New Yorker. A lost pet can be reunited with

its owner through the department's dog e-locator

system and run off leash in the city department, in

the city's dog run only if it has a city license.

And funds from the state mandated program support

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free and low cost spay and neuter programs for dogs
and cats promoting responsible pet ownership. I'm
pleased to report that with thanks to the Assembly
Member Kavanagh and Senator Serrano the governor
signed legislation last year to allow the city to
set its own dog licensing fee. Thanks again to the
council for the home rule that allowed us to take
this forward. And I now look forward to working
with the council on legislation so that we can act
quickly to make licensing better here in New York
City. I believe that the city's budget by
addressing income inequality improved access to
affordable housing and reducing the number of low
wage jobs in our city will improve public health
through our five boroughs. And I thank you again
for the opportunity to testify and for your support
for the department's work; Doctor Barbot, Ms.
Rozza, and I will be pleased to answer any
questions.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Commissioner. In last year's budget response to
the preliminary budget the council called for the
creation of new units of appropriation for HIV/AIDS
funding. Currently the Department of Health and

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1 Mental Hygiene has two units of appropriations that
2 include funding for HIV/AIDS services which is UofA
3 102 and UA 112. That also includes funding for
4 emergency preparedness as you had mentioned in your
5 opening testimony and all the other disease
6 prevention programming. Has DOHMH had any
7 conversations with OMB on the creation of the new
8 UA specifically for HIV/AIDS funding. If so what
9 were the results of those conversations? This of
10 course is to bring transparency and for us as a
11 council to be able to follow those funds.
12

13 DOCTOR MARRY BASSETT: ...and we have made
14 some changes in our units of appropriation but we
15 haven't addressed these yet.

16 CHAIRPERSON FERRERAS-COPELAND: So we
17 are back, we asked for this last year. We're asking
18 for it again. And I would urge you to have these
19 conversations with OMB because we're going to be
20 pressuring and pushing back on this. This is really
21 something that this council needs. In the executive
22 budget DOHMH made changes to your program areas
23 which is I, you know, I'm sure you, which is what
24 you just mentioned... Can you describe the changes to
25

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the program areas as related to family and child
health and prevention and the primary care

DOCTOR MARRY BASSETT: Sure and thank
you for that question. So the new division of
family and child health which created a division
focused on children and their families for the
first time in many years of the department was
created by bringing together the programs from a
previous division called health promotion and
disease prevention, school health, maternal infant,
and reproductive health and joining it with oral
health which became part of school health and for
the first time bridging the divide between mental
hygiene and the health department, the old health
department by moving early intervention, something
that council helped us with by making a, a change
in the city charter. So that is the, the division
of family and child health. The prevention and
primary care was created basically by taking what
was previously called health care access and
improvement and adding it to it the, the bureau of
chronic disease prevention and control.

CHAIRPERSON FERRERAS-COPELAND: Well
thank you. This council really appreciates the,

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making it more seamless but also grouping these
bureaus together which helps us and it totally
makes sense. So we wanted to thank you. We just
wanted to get that information on the record.

DOCTOR MARRY BASSETT: Sure.

CHAIRPERSON FERRERAS-COPELAND: Has
DOHMH undertaken any internal reorganization with
the respects of these changes in the bureau. So
have you seen any reorganization in staffing wise?

DOCTOR MARRY BASSETT: There are some
new staff. We have a new deputy commissioner who
leads the newly founded division of prevention and
primary care doctor Sanja Angel [phonetic] who
previously was at the health department then joined
the CDC and happily has returned to us and Doctor
George Askew was also recruited. He came from a
federal position to lead the newly established
division of family child health. And there have
been some other changes but the, if you're asking
have the, has the bureau structure remained largely
intact and the answer to that is yes.

CHAIRPERSON FERRERAS-COPELAND: Do you
envision as we move forward, do you envision any
additional need for staff?

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DOCTOR MARRY BASSETT: Well we always
no, no, no agency head ever turns down an
opportunity to advocate for additional staff but I
think we are staffed to meet our mission.

CHAIRPERSON FERRERAS-COPELAND: Great.
For the past several fiscal years DOHMH has made
changes to its budget function analysis during the
executive budget and has changed funding for
program areas in the out years. How often does
DOHMH update their budget codes to reflect these
changes and how does your agency interact with OMB
when undertaking these changes in the programmatic
budgets?

DOCTOR MARRY BASSETT: ...should turn to
our Deputy Commissioner for Finance.

CHAIRPERSON FERRERAS-COPELAND: Great if
you could just state your name for the record.

SANDY ROZZA: Sandy Rozza. So at every
plan time during the financial plan we will look to
see if we need to make any changes to the budget
code structures. It's, we don't typically change
the structures. We have them aligned so that you
can easily associate a budget code with a Uof... Unit
of Appropriation.

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CHAIRPERSON FERRERAS-COPELAND: Okay. So
from our perspective here your budget codes are
not, your budget codes not, never match with what
we have. So while it may be matching on your end
we're the ones that pass the budget and it doesn't,
so what needs to be done so that we can understand
what you're doing before we approve this budget.

SANDY ROZZA: Oh yes here we go. So we
have previously sat with council and gone through
and reconciled, a couple of years ago I believe,
maybe we should sit down again and do a crosswalk.
There are things class, for example council
classifies admin, divisional admin within the
general admin code in the budget function analysis
but yet we have specific budget codes for
divisional admin so that's one area that we will
not reconcile, will not agree on.

CHAIRPERSON FERRERAS-COPELAND: So what
I'd like to do is to ask for this reconciliation to
happen as soon as possible because it, it makes,
it's very uncomfortable as finance chair to not
have that reconciliation happen.

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SANDY ROZZA: I'm sorry and one other
thing your budget function analysis often includes
OCME...

CHAIRPERSON FERRERAS-COPELAND: Mm-hmm.

SANDY ROZZA: ...where we don't include
those in our budget.

CHAIRPERSON FERRERAS-COPELAND: So we'll
sit down and, and make sure that we have the
accurate information and per, perhaps this is
something that we can make part of our
conversations more readily available as opposed to
every few years. I wanted to ask one more question
in this round and then I'm going to come back. I
know that you talked about moose which we're really
excited about and the animal shelters. In the
response to the preliminary budget this council
asks for the capital funding for animal shelters in
the Bronx and Queens. The capital funding was not
allocated but the expense budget adds a million
dollars for planning of these animal shelters. Why
did your agency include expense funding for
planning and not capital funding for these
shelters. And can you explain how the million
dollars will be used. Because if it's to find

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locations I think we all have some agents that
would probably cost a lot less money than a million
dollars. So if you can help me understand why we
need a million dollars to site these locations.

DOCTOR MARRY BASSETT: First thing that
I want to make clear is that there is a commitment
on the part of this administration to full service
shelters in all boroughs. So the, the intention was
to put enough money in the budget to get a robust
plan in place and that was the estimate that was
made. So...

CHAIRPERSON FERRERAS-COPELAND: Okay
just can you walk me through what a robust plan...
because I'm, I'm missing it right? Like when I...
[cross-talk]

DOCTOR MARRY BASSETT: Yes.

CHAIRPERSON FERRERAS-COPELAND: ...when
I'm briefed about this and when we're briefed it
says a million dollars to site two locations. I
don't understand... I'm married to a rocket
scientist, unless we're hiring rocket scientists to
help us find shelters I, I just need to better
understand.

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DOCTOR MARRY BASSETT: I think it
includes the idea of, of, of identifying land and,
and I see that my Deputy Commissioner for
Environmental Health who's been through this
process in the past...

CHAIRPERSON FERRERAS-COPELAND: Okay so
tell...

DOCTOR MARRY BASSETT: ...has joined me.

CHAIRPERSON FERRERAS-COPELAND: ...me why
this is costing us a million dollars.

DOCTOR MARRY BASSETT: And also coming
up with a, a plan.

CHAIRPERSON FERRERAS-COPELAND: Is this
to hire staff once you find it or, what, why is it
costing us a million dollars.

DANIEL KASS: Just let me introduce
myself. I'm Dan... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: Sure.

DANIEL KASS: Kass from Environmental
Health. So the budget that's in here now includes
staff positions for both the Health Department and
Animal Care and Control. You know we sought this in
part to not repeat the past historical problems
that we've had where there are competing interests

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in the pursuing the site, the identification, and
the acquisition of property. We spent many years as
a department once before looking for sites in the
Bronx and Queens and it's a difficult process and
involves quite a lot of work to try to identify not
only properties but to garner community support and
ascend for that process so that's...

CHAIRPERSON FERRERAS-COPELAND: So can
you break it down to me? It's 100 thousand for
staffing?

DANIEL KASS: So the, that's the
staffing... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: And then
900 thousand is contracted out to whom, why, where..

DANIEL KASS: So I'll be honest with you
I think we have to still evaluate exactly how that
money will be spent and whether it's fully
necessary. The idea here though is to essentially
engage the services of others in a planning
process. We have a lot of work to do around
identifying what the features of these shelters
should look like, what the services attached to
them would be, coming up with preliminary plans for
their design and their specifications. Those will

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dictate to some extent what kind of property we
look for, where we look for property, and what sort
of features the property will allow. So it's a,
it's an open question exactly how that money will
be used but that's, those are certainly the goals
attached to that so that we don't go blindly into
the pursuit of property without a real clear idea
of exactly what services and what...

CHAIRPERSON FERRERAS-COPELAND: Right.

So we don't want to negotiate against ourselves
right. We understand this council called for them,
the Queens delegation, the Bronx delegation, and
the council as a whole understood that we need
these shelters. However when we have a million
dollars to help find two and I understand that
you're trying to figure out what you're going to
need it concerns me that at this point we don't
know what that is right because then I'm, we're a
million dollars and we're still trying to figure
that out. If we didn't have any other shelters that
we could look to and say okay these are the things
we need perhaps this is what we need to replicate
in another borough. This is what we need for land
costs. It, it just doesn't sit well with me that we

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have 900 thousand dollars that are going to be
contracted to help us figure out what we already
know in three other, you know in the other shelters
that we have.

DANIEL KASS: Well we can continue the
conversation certainly as, as we go forward. I mean
I just want to really emphasize that there, there
is no foregone conclusion about the right precise
set of services that would be attached to these.
This is an opportunity as we, if we're going to
build these things this is an opportunity to really
revisit the nature of the assessment, of the
assortment of services that the shelter provide...
relationship to the communities exactly how to
portion staff services, hours, and other activities
not directly associated with the admission and the
adoption of animals. So we're looking forward to an
opportunity to really rethink this. It's going to
be years before these shelters are fully
constructed. So we wanted a clear idea and you know
we've essentially attached certainly sufficient
money to develop you know robust plans around that.

CHAIRPERSON FERRERAS-COPELAND: Well
we're going to, I'm going to...

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DOCTOR MARRY BASSETT: I think that the
point that you've heard here is that we want to
begin a planning process that will, we can go
forward with in consultation with the council. We
didn't want to not have enough money to do it. It's
more than going out and finding a site. [cross-
talk]

CHAIRPERSON FERRERAS-COPELAND: Right
and... [cross-talk]

DOCTOR MARRY BASSETT: It's coming up
with... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: ...and I
understand that... [cross-talk]

DOCTOR MARRY BASSETT: ...a comprehensive...
[cross-talk]

CHAIRPERSON FERRERAS-COPELAND:
...Commissioner. [cross-talk]

DOCTOR MARRY BASSETT: ...plan for meeting
the needs... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: I
understand that but I... [cross-talk]

DOCTOR MARRY BASSETT: ...for these
shelters across the city. [cross-talk]

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CHAIRPERSON FERRERAS-COPELAND: ...think
that the point that I'm trying to make here is that
a million dollars just doesn't seem like the
appropriate number... And if you're going to come and
ask for, if we're going to say a million dollars
then I need to have a reason why a million dollars.
That's all we're asking for are transparency and
clarity. So we can go back and forth but we won't
do that now because there's plenty of other
questions to be asked and I'm going to be following
up. In the preliminary capital plan DOHMH shifted
5.9 million dollars from the Queens facility to
other facilities for upgrades. Does your agency
expect to reverse this funding to its original
project?

DOCTOR MARRY BASSETT: ...as you know that
in January of this year we announced 8.5 million
dollars in capital expenditures that were spent to
build a new adoption center by converting a garage
at the Manhattan Shelter site and by upgrading,
doing very necessary upgrades to the Brooklyn
shelter. These were changes that we, that we think
were very needed to improve the experience of
people going to these sites and the care of animals

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on site. And that, that is how the money was spent.

We have to come up with a plan that we've discussed
just now which may not cost a million dollars in
order to come up with a capital needs for the
future shelter sites.

CHAIRPERSON FERRERAS-COPELAND: Okay.

Thank you Commissioner. I'm going to forward it
over to our Chair Johnson who will then be followed
by Chair Cohen.

CO-CHAIRPERSON JOHNSON: Thank you Madam
Chair. Commissioner good to see you. According to
your testimony on page two DOHMH's current budget
totals 1.4 billion dollars of which 644 million is
city tax levy. Is this for fiscal year 2015 or
fiscal year 2016 because that figure doesn't match
the number that we have so there's... [cross-talk]

DOCTOR MARRY BASSETT: No that certainly
does not match.

JOHNSON: ...slight confusion.

DOCTOR MARRY BASSETT: It doesn't quite
match the number you had. Let me turn it over to,
to Sandy.

SANDY ROZZA: ...fiscal year '16.

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CO-CHAIRPERSON JOHNSON: So what is, so
is that an increase?

SANDY ROZZA: It is an increase.

CO-CHAIRPERSON JOHNSON: And how much.

SANDY ROZZA: ...an increase of some 52
million over our fiscal year 2015 budget.

CO-CHAIRPERSON JOHNSON: 52 million
dollars new added and that's from city tax levy?

SANDY ROZZA: Spending in city tax levy
that's correct.

DOCTOR MARRY BASSETT: But I did notice
Chair that, that your numbers were somewhat
different. Maybe that can be part of our crosswalk
conversation.

CO-CHAIRPERSON JOHNSON: So we, in, in
our numbers we have 708 million dollars in city
funds for, in, in this current executive plan. Is
that accurate?

DOCTOR MARRY BASSETT: ...is 644 million
city tax levy dollars, the remainder of federal,
state, and private. We... [cross-talk]

SANDY ROZZA: Your number includes OCME
I believe.

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CO-CHAIRPERSON JOHNSON: It includes
OCME?

SANDY ROZZA: Yes.

CO-CHAIRPERSON JOHNSON: Okay. So when
you subtract OCME 708 goes down to 644?

DOCTOR MARRY BASSETT: That's, that's
right. That sounds right.

CO-CHAIRPERSON JOHNSON: And so what was
the city tax levy dollars last year? It was 592
million?

DOCTOR MARRY BASSETT: It was 52 million
dollars less.

CO-CHAIRPERSON JOHNSON: Yeah so 592
million.

DOCTOR MARRY BASSETT: Correct.

CO-CHAIRPERSON JOHNSON: Okay. Okay...
[cross-talk] I just wanted to... [cross-talk]

DOCTOR MARRY BASSETT: ...still do math.

CO-CHAIRPERSON JOHNSON: ...make sure
we're on the... [cross-talk]

DOCTOR MARRY BASSETT: Thank you.

CO-CHAIRPERSON JOHNSON: ...same page on
that. Okay. So you're very lucky to have Doctor
Demetre Daskalakis running your HIV and age, HIV

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and AIDS bureau at DOHMH. And I'm very excited as I
think many advocates are and I know the city is on
the governor accepting the ending the epidemic
blueprint which he did just a couple of weeks ago
and then this past Sunday he gave a great speech at
the AIDS walk where he redoubled his commitment to
this plan and saying that the state was going to do
all it can and he sees it as a legacy project to
end the epidemic in New York state. So in this past
state budget there was approximately 10 million
dollars that was included for different set of
services for prep, for pap, for a host of things.
The, I'm, I'm very happy about the money that's
been included, the enhancements on the STD clinics
but I raised this the other day to Director
Fuleihan at OMB that we want the city to put in a
match money to match the state's commitment and I
wanted to see if you had any thoughts on that.

DOCTOR MARRY BASSETT: Thank you Mr.
Chair. The, the, as you say the state has made a
commitment of 10 million dollars to the blueprint
which was prepared in April and has been accepted
by the governor. This is really exciting, not up,
just from a budgetary perspective but from the kind

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of conceptual framework that it puts on our work in
HIV aids and I'm really pleased to say that a lot
of the work that has been embraced by this
blueprint have reflects activities that we here in
New York City had already been pursuing, some of
them under the, had been initiated more recently
under the leadership of Doctor Daskalakis and
Doctor Varma [sp?]. So while as I've said earlier
no agency had I think every says that they couldn't
use more staff. No agency head ever says that they
couldn't use more money. I think that we really are
doing our level best to pursue this agenda with the
budget that we have on hand. And I'd be happy to
tell you about some of the things that we've been
doing. As you know we have embraced early the, the
new science on biological approaches to prevention.
We have adopted pep at our STD clinics and been
supporting them also at our sexual and behavioral
health clinics which we contract. We also have been
working hard to get the word out about PREP. The
pre exposure prophylaxis that offers people an
opportunity to, to take anti-retroviral drugs who
are HIV negative if they are, if they're assessment
of their risk suggests that that's appropriate for

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1 them. We have done detailing campaigns and one just
2 ended quite recently. We've talked to more than 700
3 primary care providers prescribing providers
4 rather... And we have been, had been promoting the
5 use of starter kits for pep in our STD clinics.
6 We've been long advocates for promoting HIV testing
7 which is also key to the end the epidemic pan under
8 the banner of Be HIV Sure. We really see is key to
9 the end of the epidemic, people knowing their
10 status and whatever their status of being linked
11 appropriately to services. So we're doing many of
12 these things and, and I really am excited about the
13 prospect that we have to, to see the end of this
14 epidemic. I was a young physician as the epidemic
15 started and I think many of my generation would
16 find it extremely rewarding to say that we saw the
17 end of it in our city.

19 CO-CHAIRPERSON JOHNSON: Thank you. I, I
20 commend the department I think for being on the
21 cutting edge and leading edge of any city across
22 the country. And he stayed across the country and
23 the efforts that have been made thus far and you
24 deserve an enormous amount of credit for that. But
25 I think that it is extraordinarily important that

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the city given the governor's commitment match the
money that was put in the budget so that we see a
redoubling of the commitment next year. I'm afraid
that the state is not going to continue to put
money in it, and we need a lot of money. 10 million
dollars isn't enough. We need about a hundred
million dollars. But I feel like if the city
doesn't match the money that was put in this year's
budget it makes it much more difficult for next
year's budget to say the city isn't doing its fair
share on the blueprint work that was released. Even
though as you mention there's plenty of stuff
that's been going on already. So I would just ask
you to work with us, to work with OMB and city hall
on trying to come up with that 10 million dollars
in match money between now and adoption.

DOCTOR MARRY BASSETT: Well as I say we
have our budget and we are working to meet the
goals of the blueprint with our existing budget. We
appreciate that the goals of the blueprint are
ambitious and require funding.

CO-CHAIRPERSON JOHNSON: That doesn't
sound like a commitment to advocate for the 10
million dollars.

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DOCTOR MARRY BASSETT: I, you know as,
as commissioner I need to work within my budget and
we are committed to meeting the goals of the
blueprint within our budget. I would never argue
against additional funding.

CO-CHAIRPERSON JOHNSON: Well that's
good to hear. So I look forward to pursuing the 10
million dollars with city hall and OMB and
pressuring them to continue the good work that's
already being done and to expand that work. And I
am not looking to take away other portions of your
budget on the other good public health work that I
mentioned at the beginning of my opening that I
commend you on but we need this money so I'm going
to push for this money. I'm going to go to the
deputy mayor, I'm going to go to OMB. The advocates
are going to do the same thing. We need the city to
put additional money in so we can continue to
expand the work to actually execute what's been put
in the blueprint. So I'm glad that you are not
going to oppose any new monies. I'll move on.

DOCTOR MARRY BASSETT: Thank you.

CO-CHAIRPERSON JOHNSON: So I am very
excited about the 1.1 million dollars for

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enhancement of services at all STD clinics. I think
this actually aligns with what we were just talking
about. The funding will enhance PREP and PEP. It
will focus on services tailored to men who have sex
with men. It will allow DOHMH to enhance their
testing menu and provide prevention referral
services to MSM clients, augmenting regular
clinical services, and a host of other things. This
is great. I have been in conversations with your
staff about the closure of the Chelsea clinic. And
I'm very excited that the clinic is going to be
brand new and beautiful and be able to operate in
the way that it should just like Riverside and
100th now is. But I think there is a real concern.
I know we're going to work together between now and
adoption to come up with a plan that works to have
a continuation of the services provided at the
Chelsea Clinic in some way that makes sense. And I
know we're looking at the menu of options, of what
is doable. But I want us to work really hard
because you know if we, people have run the
numbers. And if we miss some acute HIV infections
where many people are diagnosed actually at that
enter the overall cost and care to taxpayers

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roughly I think comes up to be around 400 thousand
dollars or 500 thousand dollars for the lifetime of
the patient. So if you times that by 10 people who
we lose by not having continuation of services
there. That's a five million dollar cost. It may
not come from your budget but it's coming from
Medicaid, HRA, the list goes on. So I think there
is a cost savings issue here and I think, I'm just
concerned about losing this in a place like Chelsea
which is the epicenter of HIV and AIDS, syphilis,
gonorrhea, and other STDs. So I look forward to
working with you and your team between now and
adoption to come up with a plan that works to have
a continuation of services at that site in a way
that works best for the people that are going to
use it.

DOCTOR MARRY BASSETT: ...look forward to
that.

CO-CHAIRPERSON JOHNSON: It's going to
require some money.

DOCTOR MARRY BASSETT: We are in
conversations with OMB.

CO-CHAIRPERSON JOHNSON: I am too.

DOCTOR MARRY BASSETT: What do you know.

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CO-CHAIRPERSON JOHNSON: Great. So I'm
glad we're always on the same page Commissioner. So
there's a lot that I want to talk about but I have
other committee members here so I'm going to turn
it over to Chair Cohen and then I'll come back for
a second round. But thank you. I look forward to
working... together... more money for more good
services. Thank you.

CO-CHAIRPERSON COHEN: Thank you Chair
Johnson. Thank you for your testimony Commissioner
Bassett. I am a little unclear on the actual size
of the budget increase. I, I know we've narrowed it
down to 52 million in tax levy dollars is, do we
know what the total increase in the budget is? Is,
are, is there more through... [cross-talk]

DOCTOR MARRY BASSETT: Yeah the, the
total budget is considerably higher than the tax
levy budget...

CO-CHAIRPERSON COHEN: No no, the total
increase in the budget.

DOCTOR MARRY BASSETT: The, the number,
are you talking about... usually here we talk about
what our taxpayers are paying. And in terms of tax
levy it's 52 million. The discrepancies that the

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chair initially noted seemed to be due to the fact
that we don't include the medical examiner's office
in our health department... [cross-talk]

CO-CHAIRPERSON COHEN: No I understand
that. But the total budget is 1.4 billion dollars
we said right?

DOCTOR MARRY BASSETT: That is correct.

CO-CHAIRPERSON COHEN: There's an
increase in tax levy dollars. Is there an increase
in state... other source funding?

DOCTOR MARRY BASSETT: Yes I, yes for
example we have, have an increase in, in funding
related to the Ebola outbreak. We have been
successful in, in bringing in private dollars
through seeking grants. We have fund that come from
the state particularly in, in mental hygiene for
example. So we do have additional funding. All of
that goes into our total budget of 1.4 billion
dollars.

CO-CHAIRPERSON COHEN: So what is the,
look in my opening I said 80 million but what, what
is the total increase in the budget from last year
to FY... [cross-talk]

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DOCTOR MARRY BASSETT: The total
increase in the budget that does not include OCME
is 52, 52 million. Oh I'm sorry you're not talking
about tax levy anymore.

CO-CHAIRPERSON COHEN: Yeah the total...

DOCTOR MARRY BASSETT: I see. Okay let
me turn it over to Sandy.

CO-CHAIRPERSON COHEN: Thank you.

SANDY ROZZA: So we'd have to go, I'd
have to go back and look because we don't load
everything for adopt. So for example a lot of our
grants are not loaded in yet. We haven't loaded any
article 6 match funds for public health related new
needs that would be eligible to draw down. So I
could get back to you with this, what we expect to
be the net change.

CO-CHAIRPERSON COHEN: Okay. In terms of
the allocation between health and mental health I
have, and again in my opening I referred to as a, a
seven million dollar increase in, in mental health
services which working off of the 80 million I said
I'm not even sure if that figure is accurate but
working off of that figure it's still a relatively
small percentage. You know I said lightly more than

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one percent. Is that, do we think that that is in
the ballpark of an accurate figure?

DOCTOR MARRY BASSETT: The answer to
that is yes.

CO-CHAIRPERSON COHEN: I think it's, you
know it doesn't seem to me, I'm concerned about
sort of the, the, you know in light of all of the
attention that we're placing on mental health, the
relatively modest increase in the budget for these
program areas is of some concern to the committee.

DOCTOR MARRY BASSETT: You know that the
first lady recently announced 54 million dollars
going for mental health related services, many of
which are, did, most of that didn't come directly
to the department but went to other agencies which
also confront issues of mental health in their
client base. And we are in full support of that.
And our agency plays an advisory role in the
development in, of the programming adopted by
other, other agencies.

CO-CHAIRPERSON COHEN: So for example
homeless services, corrections, the administration
for children services all have clients who confront
mental health issues and they need additional

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funding to better address those issues. So I think
as, as, as people who are concerned about the
mental health for all New Yorkers that we should
accept that the task of addressing these needs is
not one that's born by a single agency although our
expertise is sought after by agencies across the
city.

CO-CHAIRPERSON COHEN: I guess I'm still
a little concerned about the, sort of the ratio
between health services and mental health services
in the agency in terms of budget growth.

DOCTOR MARRY BASSETT: Your point's well
taken.

CO-CHAIRPERSON COHEN: Okay. You
mentioned the, the road map. Could you talk a
little bit about your agency's role in developing
the road map with the first lady?

DOCTOR MARRY BASSETT: Ask Doctor Belkin
to join me because he's been leading this effort.
And please introduce yourself.

CO-CHAIRPERSON COHEN: We always like
hearing from Doctor Belkin so...

GARY BELKIN: I'm happy to. I'm Gary
Belkin, Executive Deputy Commissioner for Mental

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Health. It's a pleasure to be here. And a pleasure
to talk about the road map which is an effort to
try to establish a strategic direction for reaching
all New Yorkers and really having a public health
strategy for mental health that thinks citywide.
The steps to date is really to look at evidence,
look at data about where we're at in New York City
in terms of the burden and impact and costs the
mental illness has as well as to really sound out
ideas about what such a strategy could like. We've
completed two dozen feedback groups throughout the
city with varying stakeholders ranging from faith
leaders to providers and not only mental health
providers but primary care and other health
providers as well as a whole range of community
based organizations that are not in the mental
health business but see mental health in their
buildings and in their programs every day after,
after school youth activities, job training centers
and programs, community development advocates. So
we really have a, a full sense of, of how the
multiple parts of the puzzle that really have to
fit together for public health strategy for mental
health can and, and... So we hope to have this

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document ready by the fall and look forward to
sharing it and more importantly acting on it.

CO-CHAIRPERSON COHEN: Switching to
Naloxone. Could you talk a little bit about what,
what is the total budget for the distribution of
Naloxone? And, and subsequently Bifenthrin.

DOCTOR MARRY BASSETT: I just know the
total amounts that have been added which you sited
correctly in your testimony. But as you know we've
been distributing Naloxone since 2006. Last year we
distributed 10 thousand kits, each of which
contains two does. So we have had budget
expenditure to, to support both Naloxone and
Bifenthrin but I don't have those numbers in front
of me. Doctor Belkin.

GARY BELKIN: I don't have them in front
of me either but we can get those to you.

DOCTOR MARRY BASSETT: Sandy has them.
Hold on.

GARY BELKIN: Ah Sandy.

SANDY ROZZA: So for... it's 1.2 million
and for Naloxone sorry Naloxone is 750 thousand for
fiscal year '16.

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DOCTOR MARRY BASSETT: Was that your
question? Those... [cross-talk]

CO-CHAIRPERSON COHEN: ...that's...

DOCTOR MARRY BASSETT: That's what we've
added to the budget. I thought you were saying...

CO-CHAIRPERSON COHEN: That's what I'd
like to know is what the total budget...

DOCTOR MARRY BASSETT: ...what the total
is. That is the total for fiscal '16.

CO-CHAIRPERSON COHEN: Seven, 750
thousand dollars. So that's not an increase, that's
the same as was in FY '15.

DOCTOR MARRY BASSETT: These are really
important issues to me and when we have additional
funding I have allocated one time funding to ensure
that we were able to meet this public health need.
So this is an important step in baselining it in
our budget. And I will continue to, to move money
when I'm able to support public health priorities
but this is, this is our baseline budget.

CO-CHAIRPERSON COHEN: I appreciate... Now
I, I understand your answer. In term, what, do we
know what the cost of the Naloxone kits are?

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DOCTOR MARRY BASSETT: ...it's 50 dollars
a, a kit. Although the price, it's, has now gone up
to 80 dollars.

CO-CHAIRPERSON COHEN: 80. There was a,
an article in the Times about a negotiation that
took place with the... Foundation. I wonder if there
is, which would allow municipalities to buy it at a
reduced cost. I don't know if that's the 80 dollars
reflects that or maybe that's something that we
should definitely look into. I have the... [cross-
talk]

DOCTOR MARRY BASSETT: Sounds like it.

CO-CHAIRPERSON COHEN: ...Times article
so...

UNKNOWN MALE: ...it's my understand this
involves a rebate that we could work with the
manufacturer. It cuts the cost somewhat but not,
not markedly.

CO-CHAIRPERSON COHEN: Okay. You know
actually community board at the end of the month is
having a forum on synthetic marijuana. I don't know
what the, actually what the legal status is of
these products. I mean apparently according to

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people in the community they're being bought at
bodegas and, and...

DOCTOR MARRY BASSETT: That's a
violation. They are not legal. And we have issued a
commissioner's order and to strengthen our hand in
removing these products from stores. So we would
love your help in asking your constituency to call
3-1-1 and report when they see these products in
stores so that we know about it. They are not legal
products.

CO-CHAIRPERSON COHEN: Is there any... I
don't know how the coordination works but with NYPD
for instance you know if you have stores selling to
minors ultimately NYPD might get involved. Is, is
there any coordination between... [cross-talk]

DOCTOR MARRY BASSETT: We are in
conversations.

CO-CHAIRPERSON COHEN: Excellent. You
know what I, I also, I took a visit to New York
Presbyterian to the Ebola ward and, and, and, I
did. Up, it's, very northern Manhattan. There were
no Ebola patients there.

DOCTOR MARRY BASSETT: I hope I would
know about that.

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CO-CHAIRPERSON COHEN: Yes. But I have
to say I was a little concerned about... I mean we
have a, it seems like a very finite capacity in the
event... you know and although there's seems to be
very good news on the Ebola front globally there's
been good news in the past and it is, you know it
has returned. I'm curious to what we think of the
capacity, if we think that we, you know we need to
do more on this front, where we're at in terms of
capacity.

DOCTOR MARRY BASSETT: Well we have
several designated Ebola treatment centers in New
York City the, they include voluntary hospitals as
well as you know I'm sure from Doctor Raju the, the
Bellevue hospital center which is the only center
in New York that has actually looked after a
patient with Ebola. And also the North shore Long
Island Jewish has a, a capacity. So in addition to
that at the federal level and emery and in, is it
Nevada, Nebraska... I'm displaying a New Yorker's
problem with geography the, there are, are
designated treatment centers. So we believe that we
have capacity but the, and that the likelihood that
there would be a large number of cases is very low.

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The state has taken the lead on sort of organizing
this capacity and their additional designated
centers around the state.

CO-CHAIRPERSON COHEN: Lastly Council
Member Johnson and I both raised the, our concerns
around baselined initiatives. I know that we've had
some discussions but I really am very concerned on
the impact that this is going to have on a lot of
small service providers, particularly in light of
the, the pace of the release of the RFPs that you
know I really don't anticipate a lot of contracts
being awarded until after adoption which really
presents a challenge to figure out how we're going
to you know fund organizations that perhaps the
council particularly believes in.

DOCTOR MARRY BASSETT: Your, your, your,
your concern is based on the gap that we anticipate
and which we have notified current contractors to
expect already that the start date is expected to
be for many of the contracts September 1st. This
isn't true of some of our contracts. The HIV
contracts, the RFP was released in March. Those are
expected to, those will be starting on July 1st so
there will be no gap. The nurse family partnership

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contracts there will be no gap. And, but for many
of the contracts they, the RFP, RFPs are being
released this month. We have every expectation that
we will be able to select them and notify them for
a September 1st start date but that does leave a
gap in, in July and August. We, our hands are sort
of tied by our procurement rules. We had a very
large number of initiatives, 18, that we needed to
identify a mechanism for when these funds were
baselined and after the negotiated acquisition
extension was over which covered the first year. We
opted to go with a master contractor which I'm
confident was a more efficient way. That contract
has been registered although it was meant to start
in March. It was registered just a week ago. But it
is registered and we, you know are thinking of ways
to help contractors. We'd like to have that
conversation with you. We understand that, that
there's, that this gap exists. This is the only
time it will happen. We have made this transition
to the RFP process and we don't ever expect to have
this sort of delay again.

CO-CHAIRPERSON COHEN: I appreciate
that. And I'm not really in a position to argue

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that this might not be a better way one way or the
other. Do you have any idea though what the total
reduction in contracts is going to be versus the
baselined initiatives?

DOCTOR MARRY BASSETT: Those numbers
definitely exist. They will be reduced. I would
have to either ask, there will be fewer contracts.
But I'll have to, I'll have to get back to you.
The, we've written much of our contract language in
the RFP rather to encourage people to form
alliances and enter their bids with, as groups so
that smaller contractors will become part of the
application of larger, larger groups.

CO-CHAIRPERSON COHEN: ...from the
council's perspective though we don't know how
effective that's going to be and we, again we won't
know until after adoption. I mean we...

DOCTOR MARRY BASSETT: ...right. And we
won't... Yeah, well in any case we, we won't know
who, who is awarded the contract until the RFP
process is completed you are correct.

CO-CHAIRPERSON COHEN: Yeah. Perhaps
this partnership concept will work great and most

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organizations will partner and things will go, but
we won't know is...

DOCTOR MARRY BASSETT: On some of the
large contracts where there were many many partners
we have indicated numbers of allowable partners for
applicants that would enable them to include
everybody in their application. Some of the
communities of color, HIV grants for example. So we
are seeking to address these concerns. I feel,
although I did point it out at our preliminary
hearing that I should point out again that there
are some advantages to this process. Any of us who
live through the process of annual designations in
establishing contracts know that often
organizations didn't receive their money until late
in the fiscal year. That problem will be addressed
by the fact that we can now offer multi-year
contracts. And, so there will be more stable
funding streams for more years as an option. And
that is an advantage.

CO-CHAIRPERSON COHEN: I think that
we're aware of that. We don't disagree with that.
It, it's, again I think at the moment there's just
some concerns about the, the transition is just not

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going to be smooth, that there's going to be a,
it's going to be a lot of bumps. If I could ask you
just one more about DOHMH's commitment to housing
under New York New York three. So I think there is
2.16 million additional funds?

SANDY ROZZA: That was, that was
actually a technical adjustment. It was, a few
years OMB took the budget down. And now they
realize that we needed the money back. So it's just
been added back. It's no new, it's not to cover new
initiatives.

CO-CHAIRPERSON COHEN: It's not new
initiatives but you didn't get the money last year.

SANDY ROZZA: No we got it. It's
starting '16.

CO-CHAIRPERSON COHEN: But you are
getting the money?

SANDY ROZZA: Yes.

DOCTOR MARRY BASSETT: We are getting
it. I mean I... the New York New York three is not
New York New York three it's New York New York four
where the number of units that the governor was
proposed and stuck by is 5,000 statewide. We had a
New York New York three 9,000 citywide and the

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agency was responsible for something short of
4,000. I believe the actual number was 3,850 units
in providing case management and other supportive
services. So the real problem is the, that we are
facing a reduction in, in supportive housing in the
future.

CO-CHAIRPERSON COHEN: And, and I
obviously in light of the court settlement that
we're, we need more. I appreciate your testimony.
Thank you Commissioner.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Cohen. I, we were, you alluded to in your
opening testimony but I wanted to ask about the
approximate 50 new hires that you have for pest
control on our rat issue.

DOCTOR MARRY BASSETT: Yes.

CHAIRPERSON FERRERAS-COPELAND: In prior
administrations the DC 30, the union component, the
DC 37 members that would provide that service were
severely cut. So are you looking to rehire these
experts already in the field or are you looking to
contract out?

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DOCTOR MARRY BASSETT: These are
headcount. So we will, we, we are in the position
to hire...

CHAIRPERSON FERRERAS-COPELAND: Can you
go, will you commit to hiring those members that
had the experience which were the DC37 members that
were doing those...

DOCTOR MARRY BASSETT: Let me ask Deputy
Commissioner Kass who, with whom you've already
spoken...

CHAIRPERSON FERRERAS-COPELAND: Thank
you.

DOCTOR MARRY BASSETT: ...it makes sense
to me.

CHAIRPERSON FERRERAS-COPELAND: It makes
sense right? Yes.

DANIEL KASS: Well in the past the
majority of affected staff by the previous budget
reductions were in a title called CBCs... these were
the people who basically did lot cleaning. There
were some administrative titles as well that were
laid off for...

CHAIRPERSON FERRERAS-COPELAND: I'm
sorry can you say that again? I...

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DANIEL KASS: ...the principal position
affected by previous layoffs were, were people who
cleaned lots. They were, it was a laborer title.
This initiative involves the hiring principally of,
of exterminators, sanitarians, and research
scientists. So it's a different initiative than is,
than, than lot cleaning. It involves quite a degree
of assessment application of bate which requires a
state license to be able to do and community
engagement. There are some CPCAs. There are some
people who may hold an exterminator license and
they would be eligible for hiring under this but
it's a, but it is really a, it's a different kind
of job and it's a different job title.

CHAIRPERSON FERRERAS-COPELAND: But if
we are able to get any of these staffers that
already have that experience maybe about, I don't
know how long it takes to get them licensed and is
that something that you would be able... as long as
they have the appropriate licensing...

DANIEL KASS: Yeah for the exterminate...
[cross-talk] that, that would be the case.

CHAIRPERSON FERRERAS-COPELAND: Okay.

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DANIEL KASS: So long as you know
subject to civil service rules.

CHAIRPERSON FERRERAS-COPELAND: And can,
do you have the list of the neighborhood's provide,
can you provide the list to the council? Is this
blocks or perimeters when we talk about these areas
where you're going to be affecting for example
Jackson Height Area 2, 34th Avenue, 91st Street, 37th
Avenue, 88th Street... that...

DOCTOR MARRY BASSETT: ...list of the
perspective areas. There are some 50 of them around
the city that are, noted to be candidates for the
extended initiative.

CHAIRPERSON FERRERAS-COPELAND: Is there
like a priority or... How does that work?

DANIEL KASS: So we, we have a list of
what we refer to as candidate sites for these
reservoirs. And the purpose of identifying a
candidate site is to enable us to do a deeper, a
deeper assessment. A reservoir is essentially a, an
area of land that really is responsible for a
maintenance of a population of Rats that we'll
repopulate private property in an area even when
private property owners do a, do a reasonable job

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of trying to eradicate them and bait them. So we
will... sorry go ahead.

CHAIRPERSON FERRERAS-COPELAND: So can
you just, I just want to better understand because
like 34th Avenue, 91st Street, and 37th Avenue and
88th Street are both areas with 100 percent
buildings and there's really no vacant lots. I, I
you know grew up in the area so I'm familiar with
it. So are, when you give us the list is this by
area or a specific corner or what does that mean?

DANIEL KASS: So these are, these are
areas and they're candidate areas. I'm not going, I
can't say to you that there is in fact a verified
reservoir of rats in you know in that Jackson..
[cross-talk]

CHAIRPERSON FERRERAS-COPELAND: On that
corner.

DANIEL KASS: ...Heights area at that...

CHAIRPERSON FERRERAS-COPELAND: Right.

DANIEL KASS: ...corner. But there is
sufficient evidence to suggest that despite efforts
by property owners to eradicate them they have been
not highly successful and we continue to receive
complaints and our own inspection data suggests

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that they're present. And so we will look for
whether there's a reservoir and if we're able to
identify it whether it's a sewer, whether it's a,
a, a street median, whether it's beneath sidewalks
that are compromised we will then address it...

[cross-talk]

CHAIRPERSON FERRERAS-COPELAND: So I'm...

DANIEL KASS: ...and if not we will move
to a different site.

CHAIRPERSON FERRERAS-COPELAND: I'm
sorry I'm, I'm not trying to become an expert on
rat extermination today but just so that I
understand when you've identified this corner does
that mean you look in the radius of what or do you
go specifically to that corner or...

DOCTOR MARRY BASSETT: My understanding
maybe since I'm more of a lay person than Deputy
Commissioner Cass in this area is that the notion
of a rat reservoir is that it's a larger area than
a single building, that it represents sort of an
iconology of the rat colonies in an area often
including public space like parks, road medians,
sewers, subways, as well as buildings. But it's a
large area. It's based on the idea that you can't

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just get rid of rats in a single building in, when
there is a established rat reservoir in, involves
the whole area. And that instead you have to tackle
the whole, the whole kind of ecology of rats in
that area. So they, so that it wouldn't be a
corner. It would be a larger area than that. For
example it was explained to me that the lower east
side as a, as a very large geography is, fits the
criteria of a rat reservoir some of it involving
the subway system.

CHAIRPERSON FERRERAS-COPELAND: Okay
thank you. We will now open our questions to our
colleagues. We have Council Member Rodriguez
followed by Council Member Rosenthal followed by
Council Member Vallone.

COUNCIL MEMBER RODRIGUEZ: Thank you
Commissioner. It is always a honor to have you hear
and to have you as my constituency also and your...
lucky to have great leader that know our community.
The first day of the budget hearing OMB Director
share with us that 46 percent of New Yorkers leave
on poverty. Can we say that the larger percentage
of New Yorkers that suffer from diabetes, and
obesity belong to those 46 percent?

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DOCTOR MARRY BASSETT: Yes.

COUNCIL MEMBER RODRIGUEZ: What are we
going to do? How are we, is this budget that, is
this budget that we are as a city providing to you
with having no resources. And of course we always
ask for more but to address those particular health
issue when it comes to obesity and, and diabetes
plus ask by another... so that we can give a hope to
those percent that our problem, those 46 percent
that they can have some hope that we are there to
do more preventive.

DOCTOR MARRY BASSETT: Well thank you
Council Member Rodriguez. This is a very broad
question that you've asked. And I, I guess I would
preface my response as health commissioner with a
comment really as a New Yorker that the fact that
we are in an administration and have a city council
that is committed to improving the lives of, of the
working poor and the city and addressing the issues
of poverty, tackling complex and longstanding
issues of... regarding the need for affordable
housing. They need to address low wage labor. The
need to make sure that early childhood puts all New
Yorkers on a good path to a healthy adult life in

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the broadest sense. It really give me confidence as
health commissioner that we're working in a context
that's good for public health. So I, the, the
issues that you raise about poverty are obviously
very broad and, and not limited to the, the problem
of poor health but there's no doubt that low income
increases the likelihood that people will have poor
health. I also have to believe as health
commissioner that we can improve peoples' health
without addressing or eliminating poverty.

COUNCIL MEMBER RODRIGUEZ: And can, can
we also...

DOCTOR MARRY BASSETT: The... and so we as
an agency as you know we have identified areas of
the city where we established 10 years ago district
public health offices and where we now are seeking
to bolster our presidents the district health
centers which were largely underutilized and use as
back office space and bringing more services to
communities that have the highest disease burden.

COUNCIL MEMBER RODRIGUEZ: Great. And...
as I mentioned in the last hearing we have I hope
that we can continue working together and look at
the local level to the building 600 ways, 168

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street that belong to the city, that Columbia have
been using for decades.

DOCTOR MARRY BASSETT: That's correct.

COUNCIL MEMBER RODRIGUEZ: But I believe
that as you also been creating the... in, and I think
that that building is perfect location and I hope
that we as a city can provide the resources you
need so that those floor that they are aimed to
right now should be used to provide those services
because as I believe and we agree that you know
when it comes to obesity that's going to affect
everyone across the line especially the working
class. And therefore it, you know my... loves the
debate because my... presence she would say that you
know god select the day when we going to die but
the daughter show that that's a different story.
That if we are proud of those 46 percent that
percent is a people they die younger than those
that have the health, the best... health insurance.
So I... [cross-talk]

DOCTOR MARRY BASSETT: ...this is true. I
mean and we have areas in our city what half of the
doubts that occur would not occur if they had the

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same mortality rates as our wealthiest

neighborhoods, half of the deaths... [cross-talk]

COUNCIL MEMBER RODRIGUEZ: In our

district... and you know my district you know the big

heart and I know that you want to do whatever you

can but let me give you this data. Are those in

Washington Height are more like to have diabetes

than Manhattan adults? One data... second access to

mental health care centers is very low to for

children, for kid, kid has to be waiting three

months to see a doctor after they are referred to

receive any mental health issue. So when someone

has to be waiting a so long, a long, so, a long

period of time you know the possibility that

whatever it was the initial cause for that person

to see a doctor increased to a higher risk. A, a...

situation you know will increase the possibility

that that person will die younger than other. Like

I want to end with this story. I been working the

last couple of day with someone. His two kidneys

are not working. His sister can't... in one of, and

her kidney is, she can't donate his kidney to him.

For months he got no being able to get the services

because he receive 15 hundred dollars every, every

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month of his SSI. And we, in this great city we are
putting that person in risk to life because we are
not able to say here you have the person that will
donate a kidney. Here we can provide a doctor that
they will do the transplant instead he doesn't know
if he will die or not.

DOCTOR MARRY BASSETT: I, I don't know
if that was a question or a comment but I would say
that we have to acknowledge that we've made
enormous advances in public health. The life
expectancy in the city is higher than it's ever
been. But the story often in public health is that
we've made progress but not enough. And I think
you've been identifying some of the challenges that
we continue to face. We have a lot of work to do.

COUNCIL MEMBER RODRIGUEZ: ...thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Rodriguez. We will now hear from
Council Member Rosenthal followed by Council Member
Vallone.

COUNCIL MEMBER ROSENTHAL: Thank you
Chairs and thank you Commissioner for your
testimony today and your good work as commissioner
of DOHMH. It's, it's actually one of my favorite

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agencies, not that people have favorites but it's
one of my favorites. I want to ask you three
questions. First of all are, and I've been getting
the run around about this question... your
participation in the media campaign around Vision
Zero. It's my understanding that DOT is playing the
main role but that you, your, someone from your
agency sits in on these meetings. I have been
vocally disappointed about the, their media
campaign. I think it's insufficient. I don't think
it takes a public health approach. I think that the
public health component could, could strengthen our
Vision Zero message. And I just wanted to let you
know what can I do to help you get engaged in this
besides my complaining about it on a regular basis
to DOT including at my town hall publically.

DOCTOR MARRY BASSETT: Thank you for
that question. The key role that our agency has
been playing in Vision Zero has been providing
data... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Yeah...

DOCTOR MARRY BASSETT: ...and that is
actually I, I don't, I would love to take a moment
to convey to the committee how important that role

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is that we play for the city. Many of the comments
that Council Member Rodriguez has just made are,
are based on an understanding of our data. So it's,
although it never seems very exciting our
surveillance work is very important and that's been
the main thing that we've brought with us.

COUNCIL MEMBER ROSENTHAL: Right

Commissioner I agree with you a thousand percent. I
have a Masters in public health so of course. You
need to be more actively engaged in the media
campaign. Their media campaign does not capture the
public health component of Vision Zero. And it's,
it's remarkable to me. I'm addressing it to the
wrong person. I have two really important contracts
questions but...

DOCTOR MARRY BASSETT: Okay well then
you should go ahead. But I, and I've been warned in
previous hearings that I'm not the one who should
ask questions at these hearings but I would be
interested in what your, in what you would view as
a, as a more of a public health approach.

COUNCIL MEMBER ROSENTHAL: Sure.

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DOCTOR MARRY BASSETT: Certainly I would
view some of the infrastructure strategies that
have been used... [cross-talk]

COUNCIL MEMBER ROSENTHAL: This is the
media.

DOCTOR MARRY BASSETT: ...are ones that
try and keep people from high risk intersections.
And that has been definitely undertaken by the
Department of Transportation so...

COUNCIL MEMBER ROSENTHAL: Okay we can
follow-up on this...

DOCTOR MARRY BASSETT: Okay.

COUNCIL MEMBER ROSENTHAL: ...offline. On
your contracts as you know Mayor de Blasio put in
additional funds in the miscellaneous budget for
contract workers to get colas of 2.5 percent and
increases in salary to make sure they earn at least
11.50 an hour. I'm assuming that your agency as all
the other agencies did submitted information to the
Mayor's Office about the number of full time and
part time contract workers you have and what their
salary ranges are. Can you provide that information
to the committee?

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DOCTOR MARRY BASSETT: Well I would
assume that we've done that because we endeavor to
follow...

COUNCIL MEMBER ROSENTHAL: Yes.

DOCTOR MARRY BASSETT: ...all rules. Let
me ask... Beyond that...

COUNCIL MEMBER ROSENTHAL: Sure.

DOCTOR MARRY BASSETT: ...I don't...

COUNCIL MEMBER ROSENTHAL: Commissioner
Banks has already agreed to provide us with that
information.

DOCTOR MARRY BASSETT: You, you want to
actually see the information?

COUNCIL MEMBER ROSENTHAL: Yeah... [cross-
talk]

DOCTOR MARRY BASSETT: ...oh I see. Okay
well we certainly can't give it to you at this
moment but I would be happy...

COUNCIL MEMBER ROSENTHAL: Great.

DOCTOR MARRY BASSETT: ...to follow-up
with you.

COUNCIL MEMBER ROSENTHAL: Secondly in
the budget I noticed that you're looking to achieve
something around 6.5 million in budget savings

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from, through your contract budget, through your
contract budget.

DOCTOR MARRY BASSETT: Yes.

COUNCIL MEMBER ROSENTHAL: Seems to be
in disease control, savings from new RFPs. Some of
the stuff is bringing it in house which is always
terrific. But I'm wondering how you're able to do
that without admonishment in services unless you're
underfunding the contracts. I don't know.

DOCTOR MARRY BASSETT: Well I can assure
you that we, and we will have no reductions in
services. The Division of Disease Control is a very
large division and has a budget of some 300
million. And the, and so there are multiple ways
that we're finding service, finding savings. Some
of them are by reducing our consultancy contracts.
Some of them are by shifting expenses to other
funding streams, streams that, funding streams that
come from the state or...

COUNCIL MEMBER ROSENTHAL: Yep, I see
that.

DOCTOR MARRY BASSETT: ...federal
services, some of them by bringing things in house.
So accreting all of those we, we come up to those

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savings. So the actual percent that that represents
of our budget is relatively small.

COUNCIL MEMBER ROSENTHAL: Of course.

But it's still you know...

DOCTOR MARRY BASSETT: It's real money,
yes.

COUNCIL MEMBER ROSENTHAL: ...my last
question because I'm out of time.

DOCTOR MARRY BASSETT: Okay.

COUNCIL MEMBER ROSENTHAL: Do you have
an... or a contracts person who I could work with to
understand better these proposed savings?

DOCTOR MARRY BASSETT: Sure the, you're
looking at the person right now.

COUNCIL MEMBER ROSENTHAL: Awesome.
Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Rosenthal. We'll have Council
Member Vallone.

COUNCIL MEMBER VALLONE: Thank you Madam
Chair. And just a couple of quick questions before
we get to the literal elephant in the room slash
cat and dog. But thank you for your testimony on
that. The Zedroga Act funding. I see there is over

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two million then. And that's the ten percent that
the city has to put in as a result of the federal
Zedroga Act correct? So is, is there plans to
continue that? I mean we've been very verbal, I
have as well as the council members, to go on
congress to reauthorize an... [cross-talk]

DOCTOR MARRY BASSETT: This is, the
federal level funding... as far as I'm aware we are,
we are well placed to continue that. But we
definitely appreciate your advocacy and this is a
federal funding stream.

COUNCIL MEMBER VALLONE: Great. That,
that's wonderful to hear. And I also like the
extension to the face space, faith based
initiatives. I think we're reaching out to partners
that are helping the city deal with these different
crisis. Can you just so I know because it's an
exciting element to the, to the, this year's budget
how that will be, how that will work, how that's
going to be outlined to those groups. And is that
something we can expand or look to grow?

DOCTOR MARRY BASSETT: ...faith based
initiative is housed within the center for health
equity and it builds on work that over the years

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has focused principally on obesity and lack, access
to physical activity and healthy food but can be
used for you know the, this is a, and in, an
important sector that can be used to address all,
all kinds of, of public health issues. We for
example turn to the faith based community to try
and ensure that we were reaching people
appropriately to talk about Ebola risk and reaching
out to the Muslim community of this city because in
some of the countries where Ebola was, had taken
hold had a large Muslim population that we could
reach through, through talking to mosques. So the,
this is an initiative that will work with this
enduring established trusted community institutions
including churches, mosques, synagogues, on a whole
range of public health issues. I have joining me
here at the table Doctor Aletha Maybank who is the
Director of the Center for Health Equity and I'd
like to invite her to add more to that if she'd
like.

COUNCIL MEMBER VALLONE: Thank you.

DOCTOR ALETHA MAYBANK: Sure. My name's
Doctor Aletha Maybank and thank you for being here
for today. So the additional part to what Doctor

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Bassett has said is that we really want to provide
an infrastructure that we're able to reach out to
so the staffing that we'll be hiring to achieve
expanding the office of faith based initiative work
will be working on a borough wide level in three of
the boroughs right now initially and to really to
build up our interfaith work groups so that we have
some level of being able to help align and support
some of the programs that are coming out of DOHMH
as well as other city agencies and our different
priority areas as she mentioned. And then we feel
this is also an opportunity to help start to have
work groups engage in our neighborhood planning
processes as relates to our neighborhood health
hubs and some of the other city agency work that's
going to be happening as well.

COUNCIL MEMBER VALLONE: So I look
forward to hearing more of that in future hearings.
But that's exciting it's in the budget. And, and
quick commissioner is there, I know there was talk
about adding money back in for the Samaritan
suicide hotline. Did that get picked back up?

DOCTOR MARRY BASSETT: Yes it did.

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COUNCIL MEMBER VALLONE: I, I've seen
that in action and the, the services they provide
to the DOE and all the staff is, is wonderful. I,
if you saw me literally jumping out of my chair
with happiness it was because of your exact
sentence that was quote there's a commitment by the
administration to full service shelters in every
borough. And that is something we've been clearly
fighting for to have that commitment. So we thank
you for that and we thank you for the allocation of
the 1.2 million to start the process of looking.
However right I have over 40 council members who
have signed on to Council Member Johnson's bill and
I about making sure that that dream becomes a
reality. I mean we've had court orders. We've had
agreements. We've had stipulations. We've had
funding. And now we're back to I guess committing
to look for a location. I think... until we hear that
there's capital money in the budget for Queens and
for the Bronx. Then the fight's going to continue.
So I think this is a great first step. But are, are
we at the point where the, the administration and
the agency is willing to take that step yet?

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DOCTOR MARRY BASSETT: We had, I, a
number of questions from the finance chair about
what this, the money in the budget for this current
year would be used for and we've agreed to talk
more with her about that. But I think that it would
appropriate for me to explain, that we need to
figure out what this means to commit to these
shelters what the, what the service component
should be, what the size should be, and then all
that kind of planning has to occur in advance to
figuring out what kind of land requirements there
would be and what an important part of this also is
navigating the community response and ensuring that
we have community support for siting these
shelters. So there are many components to this as,
as I understand it because I have only, I've only
seen funding go to existing shelters to upgrade
them which has been going very well as I'm sure
you've heard from...

COUNCIL MEMBER VALLONE: We thank you
for that also.

DOCTOR MARRY BASSETT: But the, but this
is a, a long process and one that we really need to
get right so that it doesn't stumble and that we

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succeed in, in bringing these services to, to these
boroughs in a way that takes into account the whole
service package of the city. And it's... [cross-talk]

COUNCIL MEMBER VALLONE: No we, we
agree... [cross-talk]

DOCTOR MARRY BASSETT: ...uses, uses the
dollars in a smart way. Yeah. So this is not a
cookie cutter project... [cross-talk]

COUNCIL MEMBER VALLONE: No it's, and we
don't want a cookie cutter but we also don't want
a, a recession to hit us next year or in the
following year and then all of these wonderful
initiatives don't get done. So I'd, I would rather
see the commitment while we grow these ideas
because that's what we're going to fight for. I
mean we all fight for different things and I think
it's a basic right, a necessity that every borough
have this. And I think we should allocate for it
while we grow the idea and work with, with you and
ACC in all of our friends in this, this vision to
see to have this done. I think there's some great
steps being taken, I think ACC has done an amazing
job to bring down the numbers. This educational
component is key right to people dropping off the

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animals. All of that is something we want to see

incorporated in these new centers and I think

there's room for negotiation to how we can do it

when it's phased in borough by borough services I

think we can make it happen. So we want to make

sure that we work with you to make that happen.

Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Vallone. Commissioner I wish you
could help us resolve this allergy season as we're
all trying to sneeze as quietly as possible making
it very difficult. I have some second round
questions but because of time I'm going to just
forward that to them, to you in... [cross-talk]

DOCTOR MARRY BASSETT: Thank you.

CHAIRPERSON FERRERAS-COPELAND: And I
know that commission, Chair Johnson has some
questions for follow-up.

CO-CHAIRPERSON JOHNSON: I'll try to
rifle through these because I know that you have to
go. But I just want to reiterate Council Member
Cohen's point and I guess there may be some
disagreement on this with regard to the baselining
versus non baselining. I mean there are serious

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consequences here for many of these organizations.

One instance that I can give you is related to the
NYU dental van which had served at least two foster
care agencies, Good Shepherd and Forest Dale and
other children across the city. The council funded
it each year. Primarily went to low income children
in neighborhoods where there was not enough dental
services taking place. That money as part of the
baselining was extended to DOE for community
schools. That's a big difference. That is not the
purpose of what the funds had been for many years.
I can go through the list and give you many many
more instances. I, I think there are disadvantages
to the master contract because there are plenty of
groups that are going to be left out. I think that
the concept papers were not written in consultation
in the best way with the council after we had been
funding things for years and years and years with a
specific purpose and all of a sudden the concept
papers come out and the RFP comes out and you have
plenty of organizations that don't even qualify
based on the RFP that's released. So I think the
process wasn't done... if it had to happen it wasn't
done in the most collaborative way to understand

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how we do no harm to some of these groups that have
been doing good work. Because I think there's going
to be harm done if we don't come up with some type
of fix to these organizations. So I would love to
try to figure out again I'll go back to I am happy
to advocate for more money to be able to go to
these community groups that have been doing this
work for many many years so that the council maybe
picks them up again in another initiative to cover
the groups that may not qualify for the RFP so
they're not harmed. But I think that there are real
downsides. I understand the up sides of baselining
but there are downsides as well. And I think many
many council members are really worried about the
significant impact this is going to have on
community based organizations that have done
fantastic work sometimes work that the city hasn't
been able to do in certain neighborhoods for years.

DOCTOR MARRY BASSETT: Thank you. I'm
not sure that I, did you want me to address those
point by point or... [cross-talk]

CO-CHAIRPERSON JOHNSON: I mean I just,
I, I would love to...

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DOCTOR MARRY BASSETT: ...Mr. Chair that
we, 80 percent of the funds will continue to go to
the areas that they have previously gone to. We are
for example the NYU dental plan serviced about 15
hundred children. That's very important. But we are
interested in taking a public health approach to
improving dental care and our schools remain an, a
very important channel through which to do that
work. And I think that we always in public health
seek to do the most good for the most people. So I
want to assure you that we remain committed to the
oral health of children. This is something which
many people have insurance plans that don't
adequately cover and which is a felt need of many
poor communities or health, mental health are in
particular areas in which people find both problems
in paying for and problems in accessing affordable
care and we remain committed to those. The chair
Cohen raised the problem of the gap and I've
acknowledged that the, we expect for many of these
are awards that the start date will be September
1st although the HIV grants where the RFP came out
in March will start on July 1st. And if people
start on July 1st but many of them there is this

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gap and we would welcome the opportunity to talk to
you about, we are, been thinking of ways in which
we can help organizations. Of course we won't know
which organizations are selected until the RFP's
process is completed. I wondered if I could just
ask for the permission of the council to let Sandy
Rozza speak to this disparity in numbers that we
are talking about... 52 million, 80 million... how much
was the added amount to our budget. So if I could
give her a moment to clarify this for the
committees.

SANDY ROZZA: Thank you. So the 52
million in the commissioner's testimony refers to
actual new CTL that's coming to the agency. The 80
million that is referenced by council is the net
change from current fiscal year '15... condition to
fiscal year '16. So that 80 million comprised,
made, is made up of new CTL that's coming into the
agency, CTL that's leaving the agency such as
council designations for fiscal year '15. It's not
included in the '16 number. Our intracity's
[phonetic] not all our intracity funding is
baselined and a lot of the grants are not

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baselined. So that's what's the 80 million compared
to the 52 million.

CO-CHAIRPERSON JOHNSON: Thank you. I,
Commissioner I don't mean to beat a dead horse but
this is really important to me so I just, I'm happy
to continue to talk about this you know offline.
But you know I think it's a problem when an
organization like the NYU dental van have been
funded for nearly a decade by the council and all
of a sudden there's not even an RFP. So they're
doing work in neighborhoods, partnering with local
organizations. The council's funded it because we
see it as a priority then there's no RFP. So they
can't even qualify because there's no RFP. I mean
that's problematic when you have a good
organization that as a van they've been using to
serve children across the city. I think that's
problematic. And I think, I think...

CHAIRPERSON FERRERAS-COPELAND: I'm
sorry Chair. I just want to add also that I'm
hoping that in, in the thinking behind the position
papers or your positioning on RFPs that you're not
assuming that the council is going to fund these
things. We have to now go back and revisit all

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these programs. But I would hate for the
administration to ever think that oh the council is
going to fund that so we can do something else with
what we thought was the baseline that would have
continued with the intention of what the original...
you know when, it's a different time now. All the
advocates prior to the de Blasio administration
would always beg to be baselined. Everyone wanted
to be baselined. Now we're figuring out what that
means and half people, half of the people want to
be baselined. Other people want to get out of the
base line. And it's creating this very unsettling
time for us. But I would, you know what we decide,
what the council decides to do with the council's
portion of discretionary fund is a decision at the
discretion of the council. And we would hope that
as you move forward in creating future position
papers or RFPs that you're not assuming that those
things are going to be taken care of.

DOCTOR MARRY BASSETT: No we always hope
to have the opportunity to talk with you about how
you use your discretionary funding, for example
health bucks which is a, a strategy that we have
that allows people to buy, to, to spend five

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dollars, get two dollars in, in Farmer's Markets

with the health bucks is something that we're

always looking for city council designated funds to

help supplement but, so we hope to have that kind

of role... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: Right.

DOCTOR MARRY BASSETT: ...with you. We

don't...

CHAIRPERSON FERRERAS-COPELAND: Right

Commissioner... [cross-talk]

DOCTOR MARRY BASSETT: ...we understand

that this is your... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: ...we're

just asking for the same in return... [cross-talk]

DOCTOR MARRY BASSETT: ...the, we don't,

yes... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: ...while,

while the idea is great and you want us to have a

great working relationship with what to do with our

discretionary dollars which health bucks sounds

like a wonderful program we're saying you need to

engage with us when you're doing your position

papers. So it's not a one way street. It has to be

a two way street. When you're doing these RFPs,

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especially with baseline programming that we

already had identified we're asking for the same in
return.

DOCTOR MARRY BASSETT: With, with
respect these were public papers on which comments
could be made if they, in the future we'll try and
figure out how to get them to you so you don't have
to find them. But they were not in any way done
behind the back of council.

CHAIRPERSON FERRERAS-COPELAND: And, and
I don't want to... And I understand that you have,
there was transparency and it's not done behind our
backs but we would hope that even before you get to
that stage that you're engaging with your partners
in government before you know the same access that
we have as council members, the same access that my
neighbor has who's never been elected. So what
we're saying is that by the right of our position
that we should have a relationship with you before
even it going public is all I am saying.

CO-CHAIRPERSON JOHNSON: And, and I just
want to just end with this, on this issue. You know
there seem to be and, and this is not your fault
commissioner or your staff's.

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DOCTOR MARRY BASSETT: Of course it's my
fault.

CO-CHAIRPERSON JOHNSON: No, no no this
is not, no what I'm about to say is not your... There
was no rhyme or reason to the baseline. It was like
darts were thrown on a wall to pick what got
baselined and what didn't get baselined from the
previous administration. It didn't make any sense.
It was like a random picking of things that the
council was going to pick up again and things that
were base lined. It was a nice parting gift from
the previous administration which now we're dealing
with and we got a one year reprieve from the
comptroller but now we're dealing with the issue
now. So the, the reason why I'm harping on this so
much as is Chair Ferreras and Chair Cohen is we're
afraid it's going to have a detrimental impact on
community based organizations that have been doing
good work, that have been serving people who
otherwise may not get services, may not get chosen
through the master contract or may not have
qualified through the RFP process and we're worried
it's going to have an impact on disparities and
you've talked so much about disparities across the

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city. Many of these groups, HIV and AIDS
communities of color, faith based, infant
mortality, autism, mental health issues... the list
goes on. There's a lot of people that are going to
get affected. So that's the real concern here.

DOCTOR MARRY BASSETT: Right. Well I
suggest that we just, we flag this and we continue
to talk.

CO-CHAIRPERSON JOHNSON: Thank you. So
I'm going to end with this... I just have a question
about, I want to come back to K2, synthetic pot. It
has been a big issue. I'm glad you mentioned it in
your, in your testimony. Boom Health in the Bronx
had talked about some, doing some preventive work
or something around this. What is DOHMH doing right
now on K2 synthetic marijuana with community
organizations? What's the strategy?

DOCTOR MARRY BASSETT: Well one, one of
the things I've already mentioned is that we track
through surveillance which, which is an important
core function of the department and, so we're able
to detect things like what happened in Early April
when there was a real spike in emergency department
visits. After, when we detect these things we

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1 broadcast information about it. We sent out what we
2
3 call a health alert to a network of 14 thousand
4 healthcare providers to alert them that we were
5 seeing this uptick in K2. It was quite localized in
6 the east Harlem community. And then we issued
7 commissioners orders to all of the, to all of the
8 vendors who might where we thought they, to alert
9 them to the fact that this is an illegal product
10 that they should not be selling. So the, so that is
11 how we get the word out. We seek to communicate
12 through media, through our networks and our
13 district public health offices, through our
14 provider networks, and ensure that people are
15 aware. I would urge you to, to get this message out
16 to your constituencies. Many people incorrectly
17 believe that this is some kind of safe herb that
18 seems like marijuana and isn't.

19 CO-CHAIRPERSON JOHNSON: Makes people
20 crazy.

21 DOCTOR MARRY BASSETT: And it does. And
22 it, it can, it's, it's very, it can, it's very
23 dangerous.

24 CO-CHAIRPERSON JOHNSON: Yeah
25 hallucinations...

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DOCTOR MARRY BASSETT: Yes. Yes.

CO-CHAIRPERSON JOHNSON: ...all sorts of
bad stuff.

DOCTOR MARRY BASSETT: All sorts of bad
stuff. I have joining me Assistant Commissioner
Hillary Kunins who may want to add more to this. We
appreciate your interest.

HILLARY KUNINS: Just to... Hi, I'm
Hillary Kunins. I'd just add to what the
commissioner just said. We are also working with
other city agencies as well as state agencies,
Department of Homeless Services, or offices of
alcoholism and substance abuse services to
communicate with a variety of providers staff from
the Health Department has been to the extent that
we have capacity meeting with providers and other
organizations to do this kind of education and in
groups meeting with community boards and so forth
to get the word out and to distribute materials.

CO-CHAIRPERSON JOHNSON: So I have a
site, a BRC shelter on 25th Street where this has
been a humongous problem in the neighborhood and I
would love to talk to you all about what we can do
at that particular location. I just want to follow-

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1 up with the chair... I'm done but there's a lot we
2 didn't get to get to like health hubs, tobacco
3 control, school services around asthma, the catch
4 program at schools, contractual savings, the
5 Zedroga program, young adult programming around
6 mental health, and the newborn home visiting
7 program expansion as well as the breastfeeding
8 hospital collaborative. So there's a lot we didn't
9 get to get to. I would love to have our team send
10 your team the information and it would be helpful,
11 the answer, the questions are, don't seem that
12 difficult, they're pretty straight forward
13 questions, factual. It would be helpful if we could
14 get it back in a timely manner so that we have time
15 while negotiations are going on before adoption to
16 focus on some of these key things.

18 DOCTOR MARRY BASSETT: Certainly. All of
19 these programs that you've mentioned are very
20 exciting programs and we welcome your interest in
21 the opportunity to, to give you any information
22 that you need to, to better understand and advocate
23 for our work. I want to give my thanks to the
24 committee for your interest and your, your
25 commitment to public health. It's a topic that

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often seems more clear in its absence than in its
implementation. And so I am very grateful for the
commitment that you've all shown to our work. It's,
it's a good thing for this city.

CO-CHAIRPERSON JOHNSON: Commissioner I
just want to say thank you. It's a pleasure to work
with you and your team even when we don't always
agree on every single point or even when I push to
get more money for you to do good things. And you
say that you won't send it back... I still have
affection for you and I look forward to working
together and I also want to say that I think you
know you deserve our thanks again both on what
happened with Ebola last fall and your leadership
around that as well as advocating around a host of
issues that have come up with regards to public
health. So I'm going to keep pushing from now until
adoption to get more dollars for these important
issues and I really appreciate our collaboration
together.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Johnson and Chair Cohen. Again this is a
collaborative effort with the entire city council
and we're very excited that you are leading us

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through these efforts. We will be beginning
negotiations and as the chair stated our committee
will be sending you a letter with questions that
were not asked. We ask that you get back to us
expeditiously because we need those details for our
negotiations. Thank you very much. And we're going
to take a five minute break while we correct our
documents here. Thank you for your testimony and we
will be following up. Thank you.

DOCTOR MARRY BASSETT: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Five
minutes. In the mean time we've been joined by
Council Member Eugene, Cornegy, shh..., Garodnick,
and Menchaca.

[pause]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the city council's hearing on the
mayor's executive budget FY2016. In the interest of
time I will forego an opening statement. We just
heard from the Department of Health and mental
hygiene and now the finance and health committees
will hear from Barbara Sampson, the Chief Medical
Examiner. Before we hear from the Chief Medical

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Examiner I will open the mic to my co-chair Council
Member or Chair Johnson.

CO-CHAIRPERSON JOHNSON: Thank you Chair
Ferreras-Copeland. Good afternoon everyone. I'm
Corey Johnson, Chair of the Council's Committee on
Health. This portion of the hearing focuses on the
fiscal 2016 executive budget for the Office of the
Chief Medical Examiner. During our preliminary
budget hearing we heard from OCME about new
forensic operations, the reform of managerial
practices, indicators, and the preliminary mayor's
management report. And the committee would like to
hear on progress on these matters that I just
mentioned and any budgetary concerns associated
with them. In addition the committee would like to
engage OCME on a host of other issues. The
committee also looks forward to hearing on any
updates related to the acquisition of toxicology
equipment, mortuary vehicles, and other adjustments
that may impact OCME's budget. Before I begin I'd
like to thank the committee staff who have worked
diligently in helping coordinate today's hearing;
Crilhien Francisco the committee's finance analyst,
David Seitzer council to the Health Committee,

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Crystal Pond the policy analyst to the Health
Committee, and Louis Cholden-Brown my legislative
Director who are going to be hearing from Doctor
Barbara Sampson the city's chief medical examiner.
But before we turn it over to Doctor Sampson I'd
like to note that we have been joined by Council
Members Garodnick, Cornegy, and Gibson. Oh, and I
didn't see Council Member Mendez and Council Matteo
as well. So before I turn to you Doctor Sampson I
want to congratulate you again on not being acting
chief medical examiner but being chief medical
examiner.

DOCTOR BARBARA SAMPSON: Thank you very
much.

CO-CHAIRPERSON JOHNSON: And I look
forward to hearing your testimony. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair you'll be sworn in by my counsel.

COUNSEL: Do you affirm that your
testimony will be truthful to the best of your
knowledge, information, and belief?

DOCTOR BARBARA SAMPSON: I do.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. You may begin.

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DOCTOR BARBARA SAMPSON: Good afternoon.

I want to thank the chairs of the committees for
holding today's hearing; Chairperson Johnson and
Chairperson Ferreras. I also want to thank the
members of the Committee on Health and Finance for
the opportunity to testify. I am Doctor Barbara
Sampson, the Chief Medical Examiner. Seated to my
right is Dina Maniotis our Executive Deputy
Commissioner for Administration. And to my left is
Frank DePaolo, our assistant commissioner of
operations. And to my far left Florence Hunter our
General Counsel. I would like to start by saying
that I'm very grateful for the strong partnerships
we began with city council while I was acting chief
medical examiner and continue now in my role as the
appointed chief. I commit to continue to build our
relationship and count on your support as I lead my
team to establish the model of an ideal medical
examiner's office; independent, unbiased, immune
from undue influence, and as accurate as humanly
possible. I also want to recognize our deputy mayor
Doctor Lillian Barrios-Paoli for her wisdom,
guidance, and support, and OMB for their considered
funding of our most urgent needs. I'm here today to

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discuss the fiscal year 2016 executive budget for
the Office of Chief Medical Examiner. But first I
would like to update you on key agency initiatives
and progress. As I have previously informed the
health committee I am instituting a number of
changes to optimize operations and ultimately
enhance serve to families in community. By June 1st
2015 all mortuary services including autopsies will
be transferred and distributed between our three
primary centralized locations in Manhattan,
Brooklyn, and Queens. We are one city with one
medical examiner's office. The changes I am
describing today will not only maintain but will
improve forensic services for all the citizens of
New York City. First I want to assure you that
there will be no reduction to OCME service to
communities in Staten Island and the Bronx as a
result of this reorganization. OCME is planning to
maintain offices in the Bronx and in Staten Island.
And in fact relocate these offices to more easily
accessible locations to greatly improve access for
families, identifying their loved ones. Both Staten
Island and the Bronx will have new medical examiner
offices for identification services where families

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will continue to be able to identify their loved
ones through photographs in accordance with our
current practice. To clarify that point 90 percent
of identifications are done by photographs. The
remaining identifications must be done by
scientific methods such as X-rays, fingerprints, or
DNA. Once the identification process has been
completed a small number, less than one percent of
our families wish to see their loved ones remains
while the remains are in the morgue. OCME will
accommodate this by making arrangements for family
members to visit the appropriate facility at no
cost to the family. In addition although most of
the interaction between medical examiners in the
family occurs via telephone. If they wish all
family members in all boroughs will be able to
discuss any unanswered questions about their loved
ones face to face with a medical examiner in a
convenient location. Again at no cost to the
family. Our reorganization does not result in any
reduction of OCME staff and concentrating our
existing mortuary staff in three sites results in a
number of benefits. All medical examiners, their
teams, and the forensic quality specialists will be

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located in one of these three facilities. This will
greatly facilitate our unity of effort with better
coverage, better communication, and greater
consistency throughout the agency. For example
enhanced coverage by consolidating mortuary
personnel will permit us to employ one additional
MET truck, MET stands for medical examiner
transport team throughout the city. This creates
greater capacity to move decedents from healthcare
facilities homes and public spaces. Also the next
generation of New York City medical examiners are
forensic pathology fellows will benefit in their
education and training experience by easier access
to a greater number of outstanding mentors and an
increased variety of forensic cases and improve the
effectiveness of our neuropathology service. Now
I'd like to turn to our laboratory operations. In
2013 we initiated a transformation of the
Department of Forensic Biology. And as I testified
in March the results have been outstanding with
more improvements materializing every week as we
near our goal of a 30 day turnaround time for all
cases. It is with the same intensity and commitment
to the highest level of performance that we are

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embarking on an improvement plan to reinvent the
nation's oldest and most prestigious toxicology
lab. Toxicology testing is a critical component in
the accurate determination of cause and manner of
death by medical examiners providing answers for
both the criminal justice system and for grieving
family members or friends. Specimens are analyzed
for the presence or absence of drugs and their
metabolites and the quantities of each that are
present. Volatile substances such as ethanol,
carbon monoxide and other gasses, and poisons and
other toxic chemicals that may elucidate the cause
and manner of death. In the next 24 months we will
perform a complete analysis of the toxicology
laboratory and restructure the workflow using lean
six sigma business process improvement tools. We
have begun the process to replace outdated
equipment and in the same time period we will
purchase, install, validate, and train
toxicologists with the latest state of the art
scientific instruments. Our goal is to reach a 30
day turnaround time in the toxicology laboratory.
As I said at the start of my testimony OCME aspires
to be as accurate as humanly possible. Our cadre of

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nine forensic quality specialists funded in
November 24, 2015, in November 2014 is now fully
integrated into mortuary operations. They have
established a level of quality control and
professionalism that advances our goal of 100
percent accuracy 100 percent of the time. We have
already hired the two communication staff and are
actively recruiting eight new staff to conduct
destine investigations and two administrators on
duty as funded in the FY '16 preliminary budget
OCME's proposed fiscal year 2016 non-grant budget
is projected at 48.6 million dollars for personnel
and 15.5 million for other than personnel services.
As I have already stated my purpose in instituting
the changes described is to optimize forensic
operations for all people in New York City. The
modest budget efficiencies we have gained are not
the driver for these changes but rather one outcome
of the optimization of operations. For the
executive budget OCME identified efficiencies that
were gained in conjunction with the transfer of
morgue operations from Staten Island and the Bronx.
In so doing approximately 776 thousand dollars in
baseline savings were identified to be fully

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implemented by FY '17. These efficiencies include
639 thousand dollars of annual OTPS savings on
rent, maintenance contracts, and supplies. And 136
thousand dollars of overtime reductions for trades
titles associated with the maintenance reductions
in the outer borough facilities. I'm happy to
answer your questions.

CHAIRPERSON FERRERAS-COPELAND: Thank
you very much. I actually have two focuses and
three questions. But we wanted to talk about
something that we've discussed on several occasions
for several years now and it's the root cause
analysis.

DOCTOR BARBARA SAMPSON: Yes.

CHAIRPERSON FERRERAS-COPELAND: As a
result of miss, the mishandling of DNA kits a few
years ago the council enacted legislation to
require OCME to conduct a root cause analysis
whenever an error or significant event occurs.
You've done an amazing job and I know that it was a
hard time. You came in and it speaks to where you
sit now in, in being able to be official. But if
you can just update the committee on the process
where we are, what has happened, where have you

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seen improvements, or do... seen any challenges since
those first conversations that we had?

DOCTOR BARBARA SAMPSON: Absolutely. So
we have been in full compliance with the
legislation. We have hired a absolutely superb
quality assurance manager who actually comes from
the hospital setting so he has just the background
that we discussed in, in previous hearings that is
so important to assuring quality assurance and
quality control at OCME. He has led five different
are, root cause analysis committees... five separate
significant events, three of them in toxicology and
two in the forensic biology lab. The city council
does have copies of all of those reports.

Internally we have found this process incredibly
helpful. We have identified different areas where
significant improvements were identified that could
be made using the staff and the, the resources that
we currently have, doing things better and smarter.
So I think it's been a very very successful process
for us.

CHAIRPERSON FERRERAS-COPELAND: So can
you walk me through... I know that you said that
there were five... Can you walk me through some, some

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corrective actions that came out of this root cause
analysis?

DOCTOR BARBARA SAMPSON: Sure. The, for
example there was an issue identified in our
toxicology lab where an incorrect report was, an
incorrect result was reported on a toxicology
report. That report never went outside the agency
but it did result in an incorrect report so we did
a full root cause analysis. We stood up the
committee as described in the legislation including
an outside person. We have a, a great collaboration
going with the quality assurance person at New York
University Medical School so she sits, one of her
staff sits as the outside person and we looked very
much in depth at what, what steps could be taken,
why did this happen, asking that the, the multiple
whys and then what corrective actions could be
taken. So we have identified for example that the
need for a second set of eyes to review all the
data that is generated in the toxicology process
and look at that independently and to document
that. So I, things like that just workflow issues
that are relatively easy to, to implement.

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CHAIRPERSON FERRERAS-COPELAND: So is a
second set of eyes just another staffer in, in the...
[cross-talk]

DOCTOR BARBARA SAMPSON: For the
routine. If there is a, a question then a
supervisor is involved.

CHAIRPERSON FERRERAS-COPELAND: Great.
As part of the administration's new citywide saving
program OCME identified 760, 776 thousand in
savings in fiscal and the out years. You mentioned
in your testimony that these are related to the
transfer of morgue operations from Staten Island
and the Bronx why are OCME's efficiencies proposed
in the out years and not in fiscal 2016?

DOCTOR BARBARA SAMPSON: Dina would you
like to answer it?

DINA MANIOTIS: Dina Executive Deputy
Commissioner of Administration and Finance.
Depending on when we are going to implement changes
the actual transfer for example for rent we are not
going to leave our current facilities until we
identify an accessible location for families and
then have that location ready before we move our
identification services there. Therefore though the

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costs will remain we will continue to pay rent
until those locations are found. The same...

CHAIRPERSON FERRERAS-COPELAND: When you
say pay rent you also mean that those, that
facility will remain in use until you find a new
one.

DINA MANIOTIS: Correct.

CHAIRPERSON FERRERAS-COPELAND: Okay.

DINA MANIOTIS: And we will continue to
pay rent. We will also continue to maintain it, to
provide, to pay our electric bills and our utility
bills and so forth. So those costs aren't fully
realized until we are fully into the following
fiscal years.

CHAIRPERSON FERRERAS-COPELAND: Okay.
We've been joined by Council Member Eugene and
Council Member Levine. Chair Johnson.

CO-CHAIRPERSON JOHNSON: Thank you very
much. I want to see if you could... I know you talked
about Doctor Sampson in your testimony but I know
there are members here who are from Staten Island
and the Bronx who are really concerned about this
change and I wanted to see if you could kind of
just address that a little bit more, talk about why

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you don't believe this is going to have an impact
for their constituents and for the residents of
those boroughs.

DOCTOR BARBARA SAMPSON: Of course. My
number one concern when considering this was not to
have any effect on the services to the families.
That is, was my number one goal. Meanwhile we also
needed to gain better control of our operations. As
you well know over the last year we've instituted
numerous changes in our mortuary, in our practices,
in our policies and procedures to ensure 100
percent accuracy 100 percent of the time. So we
spent a lot of effort thinking about different ways
to achieve this. The, the many changes we have made
have brought us very far in that area but the way
to really strengthen our operations is to do what
w, what I ultimately decided to do which is to
transfer the mortuary operations from Staten Island
and the Bronx to our other facilities. There will
be no effect on families coming to identify their
loved ones as I mentioned we are keeping our
facilities exactly where they are for now and are
actively seeking new very easily accessible
locations for, to move our identification functions

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to, as you may be aware our location on the Jacobi
campus and the Seaview campus is not easy, are not
readily accessible by public transportation. So I
see that as an improvement for families. The
transfer of mortuary operations is for us to gain
better operational control of what is going on in
our mortuaries. It is obviously easier to operate
three facilities than it is to operate five
facilities to the same standard of excellence that
I am expecting our, our mortuary to run.

CO-CHAIRPERSON JOHNSON: Okay. I know
there are going to be follow-up questions..

DOCTOR BARBARA SAMPSON: Of course, yes.

CO-CHAIRPERSON JOHNSON: ...on this. The
capital commitment plan included monies for a new
medical examiner facility, medical examiner
facility in the Bronx at Jacobi Medical Center
Campus. And I wanted to understand what the status
on construction was for that facility.

DOCTOR BARBARA SAMPSON: As you well
know the construction of the Bronx Medical, new
medical examiner's office has been under
consideration now for a decade. We got to about 60
percent design. And at, when I became chief medical

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examiner and began looking at all operations
throughout the agency it became very clear to me as
I just said that in order to exert optimal
operational control we needed to reduce the number
of mortuaries that we run. So as I said we are
moving the Bronx mortuary operations to Manhattan
and to Queens. And the Bronx facility in that
scenario is no longer necessary, the new Bronx
facility.

CO-CHAIRPERSON JOHNSON: Is no longer
necessary?

DOCTOR BARBARA SAMPSON: No longer
necessary.

CO-CHAIRPERSON JOHNSON: So what's
happening with the money that was allocated to
that?

DOCTOR BARBARA SAMPSON: The money
remains in the capital budget temporarily.

CO-CHAIRPERSON JOHNSON: How much money
is that?

DOCTOR BARBARA SAMPSON: I believe it
was, I can look at the exact number, approximately
24 million.

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CO-CHAIRPERSON JOHNSON: So was that
going to be used for other capital needs?

DOCTOR BARBARA SAMPSON: It, not by us.
It'll go back to OMB and then be reallocated by the
city to whatever need the city has.

CO-CHAIRPERSON JOHNSON: 24 million
dollars.

DOCTOR BARBARA SAMPSON: It's not... yes
it's not actually ours. I wish it was so that we
could just apply it where we need. It, it goes back
to the city pot.

CO-CHAIRPERSON JOHNSON: That's good
news. We can direct that towards full service
animal shelters in all five boroughs. Okay I'm, I'm
good for now. I know that there are other council
members that have questions.

CHAIRPERSON FERRERAS-COPELAND: Council
Member Matteo.

COUNCIL MEMBER MATTEO: Thank you Madam
Chair. Doctor Sampson you know with all due respect
to your, some of your statements in your testimony
one being we are one city, one medical examiner's
office, and the changes will not only maintain but
will improve forensic services you know

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respectfully and... you know I completely and
adamantly disagree. You know it's another hearing
that I have to sit in where I have to argue that
services on Staten Island shouldn't be relocated,
removed, cut... A lot of the times, more often times
than not this city treats that... this, the city
treats us as a whole is that there are four
boroughs, in this case acting like there's only
three and Staten Island is left out. And to say
that there'll be no effect and improve access of
families that will have to go over the Verrazano
Bridge is a complete falsehood in, in my opinion,
in my constituents' opinion. It took me 45 minutes
today to get to Bradley Avenue to the bridge. I
can't imagine asking families who want to visit the
mortuary and ID a body to ask them to travel
another hour and a half when we have services in
Staten Island that shouldn't be removed. It's, it's
actually insulting to ask a family to do that. The,
you say that there's no public accessibility to sea
view. I disagree we do have bus service. If we want
to talk about bus routes, increasing bus routes on
Staten Island we could have another hearing with
the MTA. But this is, is insulting and it's wrong

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1 to expect families to travel to Brooklyn for this
2 cost savings. This is coming from a fiscal
3 conservative for I'm always looking ways to save
4 money but once again the city's looking to save
5 money on the backs of Staten Island and Staten
6 Island residents and, and that is wrong. You
7 mentioned I think what just 776 thousand? Is that
8 the savings... what's, what's the breakdown for
9 Staten Island?
10

11 DOCTOR BARBARA SAMPSON: The breakdown
12 for Staten Island is 439 thousand.

13 COUNCIL MEMBER MATTTEO: So we're going
14 to save 439 thousand dollars and remove complete
15 services for, for these forensic services on Staten
16 Island. Tell me that's, that's just downright
17 insulting to my constituents. You know about two
18 months ago Councilman Ignizio and I were fighting
19 the NYPD to, to not remove their services off
20 Staten Island, the collision investigation service
21 about a year ago we had a fight to make sure the
22 borough taskforce stayed on Staten Island. My
23 predecessor has been here throughout 15 years
24 fighting for services for Staten Island. And here
25 we are. This is, this is, this is a move that, that

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should not be made especially for 439 thousand
dollars. I have funeral directors who are sent, you
know who are essentially operating small businesses
now. They'll be forced to make all their Staten
Island pickups in Brooklyn again they will have the
added cost of the toll, the traffic, if there's an
error they're going to have to go back to Brooklyn.
We're putting a strain, an emotional strain on
families during what is most likely the worst times
of their life. For 400 and some odd thousand
dollars that tome is, is atrocious and this is why
Staten Islanders still want to talk about
secession. This is, this is wrong. The balance
doesn't make sense. The, the, the savings doesn't
make sense. I'm sure we could find 400 thousand
dollars somewhere else where we're not removing an
essential service on Staten Island. This has to be
you know, this has to be reconsidered, it has to be
reconsidered. The one question I do have to follow
up. I was told that it was closed already, is it
not closed?

DOCTOR BARBARA SAMPSON: Okay so let me
address a, a number of your concerns. First of all
let me just reiterate that cost was not a

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motivator. Budget savings was not a motivator I
this decision. I totally agree with you it's a very
small cost savings. This is about gaining
operational control. As far as families they are my
number one concern. I've been a city medical
examiner for 17 years. I've interacted with
thousands of family members over those years,
grieving family members as you say at the worse
times of their lives. And I would do nothing to
make this time any harder on them that's absolutely
key to the functioning of the medical examiner's
office in this city. We are, we have left our
identification functions which is where the public
interacts with us routinely in Staten Island and in
the Bronx. So there will be no need for any family
to travel over the bridge to Brooklyn to identify
their loved one. In fact families make use of this
all the time. For example a family whose love, who
lives in the Bronx or who say who lives in the
Brooklyn but their loved one dies in Manhattan.
There's no reason for them to go into Manhattan to
make that identification. They can do that
routinely in our Brooklyn office. So we do
everything we can to accommodate families is as I

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said in the very small number of cases where a
family would like to see the remains we will
accommodate that request at no cost to the family.
In fact we did that just this week. You are indeed
correct. The mortuary operations from Staten Island
have already moved to the Brooklyn Office and as I
said the ID function still remains in Staten
Island, in Staten Island. The... you brought up the
point about the longer trip and more expense for
funeral directors and we certainly acknowledge
this. And we are working with the funeral directors
to try to mitigate this. Last week we had a meeting
with the metropolitan funeral directors association
which represents the majority of funeral directors
and we are working with them to look for ways to
mitigate this. For example we will be changing our
time that we do times that we do releases of bodies
to accommodate them depending on traffic patterns
in the city and each, we're open to, to changing
those hours differently in the, our three sites if
that is most expeditious for the funeral directors.
And just yesterday Assistant Commissioner DePaolo
met with a group, a large group of Staten Island
funeral directors listening to their concerns and

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we are working very closely with them to try to
mitigate them as much as possible.

COUNCIL MEMBER MATTEO: Oh I do
appreciate you meeting with them. Obviously there's
concerns. A couple of things to your point and I'll
finish up because I know others have questions. You
know you say... very small number of cases. I've been
in government 10 years. The MTA says that all the
time. That doesn't make it any more right in my
mind. You know I, I believe, I'm not sure this is
the number but whether it's 200 to 250 IDs a year
that's what I have, you know to me even if it's,
even if it's a small fraction of that number on
balance this is the wrong move for Staten Island.
Even if it's based on your, your, your theory that
it's well, based on your opinion that it's based on
operation control. Again I don't agree with it. I
think it's an ill-advised move, an ill-advised
decision and I'm going to work as hard as I can and
I want my colleagues to try and have it, have, have
it changed back. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Matteo. We will have Council
Member Gibson.

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COUNCIL MEMBER GIBSON: Thank you very
much Madam Chair and good afternoon Doctor Sampson
to you and your team. So I represent the Bronx. And
I guess I share Council Member Matteo's concerns as
well. And I just wanted to know is, number one this
is final. Are we still in the phases of discussing
this or has this already been done?

DOCTOR BARBARA SAMPSON: The move for
the Bronx mortuary, again just the mortuary, not
the identification function is scheduled to occur
on June 1st. I, but I am trying to actively engage
all our partners, city council, DA's office, police
department, funeral directors, everyone who
interacts with us to get their feedback about this
and how we can work together to make this work so
that in the citizens of New York are served with
the best forensic service as possible.

COUNCIL MEMBER GIBSON: Right. So I
guess I, my concern is that I would have hoped that
these conversations would have happened much
earlier. I work with many of the funeral directors
in the Bronx. Many of us have longstanding
relationships so I know it's something that they
would be very concerned about. They were talking

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about several weeks and they have to adjust to a
change. So in the Bronx itself can you tell me on
average how many identifications that the Bronx
gets on average?

DOCTOR BARBARA SAMPSON: The number of,
total number of medical examiner cases in the Bronx
last year in 2014 was 1387.

COUNCIL MEMBER GIBSON: Okay. So with,
with this pending change walk me through what will
happen if a, a Bronx resident has to identify a
loved one so that I can fully understand that...

DOCTOR BARBARA SAMPSON: Uh-huh.

COUNCIL MEMBER GIBSON: ...there will not
be any disruption in services.

DOCTOR BARBARA SAMPSON: They will do
exactly what they are doing today. They go to our
medical examiner's office currently located on the
Jacobi campus and speak with our identification
personnel, make the identification using a digital
photograph, and that is the interaction today and
it will also be after June 1st, exactly the same.
In the coming months we hope to work with the Bronx
council members as well as the Bronx borough
president to identify a more centrally located

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place for the identification function to occur so
that families will have an easier time of getting
there.

COUNCIL MEMBER GIBSON: Okay so you're
looking at possibly other hospitals in the Bronx
where it could be located?

DOCTOR BARBARA SAMPSON: Actually we
were thinking about government buildings, other
government buildings where families routinely go
anyway and easily accessible by public
transportation.

COUNCIL MEMBER GIBSON: Okay. And I
think many of us are just learning today that the
new medical facility is no longer being constructed
at Jacobi. I don't know when that decision was made
but it would have been helpful for the council to
understand and know that you know we're no longer
looking at a new medical facility at Jacobi. So I
don't know when that decision was made but I know
many of us just found out today because it was a
question that was raised by Council Member Johnson.

DOCTOR BARBARA SAMPSON: I apologize for
not notifying you of that specific point.

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COUNCIL MEMBER GIBSON: Okay. And I
guess generally understanding that you know of
course I always look at the Bronx you know besides
Staten Island it's usually Staten Island and the
Bronx that are some of the, the boroughs that are
usually look in terms of reorganization. So with
Bronx and Staten Island no longer having the
mortuary services are we done and, and we're not
going to expect any other operational changes with
Brooklyn, Manhattan, and Queens. So what I'm saying
is I don't want this to be a pattern where we now
you know consolidate everything and now it's just
in Manhattan is what I'm saying.

DOCTOR BARBARA SAMPSON: I, I
understand. I fully understand. No we are
definitely committed to keeping three forensic
science centers serving all five boroughs the
places that you pointed out; Queens, Brooklyn, and
Manhattan. Our Queens facility and our Brooklyn
facility are relatively new and we absolutely do
need to have more than one facility to run New York
City because of our disaster capability. In the
event of a disaster we need to be able to expand
rapidly. So we're very comfortable with the number

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three for number of facilities. And there's no
plans, no discussions even of, of reducing that...

COUNCIL MEMBER GIBSON: Okay. And after
June 1st once this implementation takes place if
you find that there are any challenges that you
encounter. Is that something that you will
reconsider in terms of making sure those mortuary
services are shifted back.

DOCTOR BARBARA SAMPSON: I, yeah I
assure you that we will do everything to make sure
that there is no reduction in services across the
board.

COUNCIL MEMBER GIBSON: Okay thank you
very much Doctor. I appreciate it.

DOCTOR BARBARA SAMPSON: You're very
welcome. Thank you.

COUNCIL MEMBER GIBSON: Thank you Madam
Chair.

DOCTOR BARBARA SAMPSON: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you council Member Gibson. We've been joined by
Council Member Barron. We have a few other
questions but because of time we are going to
forward the questions to you. I just ask that you

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respond to us expeditiously because we will need
them for budget negotiation purposes.

DOCTOR BARBARA SAMPSON: Of course.

CHAIRPERSON FERRERAS-COPELAND: Okay.

Thank you very much for coming to testify today and
we'll be following up with you. We're going to take
a two minute break before we bring up SBS and EDC.

[pause]

CHAIRPERSON FERRERAS-COPELAND: We will
now resume the council, the city council's hearing
on the mayor's executive budget for FY 2016. The
Finance Committee has been joined by the Small
Business Committee chaired by Council Member Robert
Corney and the Economic Development Committee
chaired by Council Member Dan Garodnick. In the
interest of time I will forego an opening
statement. We just heard from the Office of the
Medical Examiner and we will now hear from Maria
Torres-Springer Commissioner of the Department of
Small Business Services and Kyle Kimball President
of the Economic Development Corporation. Before I
open my mic to my co-chairs I'd like to know this
will be the last time President Kyle Kimball will
testify at a budget hearing as a president of EDC

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and we wish him much success in his future
endeavors. Thank you. We have been joined by
Council Member Cornegy, Garodnick, Weprin, Koo,
Ulrich, Levine, Vallone, Barron, Menchaca, Dickens,
and Eugene. Council Member... and we will now hear
from Council Member, excuse me, Cornegy.

CO-CHAIRPERSON CORNEGY JR: Good
afternoon. Thank you Madam Chair. In light of the
long day I am going to keep my remarks extremely
brief even in my opening. I'd like to begin but I
would like to say though that I am today beginning
a process of foregoing with the use of paper in my
opening statements and I will be doing that
electronically. You can all do this. We are trying
to be environmentally conscious. So I will be
reading it from a teleprompter app I have on my
iPad. Yes. So I'd like to begin today's hearing by
thanking the commissioner of SBS for the detailed
response to my follow-up questions from the
preliminary budget hearing. I appreciate your
taking time to answer all my questions and I look
forward to continually, continually working in a
collaborative matter. The mayor's fiscal 2016
executive budget for the Department of Small

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Business Services is 242 million. This is a 65
percent increase from the fiscal 25 adopted budget
of one point, 146 million. I was particularly happy
to see that the executive budget for fiscal 2016
includes 1.5 million baseline funding for
industrial and manufacturing support. In a few
minutes we'll hear more from the administration on
the specific plans for these allocated funds. I'd
like to specifically hear now the agency plans to
work with community based development organizations
to implement the neighborhood business support
initiative and to learn more about the different
programs that fall under the initiative. I'm also
particularly interested in learning more about the
career pathways initiative and the industry
partnerships and training programs that SBS will
develop under this initiative. The budget also
includes two, over two million funding for new
green jobs programs such as cool roofs, building
operations, and benchmarking help center. I'd like
the commissioner to provide us with updates on
these programs. We will first hear from the
Department of Small Business Services and then
members will have a chance to follow-up with

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questions for the commissioner. I'd like to as
always thank my staff, both the central staff and
my immediate staff for help on development of this
hearing. Chair Garodnick.

GARODNICK: Thank you very much Chair
Corney and I will do the same and be very brief
and we know everybody's on a tight timetable and we
are starting late. Just a couple of very quick
observations. First of all President Kimball we, we
have enjoyed the pleasure of working with you and
we wish you all the best in, in whatever comes next
and we'll look forward to working with you there
too. Observations on the budget the, the executive
10 year capital strategies 3.4 billion dollars
which is a full 2.2 billion dollars greater than
the preliminary ten year capital strategy which was
1.2 billion dollars that was submitted to us in
March. So we're going to want to talk about that.
We also noted that a large portion of the funding
increase comes from new programs that are
essentially funds that are set aside for industrial
neighborhood or housing funds. They get the lion's
share of the increases particularly something
called neighborhood revitalization which saw its

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allocation go from 410 million dollars to 2.1
billion dollars since the prelim. So we're going to
want to talk to EDC today about its plans for those
dollars. Also we continue to be interested in the
way that EDC is actually committing the funds that
are in the budget as of February EDC it only
committed 74 million dollars or 14 percent of its
planned 518 million dollars for the present fiscal
year and historical trends indicate that EDC will
not be able to commit the full amount allocated. We
expect to explore that with you too in the time
that we have. And again I thank, thank you for, for
your time today and I thank my colleagues for their
patience. Chair Ferreras.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Garodnick and Chair Cornegy. You will now
be sworn in by my counsel who's going to make her
way back. And then you may begin your testimony. We
would be really excited if you wanted to summarize
your opening statement we would really appreciate
but you don't have to, but it would really be
awesome.

[laughter]

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COUNSEL: Do you affirm that your
testimony will be truthful to the best of your
knowledge, information, and belief?

MARIA TORRES-SPRINGER: Yes. Okay. Good
afternoon Chair Garodnick, Cornegy, and Ferreras,
and members of the economic development, small
business and finance committee. My name is Maria
Torres-Springer and then the Commissioner of the
Department of Small Business Services. I'm pleased
to testify today with my colleague Kyle Kimball
president of EDC as well as the first deputy
commissioner of SBS Yuwen Robertson [sp?]. I will
try my very best to summarize my testimony. So our
work at SBS is guided by the central animating
motivation of the de Blasio administration which is
fighting inequality in all its forms and all its
fronts and building a city where everyone can rise
together. The goal of the administration is to
ensure that New York continues to be a global
center of innovation, diversity, and progress. But
we recognize that this is only possible if the city
remains a genuine place of opportunity for all
which is why we're squarely focused on building a
city where growth and inclusion are two sides of

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the same coin. And at SBS we seek to foster a
thriving equitable economy connecting New Yorkers
to good jobs, creating stronger businesses in
building a fair economy. Today I will review the
fiscal year 2016 executive budget allocations for
the agency, SBS is FY '16 executive budget is 242.1
million and the agency has a headcount of
approximately 294 employees. This represents a net
increase of approximately 68 positions relative to
the FY '15 adopted plan. As you will see here in
the, in chart one inclusive of the 242 million
budget is pass through funding for EDC totaling
124.5 million, NYC and Company for eight, about 18,
and Governor's Island's totaling about 12. The
remaining 87.7 million or 36 percent of the FY '16
executive budget is the budget for SBS's programs
and operations. So in chart two you can see that of
the 87.7 million 50 percent or approximately 43.7
are federal funds and 44 million are city funds
including transfers from other agencies. Today I'll
focus my testimony on how the programs funded
through this budget will continue our efforts to
secure and create economic opportunity for all New
Yorkers. So first in terms of job seekers at SBS

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we're committed to helping New Yorkers secure
economic stability by offering training in critical
sectors like technology and healthcare and creating
connections to jobs with family supporting wages in
career pathways. The primary division at SBS that
supports these efforts is the workforce development
division which operates 17 workforce one career
centers throughout the five boroughs. As I mention
in my preliminary budget testimony SBS is working
with several agency partners to achieve the goals
laid out in the administration's career pathways
report. The report provides a framework for
revamping workforce development away from rapid
attachment toward connecting New Yorkers to quality
jobs with real advancement opportunities. To
achieve this the report calls for the creation of
industry partnerships in six critical sectors;
technology, healthcare, industrial manufacturing,
retail, hospitality, and construction where
businesses, community groups, training providers,
academic institutions, and government collaborate
to recruit, train, and connect unemployed and
underemployed adults to quality jobs. SBS already
has two industry partnerships, one in technology,

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called Tech Talent Pipeline, the other in
healthcare called NYACH and in the FY '16 budget
the agency receives six million to build out the
additional our industry partnerships to be housed
SBS. This funding includes expansion of training
activities across these targeted industries
including entry-level skill building, transitional
skills for career changers and advancement training
for middle skill positions. Through these
partnerships we will support the city's job seekers
while creating a diverse vitality pool that can
help drive our businesses and support their growth.
Secondly our support for businesses. Since small
businesses are a pathway to economic opportunity
and security SBS is committed to serving business
owners throughout the lifecycle of their business.
We do this by supporting entrepreneurship across
the city helping entrepreneurs overcome the
barriers to starting a business and helping
existing businesses grow and flourish. We run seven
business solution centers that offer a suite of free
business services. SBS also has a division of
economic and financial opportunity that administers
the city's MWBE program to ensure that the city's

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contracting reflects the great diversity of
business owners in the city. Additionally SBS
supports businesses to the division of business
acceleration which specifically helps businesses
navigate government by coordinating license and
permitting processes in making the regulatory
environment more efficient. Building on these
existing services in the FY '16 executive budget
SBS received approximately 745 thousand to fund a
new initiative called women entrepreneurs NYC or
WENYC to connect women, particularly those in
underserved communities to entrepreneurship as a
pathway to economic self-sufficiency. The funding
supports the creation of programs to facilitate
mentorship in networking, improving access to
capital, building business skills for women owned
business and different developmental stages ranging
from startups to those in operations for one or
more years. These needs were identified through an
in depth five borough community engagement process
including community forums where we heard feedback
from women entrepreneurs and other business owners.
In the FY '16 budget SBS also received 1.5 million
per year in funding for the seven industrial

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business service providers or IBSPs that provide
tailored assistance to industrial manufacturing
businesses across the city. That amount is more
than double what the administration provided last
year. It is a significant increase from the
previous administration and importantly it is
baseline funding. Thereby allowing for more
predictability and better planning for the use of
these funds. With these resources we believe
there's an opportunity to one improve data
collection and reporting on industrial
manufacturing businesses to help inform policy
decisions to significantly expand outreach through
more industrially focused educational events and
better feedback channels where businesses can
regularly share input and finally with the baseline
funding plan more strategically for years to come
and how we can deliver quality business support to
the city's industrial firms. In the budget we also
receive 690 thousand to develop a package of
programs to support existing small businesses.
These programs will help establish small
businesses, particularly small independent
retailers to better connect them to business

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support services including enhanced pro bono legal
assistance, assistance with leasing issues, and
access to tailored coaching services. With the
funding we will also create an online leasing tool
to make the retail leasing market more transparent
and provide more information on the commercial
leasing process thereby helping level the playing
field and providing more tools as businesses
negotiate with their landlords. Through all of
these programs we'll be able to better support
women entrepreneurs, industrial business, and
established ones who are so vital to the community.
Lastly in terms of our support for commercial
corridors our efforts go beyond serving individual
businesses to strengthening entire... neighborhoods
which is why we are committed to supporting
community based economic development organizations
to foster the conditions under which local
businesses can grow and thrive. We manage the
city's business improvement district network which
I am pleased to announce report is continuing to
grow under this administration with the formation
of three new BIDs and expansion of another one. For
areas out, without bids SBS offers capacity

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building support and grant programs to community
based economic development corporations to support
their commercial revitalization efforts. In the FY
'16 executive budget SBS received approximately 3.9
million to launch new neighborhood commercial
corridor support programs to help strengthen
commercial districts by deploying a comprehensive
suite of commercial revitalization tools in
partnership with community based organizations.
With this funding we'll create the neighborhood
fellows program to provide on the ground resources
to community partners and we'll work with experts
and communities to complete an in depth evaluation
and assessment of business needs in selected
neighborhoods. Targeted an intense commercial
revitalization programs could include merchant
organizing, business attraction and retention,
district marketing, supplemental sanitation, public
space activation, and streetscape improvements. I'm
extremely excited about this particular program
because it will allow SBS to expand our
neighborhood level economic development strategy by
creating customized neighborhood interventions and
programs in the communities that most need our

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help. At SBS this is the last slide, or second to
the last slide we are committed to fulfilling the
mayor's vision for progressive diverse and
economically thriving New York City. The funding
that SBS received and the FY '16 executive budget
supplements the funding our agency received in the
preliminary budget which included approximately
three million in this fiscal year for, as part of
the small business first initiative and
unprecedented interagency collaboration to reduce
the regulatory burden on businesses, 1.4 to support
capacity building of MWBE so they can successfully
compete for and win city contracts and 1.5 million
to fund a disparity analysis of the utilization of
MWBEs in New York City contracting as compared to
the availability of MWBEs in a relevant market. So
in total the funding for new or expanded programs
in FY '16 included in both prelim and executive
represents an approximately 21 million dollar
investment which we believe are significant new
resources that are available to support good jobs,
stronger businesses and a fair economy. So finally
together with the support of the city council and
our agency partners we will continue to work across

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the five boroughs to strengthen our neighborhoods,
grow the economy, and improve the lives of
hardworking New Yorkers. We know that we have a lot
more work to do but we believe there is an
extraordinary opportunity here to use every tool
and every lever that we have to ensure that we're
creating not only strong and durable, a strong and
durable economy but strong and durable businesses,
families, and neighborhoods. So thank you for the
opportunity to speak today. I'd be happy to take
any questions.

PRESIDENT KYLE KIMBALL: Great. Good
afternoon. I am pleased to join my fellow
commissioner Maria Torres Springer as well as my
staff and my incredible CFO Kim Vacarrie who's here
to my right. Over the years that I've been
testifying in front of you I know that you prefer
that I keep it brief so I will do just that and I
will summarize. Throughout the city the mayor has
proposed funding, funding to support infrastructure
improvements and spur sustainable economic growth
but to focus on underserved and underinvested
areas. In this budget that includes 55 million in
capital for construction of new citywide..

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infrastructure, 194 million to catalyze future
public and private investment in the southwest
Bronx, 37 million in city capital to, will be used
for investments in Sunset Park, 91 million will be
new funding has been allocated to advance
implementation of short term and long terms
community development projects in the Rockaways,
and 97 million in new funding has been allocated to
support future phases of the new Stapleton
waterfront in Staten Island. As part of this
administration's commitment not more aggressively,
to move aggressively and quickly and realize our
economic development housing goals, a new, 75
million dollar acquisition fund, a new 500 million
dollar housing infrastructure fund and a one
billion neighborhood development fund, 700 of which
will flow through EDC have been created to one
identify sites for affordable housing development,
two invest in infrastructure necessary to support
increase density, three, and three plan for and
fund amenities that will help our neighborhoods
thrive. All three of these elements will work
together to support the long term development of
dynamic sustainable communities. I would also like

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to provide an update on EDC's efforts to address
the council's concerns on improving the accuracy of
the capital budgeting process and the concern over
low levels of capital commitments versus
allocations. First in close coordination with
Deputy Mayor Glen's Office and the Office of
Management and Budget we have worked to reforecast
our capital plan based on when we actually expect
to commit and spend the funds. Second, these
efforts have led us to propose a new concept for
how EDC submits certificates to proceed or CPs
called multiyear CPs. And EDC plans propose a pilot
project of OMB in this next budget utilizing the
Hunters Point South project in Queens as a test,
the multi-year CP model in practice. This should
allow us to gain efficiencies in our contracting
lock in prices and approve the commitment rates.
EDC's CFO Kim Vicarrie [sp?] will report back to
you about the success of our pilot in the months
ahead. And I'll conclude on a personal note that
this is most likely my last opportunity to testify
before the city council budget hearing although you
ever know. I would like to thank you for all for
the support you have that I have received from you

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and our, my colleagues over the last seven years,
seven and a half years. Over that time I've worked
with a number of people in this room and I've
learned a great deal about the many forms economic
development can take and the myriad ways EDC's able
to create direct and catalytic change in a
relatively short amount of time. And the importance
of collaboration with the council and community
stakeholders to turn these projects from ideas into
reality and utilizing emotional intelligence. From
new entrepreneurs graduating from our incubators to
underemployed immigrants taking big risk to advance
their careers new MWBEs thriving from city
contracts to new parks, new schools, new roads,
housing, bio-swells, water tunnels, manufacturing
centers, all the while creating good local jobs we
have found ways to diversify and mitigate the risks
on our economy while also working hard to improve
the quality of life through open space, resiliency,
transportation improvements, and most importantly
fairness and opportunities for shared prosperity.
We've done a lot together but there's still so much
to do. As I enter private life as a New York City
resident and a participate of Council Member

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Lander's participatory budgeting process I will
look around the ways New York City continues to
thrive and know exactly how much hard work and
passion that was put into making that happen. So
thank you retrospectively for all that you have
taught me and prospectively for all that you will
do in making sure that New York City continues to
grow and thrive as a global model for inclusive
innovation. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Thank you President Kimball. I'm going to ask
just a few of my questions and then I'm going to
forward them to you as a committee follow-up
letter. But I wanted to talk about for fiscal
2016's executive budget the program areas total for
the budget function and... wait a minute. I am... no
I'm right. Sorry. Released by OMB and the numbers
provided by SBS are different from each other. The
total match ups for the agencies as a whole but not
for each of the different program areas. When the
council staff reached out to SBS to ask about this
discrepancy they were told that it's due to a
mismatch in budget codes. This is an issue that has
been brought to your attention during preliminary

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budget hearings as well as at hearings held jointly
by the finance in the small business committees
back in December. Why does this problem still exist
and why has it not been resolved and what measures
is SBS taking now to resolve it. As you can imagine
it's very daunting for us to be able to do a true
budget analysis if our program descriptions are
different.

MARIA TORRES-SPRINGER: So it, we are
more than happy of course to make sure that we're
making every effort to clarify any discrepancies in
the budget codes. We, we work with OMB very closely
to make sure that they are aligned. I'd be happy to
make sure following this hearing that we strengthen
those communications and work with the city council
so that those errors do not occur in the future.

CHAIRPERSON FERRERAS-COPELAND: Okay.
And as you can imagine we're in a, it, this is the
time crunch so I'm hoping that these meetings can
happen sooner rather than later.

MARIA TORRES-SPRINGER: Sure.

CHAIRPERSON FERRERAS-COPELAND: And then
I want to talk about the savings program as you
know along with fiscal 2016's executive budget the

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1 OMB releases citywide saving program the outlying
2 plans to reduce city spending by 589 million in
3 fiscal '15 and 465 million in fiscal '15 and 465
4 million in fiscal 2016 to develop the program or
5 we'll be, ask all agencies to identify their
6 efficiencies. How much is, how much in savings did
7 SBS identify in its budget and where did those
8 savings come from and what effort is the agency
9 making to continue to identify efficiencies?
10

11 MARIA TORRES-SPRINGER: There are
12 several ways that SBS is either saving funds or
13 making sure that we are identifying efficiencies
14 throughout the agency. So first as part of that
15 process there were at least two lines, two staff
16 lines that, where we, that, that we eliminated due
17 to attrition for those particular positions. These
18 were administrative support functions that we
19 believe we can organize more efficiently. So that,
20 that's one way we have done it. The second is in
21 recognition of scarce resources in the city. We've
22 also worked very closely with private philanthropy
23 to offset costs that otherwise we may have needed
24 to seek city tax levy for. So for instance for the
25 immigrant business initiative that we have we have

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approximately 250 thousand from city community

development and they're also helping to fray some
of the costs of the women entrepreneurs program.

That is an example for private philanthropy. We've
been fortunate enough to be able to access several
hundred thousand if not millions of dollars so that
we can really braid the funding and be able to
stretch every city dollar. We've also of course we
talked about how we got additional headcount in
resources. But in seeking those resources we made
sure to look at existing resources. So for instance
we received additional funding for the small
business first initiative but instead of asking
for, in making that ask we looked at staff who were
currently already working on these types of
initiatives so that the ask could be reduced. And,
and lastly what I'd say is we've also worked with
OMB to identify opportunities to leverage more
federal funding. And so a part of our budget this
year represents an amount that, by using funds in
this way we believe we're going to be able to get
reimbursed by the federal government in the tune of
millions. So we've taken a multi-pronged approach
to the issue of cost savings and efficiency. We

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will continue to do that as we develop programs and
as we look for other ways to make sure that we're
spending every taxpayer dollar efficiently.

CHAIRPERSON FERRERAS-COPELAND: We are
very excited in the council to see that there is
such an, an increase of investment in your
department. Often times SBS has done magic with
very limited resources and very much so partner
with EDC. One thing that keeps coming up and
especially through my committee we approve BIDs is
the support to community BIDs. And you know I know
that we've expanded our BIDs to numbers that we've,
historic numbers but our community BIDs still often
times struggle and it is the, the one place where
we can directly impact the very small mom and pop
businesses. We all know I'm going through my own
BID expansion but to be able to help support those
executive directors in meaningful ways is something
that this council would like to see you really take
into consideration, especially the expansion of new
funding.

MARIA TORRES-SPRINGER: Yes. I could not
agree more and I know that Carrie Goodman [sp?] is
here and since the, the first day I started I've

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really tried to think very carefully about how we
can make sure that, that the, all of the BIDs in
the BID network and they, they come in different
sizes, different shapes, and of course they're
different communities that we are using our
resources in bringing all types of resources to
bear to meet the needs of different types of BIDs.
So in recognition of the particular challenges but
really opportunities that community BIDs have our
neighborhood development division has developed
and, and we will be rolling out soon new capacity
building initiatives that allow us to in different
ways supplement what we already do which are the
workshops for capacity building for different CBOs
but also have smaller organizations with some
resources from us work with experts on commercial
revitalization projects on strategic planning as a
way to supplement what might be bandwidth issues in
those bids. Additional through the program that I
mentioned earlier the new program that helps us do
really intensive economic development on a
neighborhood level in 15 to 20 different
neighborhoods across the city part of that funding
will certainly go towards capacity building and

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it's our intent in, in selecting neighborhoods
which have not done yet to work with community
based organizations, BIDs, LDCs of different sizes
with a very intentional, with intention in terms of
making sure that they have capacity building
resources to be great partners with us on the
ground as we do this work.

CHAIRPERSON FERRERAS-COPELAND: Ad I
just want to say that it would be great... often ties
it's the entities or the organizations that go
before the, the philanthropic, the corporate or, or
philanthropist right? It would be great if there
was a way to package the bids and say and we can go
to them, the city that is can go to them and say if
you really want to reach these many neighborhoods
and this many people kind of the other way around I
think.

MARIA TORRES-SPRINGER: I see.

CHAIRPERSON FERRERAS-COPELAND: It would
be a, a great way to maybe look at giving in a
different way.

MARIA TORRES-SPRINGER: Mm-hmm.

CHAIRPERSON FERRERAS-COPELAND: So it's
not the executive directors asking them but really

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marketing the amazing opportunity that we have to
the corporations and saying if you really want to
get to the people this is how you should do it. So
seeing if we can flip it on its head.

MARIA TORRES-SPRINGER: Understood.

CHAIRPERSON FERRERAS-COPELAND: And I
just wanted to talk about Willets Point and the I'
going to have my colleagues ask their questions.
Update, where are we?

PRESIDENT KYLE KIMBALL: Sure.

CHAIRPERSON FERRERAS-COPELAND:
Construction? Shovel in the ground, lawsuits... all
of it.

PRESIDENT KYLE KIMBALL: So the, there's
one remaining lawsuit, the Avella challenge and the
oral arguments were heard in April so we're waiting
on the decision there. With respect to the project
we settled our, and made great progress with
sunrise of course and our anticipating that they
will be leaving next month to their new home at the
end of, like at Avenue in Hunts point that we
funded with the relocation. Meanwhile the offsite
infrastructure back to the project, the offsite
infrastructure was completed, the city control is

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about 95 percent of the phase one properties.

There's one remaining owner and we were able to
obviously do that without imminent domain. The
worker assistant program is going well as, as
administered by LaGuardia Community College with
about 600 employees, enrollees. The design of the
ramps continues. We have about 90 million of
capital for the design and construction of those
ramps. And...

CHAIRPERSON FERRERAS-COPELAND: Do we
have an, an estimate on the, or more realistic
estimate on the ramp cost?

PRESIDENT KYLE KIMBALL: I believe that
is, that means that 90 million, some of that's for
design. The rest of it's for construction but we
would... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: So is
that, is that accurate to what we think the cost is
going to be for...

PRESIDENT KYLE KIMBALL: It is, yeah
it's been sealed up since our ULERP. There's
another 20 or so million added in the in this
budget to reflect updated costs of the ramps.

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CHAIRPERSON FERRERAS-COPELAND: Okay. So
I just wanted to make sure that the ramps were...

PRESIDENT KYLE KIMBALL: But they are
fully funded...

CHAIRPERSON FERRERAS-COPELAND: Fully
funded.

PRESIDENT KYLE KIMBALL: Yep.

CHAIRPERSON FERRERAS-COPELAND: Great. I
got to get that to some of my colleagues who don't
think it's funded.

PRESIDENT KYLE KIMBALL: Yes it is fully
funded.

CHAIRPERSON FERRERAS-COPELAND: Great.
And I just wanted to have one additional question
on kind of big picture but last year EDC
contributed 80 million into revenue, in the revenue
to the general fund how much is, is the agencies
expecting to contribute this fiscal year and what
portion of EDC's total revenue does the amount rep,
does this amount represent. Is there a formula? How
do we, how do we know what to expect from EDC or
how is that decision made that what you contribute
back to the general fund.

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PRESIDENT KYLE KIMBALL: Sure so... it's
an it's, I wouldn't say it's a formula. There's a,
there's a couple of ways we contribute. One is
there's a percentage of land sales in the past that
we contribute so a certain percentage of land sale
we would contribute if we did it on behalf of the
city that was a negotiated amount. That's number
one. Number two we administer the 42nd street
development program and that a certain, we passed
through most of that money and keep an
administration fee of about a million dollars but
the rest is path through to the city. The third is
over time there was a series of negotiated pegs
from the past administration. Each peg that was
negotiated built upon each peg so as you know EDC
pays in money as opposed to getting less money from
the city. And so our pegs were, they were
cumulative so we were kept paying more and more and
more. There was an agreement at the end of the last
administration in terms of how those pegs would be
restructured. But this year... So it's not a, it's
not a formula, it's a sort of a series of
negotiations that happened between the mayor's
office EDC and OMB about what percentage of our net

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income goes back this year. We are going to
contribute about another 80 million or so but there
is a, a separate...

CHAIRPERSON FERRERAS-COPELAND: Is this
like a yearly negotiation that happens?

PRESIDENT KYLE KIMBALL: We are in the,
in, in the middle of a negotiation right now with
OMB about what we will contribute in FY '16 going
forward. But for FY '15 it'll be about a similar
amount of about 80 million.

CHAIRPERSON FERRERAS-COPELAND: Okay
thank you. Council Member Cornegy followed by
Council Member... or actually we'll do Council Member
Garodnick. Council Member Garodnick.

CO-CHAIRPERSON GARODNICK: Okay. Thank
you very much Madam Chair and Mr. Kimball I'm just
going to jump in and there's a lot of questions to
come and we're time limited. Let's focus on the,
the ten year capital strategy for a second. When
you were here before us before the preliminary
budget hearings the ten year plan was a 1.2 billion
dollar experience. It is now a 3.4 billion dollar
experience. That is a rather significant jump for
any agency even for a ten year plan. Can you tell

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us what's going on here, big picture, and then also
there's this category for neighborhood
revitalization which accounts for almost all of
that increase. We don't recognize precisely what
that means and don't know how you would break down
the two billion dollars that are attributed to
neighborhood revitalization in that ten year plan.
So there's one big question for you.

PRESIDENT KYLE KIMBALL: Sure. So there,
there, yes so the, the, the increase were, came in
the different funds that I talked about, the
acquisition fund, the housing fund, and the
neighborhood development fund as well as we were
awarded the reconstruction of a couple of HHC
hospitals through our construction group. What's
happening is, just a broader picture is a
recognition that our capital group is a great
capital group. We do great work. And we are able to
meet our, meet timelines and deadlines and also
meet our MWBE hiring goals as well as local hiring
opportunities using union labor. So we're able to
do projects that have a specific expediency to them
and a, a specific timeline we're able to use our
capital group as long as... and we have the

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discipline as long as they're in, as in economic
development relationship that there is something
that we can do. And so what you're seeing in terms
of increase in our capital budget is essentially
capital flowing to us for capital construction on
projects that have an economic development focus.

CO-CHAIRPERSON GARODNICK: So, and you
don't need to do it at this moment in time because
it's a lot and there are billions of dollars at
stake. But if you could provide to this committee a
breakdown of what the increase is responsible for
to get you from 1.2 to 3.4 billion obviously that's
a, a big change in two months. And you noted the
funds as being a big part of that. The acquisition
fund, the industrial fund, housing fund, and
neighborhood redevelopment fund. By my calculation
that's about 1.3 billion dollars over those four
funds over a variety of tie periods. Some of them
go from 2016 to 2018. Some of them go for a much
longer period, 2016 to 2023. But it's, it, it's not
at all clear what those dollars are going to be
spent on even themselves. They look like they're
holding codes. They look like they're ways to put
dollars aside for unknown future needs. Is that

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1 what they are? I would say so one, they're, they're
2 all very different. So the acquisition fund is
3 meant for us to be able to... because of the
4 successes we've had disposing of city property
5 there are not a lot of readily developable sites
6 for housings one this gives us an opportunity to
7 find sites. They are, they are not, we do not have
8 a list of identified sites right now but that is
9 an, an amount that was negotiated to set aside to
10 get us started on the ability to be able to acquire
11 sites. But if we acquire sites that do not have the
12 appropriate infrastructure or if there are sites
13 that the city owns that do not have the appropriate
14 infrastructure this gives us the ability to put in
15 an infrastructure to unlock housing. So that's the
16 housing fund. The housing fund is meant to be
17 specifically for infrastructure projects that
18 unlock housing. So the best example of one, in the
19 previous administration rezoned to Coney Island we
20 then in this administration actually funded the
21 infrastructure to support the rezoning that
22 actually happened in Coney Island and that's a
23 joint venture between us, DEP, and DDC to get all
24 that infrastructure going. And so the housing fund
25

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is meant to represent that there are other places
around the city where that needs to happen.

CO-CHAIRPERSON GARODNICK: Is Hunters
Point South phase two an example of what you would
be using the monies from the housing fund to
support?

PRESIDENT KYLE KIMBALL: I believe
Hunters... yes but I believe Hunters... yes but I
believe Hunters Point south is fully is already
funded but that's an example.

CO-CHAIRPERSON GARODNICK: Okay.

PRESIDENT KYLE KIMBALL: ...of, of
something...

CO-CHAIRPERSON GARODNICK: ...but it's a
very specific amount that you have in the executive
capital plan for the 2016 to 20, 2023 periods.
512.1 million dollars. And it sounds like... and
we'll just focus on this for a second. It sounds
like there are a number of things that EDC
anticipates with detail to bring you to that dollar
amount. But in reality it, the way you described it
it sounds like it is creating an opportunity or
allowing for the opportunity for the city to do
what it needs to do to support its desire to

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construct housing. But if that's the case I, I
don't know why it's a 512.1 million dollar
allocation as opposed to say 500, 450, 400 or a
round number which reflects what it seems like it
is which is we'll put it there and we will use it
when we need it.

PRESIDENT KYLE KIMBALL: The specificity
of a number... I ask this same question myself, the
same, the specificity of the number does not
indicate a specific, a specific list that we have.
It's really meant, it's a formula that we've used
based on other projects that we have done and on
city owned sites so that the best example is you
know we used examples from Coney, from Hunters
Point South, from Stapleton, and like other similar
investments to figure out what we think we will
need. We think this is really a down payment. The
number in the housing plan is, that was put out is
obviously much higher so in many ways the
specificity indicates the use of a formula that we,
based on precedent.

CO-CHAIRPERSON GARODNICK: Okay and, and
will you share that formula with us?

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PRESIDENT KYLE KIMBALL: Sure,
absolutely.

CO-CHAIRPERSON GARODNICK: And it would
be worth your sharing it with us it may be the same
formula for each of those four funds because they
each have similar specificity except for maybe the
acquisition fund which is a nice round 75 million
dollar number suggest that there's, there was
something which went into the capital... [cross-talk]

PRESIDENT KYLE KIMBALL: The, yeah the,
the housing fund as it was meant to be a more
specific formula.

CO-CHAIRPERSON GARODNICK: Okay.

PRESIDENT KYLE KIMBALL: Yeah.

CO-CHAIRPERSON GARODNICK: Let's talk
for a moment about the neighborhood revitalization
for a moment in the ten year capital plan it, it
chugs along which starts at 160 million and then it
bumps up from 2017 to 2019 to a higher number and
then... actually it stays at a higher number and then
it drops back down in 2022, 23, and 24 and 25. And
there's something specific that you're anticipating
there that you're showing us in the budget. I don't
know if that is the reconstruction of HHC hospitals

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or what but can you tell us what it is that EDC is
anticipating that, that reflects that bump from
2017 to say 2020 or so.

PRESIDENT KYLE KIMBALL: So the
neighborhood fund is meant to be a fund that's set
aside for the capital commitments that come upon
rezoning. So it's, it's limited to projects that
will be rezoned, limited to projects that will have
a neighborhood development plan approved by city
planning through the ULERP process and therefore
the community process. So this is meant to reflect
again an estimate of when ULERPS are done in
specific neighborhoods what kind of capital
projects might come along with those rezoning. And
the community plan that's developed in that ULERP
process. So, but there are no, these do not reflect
specific projects that have been identified but
estimates of when you would basically need to vest
with capital to actually start constructing
projects that are identified. So in, if for example
in a rezoning there's park that is committed to in
the ULERP process ULERP has to finish, the park has
to be designed, potentially a site selection has to
happen and then you have to start paying for it for

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the construction. So it's meant to be a

hypothetical estimate of when you need to have the
money available for it... [cross-talk]

CO-CHAIRPERSON GARODNICK: ...flag for my
colleagues then who frequently deal with ULERP that
EDC anticipates 160 million dollars in capital to
go along with ULERP's to be able to bring them to
fruition so that is a, it's a significant number.
It even goes up to half a, half a billion dollars
in 2017. So it's a, it's an important fact but I
also would want to ask the same question of you for
follow-up to share with us if there, if it's an
estimate of say 507 million dollars for 2017 how
you all came up with that as the particular number
as opposed to any other number that could have
been. I see that it, it goes up. I would just
anticipate that your, that the administration is
expecting some rezoning and we'll need to do some
capital projects in connection with them and then
it dips down but why those particular numbers as
opposed to any other numbers that you could have
put on the page.

PRESIDENT KYLE KIMBALL: I guess it sort
of, it goes to the same example that these are in

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some ways sort of back of the envelope estimates of
what we think is necessary. There's a billion
dollars and then around 300 was given to DEP for
sewer infrastructure and this was for the other
types of amenities. I would note that schools are
not part of this calculation because those are
separately funded by SCA. So it's really an
estimate, really a, an estimate done by city
planning of what in, what DCP plans might come to
fruition with respect to rezoning and what the
communities might be asking for.

COUNCIL MEMBER GARDONICK: So DCP came
up with those estimates?

PRESIDENT KYLE KIMBALL: We did it in
collaboration with city planning and the Deputy
Mayor's Office.

CO-CHAIRPERSON GARODNICK: Okay. Then
I'm going to ask one more question and then I'm
going to go to my colleagues because I know they
have, they have specifics about a lot of things.
Something which should not be so much back of the
envelope is what's happening in fiscal year 2015 as
it relates to the commitment plan. As of February
my understanding is that EDC had committed about 78

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million dollars from its capital commitment plan at
that point. I don't know where we are as we sit
here today maybe you could share, share that with
us.

PRESIDENT KYLE KIMBALL: We anticipate
that we're going to end the year at around 44
percent because there's a lot of projects that will
be committed here as we end the fiscal year so
that's number one. Number two the number is
artificially low because Brooklyn Navy Yard and
Governor's Island flow through us. They have lower
commitment rates. And so that's, the number you're
seeing is reflect, is reflective of the, of all
three entities that are flowing through EDC. And
we, but we do believe there are a couple of
projects that will... get back up to around 44
percent.

CO-CHAIRPERSON GARODNICK: And it's 44
percent of the dollar amount that's attributed to
2015 in the five year capital plan, is that right?

PRESIDENT KYLE KIMBALL: Yes.

CO-CHAIRPERSON GARODNICK: So, so here's
what I don't understand still. And by the way you
did make some changes here and we appreciate that.

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I should have started with that. It's obvious that
you, you took steps try to more fairly distribute
in the five year capital plan what's happening
when. But the problem that I still have is that we
see 518 million dollars right now for this capital
plan that you're testifying today we're only going
to do 44 percent of. So in my mind we should
probably be looking at a number that is 44 percent
of 518 million dollars or we'll give you like a
little wiggle room to be able to do the, the, the
best that you possibly could imagine, 50 percent of
518 million dollars but the 518 million dollars at
this moment in time, five weeks before the
executive budget is passed doesn't really make any
sense.

PRESIDENT KYLE KIMBALL: Yeah I, I
think... that's an interesting that you're using past
performance to predict future utilization. I would
say that it's a little tricky because this is our
first ten year capital and so a lot of this has
been just shifting monies from past administration
priorities to new administration priorities. So
that's number one. I think we're sort of just
getting started. Number two and a perfect example

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of that is Brooklyn Army Terminal where we got a
hundred million dollars and we have gone
gangbusters to try to get that spent but are just
not going to be able to spend it this fiscal year
through no fault of anyone. It just, we been
working very hard and we're just going to have to
roll it over to FY '16. So it's not really an
indication of how much work is going into this and
we do think that through our reforecast that we
just did future years are, are much more accurate.

CO-CHAIRPERSON GARODNICK: Right. Okay
well... [cross-talk]

PRESIDENT KYLE KIMBALL: So then... have a
higher utilization rate especially given the, the,
the emphasis on getting these money spent to unlock
housing.

CO-CHAIRPERSON GARODNICK: Well if past
performance were the guide you probably would be
spending a little less than what it sounds like you
actually are going to be spending even, even now
but not much, it's not much different. So that,
that question you know kind of remains and, and we
will, it's a concern over here but we, we know that
you've, you've, you've tried to adjust but there's

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still some rather big things in this budget that
are, are opaque to the public and opaque to the
council. So thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Garodnick. We will now hear from Chair
Corney.

CO-CHAIRPERSON CORNEGY JR: Thank you
Chairs. So this line of questioning will be
directly for SBS. So a 65 percent increase in
budget is pretty substantial. But it brings me in
mind of the great urban philosopher who said more
money more problems. And, and I say that because
the money isn't concentrated in one area. It's been
spread across a lot of different initiatives, a lot
of different programs, some new some existing which
is exciting to myself as the chair of small
business but I wonder about the oversight and the
ability to manage, and the staffing patterns that
are necessary to make all of these programs not one
offs but sustainable programs to build capacity
within small businesses. So I just wanted to ask
about worker cooperatives which I don't believe you
mentioned in your testimony but is a great concern
for the city council and if any of the, the 65

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percent increase was dedicated to worker

cooperatives and if so if you could tell me how
that's going to be administrated.

MARIA TORRES-SPRINGER: So worker
cooperatives from our perspective are a business
ownership model that is vitally important in
thinking about how we can provide pathways to
entrepreneurship and economic self-sufficiently
ultimately for communities across the city in
particular immigrant communities and low income
communities. So it's definitely an ownership model
that we believe in and that we fully support. So
here's what we've done over the course of the last
12 months and, and looking to expand. Of course
we're working with the council in administering
approximately 1.2 million from last year to 10
different organizations that are providing
technical assistance, training, and other types of
support to worker cooperatives that are interested
in forming. And over the course of the last year in
addition to helping administer those programs we've
also made great strides I believe and there's much
more we can do though to embed this work into our
work to your point council member that having one

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offs is not the way to make sure that we are
leveraging the full infrastructure of the agency to
help certain communities. So for example
information about worker cooperatives is now in all
of our business solution centers. We have trained
our business solution center staff on worker
cooperative issues so they can better assist
clients who are interested. We launched a, courses
on worker co-ops, ten steps to starting cooperative
business for instance. We will continue to develop
curriculum related to worker co-ops. We are making
changes to our CRM system in tracking our customers
so that we can better account for those worker
cooperatives who we serve especially as it relates
to interest potentially down the line in
contracting. And then we're also looking at ways to
better support the ecosystem. So for instance how
do we, if someone walks into our workforce, one of
our workforce one centers if they are, of course
there are the employment opportunities. But how can
we make sure that there is the right handoff or
referral if they might be interested in either
starting or working at a worker cooperative. Also
the issue of conversion of existing businesses into

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worker cooperatives we think is fertile ground to
bring the numbers of these types of businesses to
scale. So that's a, all of that is to say that it's
an issue that we think is really important. We're
committed to it. We are leveraging a number of
resources already to make sure that we are playing
our part to promote worker cooperatives and would
be more than happy to work with the city council
and the community based organizations who are
focused on this issue to do more in the future.

CO-CHAIRPERSON CORNEGY JR: Thank you.
And my next question is directed at MWBE, the city
MWBE, MWBE program. The city's MWBE program was
last expanded through local law 1 in 2013.
Currently planning for an updated disparity study
to support the establishment of updated MWBE goals
is underway. Through the administration's advocacy
for state law changes to help New York City grow
it's MWBE spending. We've heard a bit about the
administration's plans in this area which we
certainly look forward to exploring in more depth
in a future oversight hearing but I do have a
concern relating to the budget. SBS's budget for
MWBE programming appears to have decreased slightly

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in the executive budget. This seems at odds with
the administration's plan to implement new and
expanded services and initiatives for MWBEs. Can
you discuss this? And shouldn't, in this particular
climate shouldn't that budget line be growing. And,
and secondly is the, is the spending to increase
the city's certification and support to MWBEs
captured in other lines within the SBS budget or is
his work funded through other agencies?

MARIA TORRES-SPRINGER: Okay. So we'll,
we'll reconcile the numbers but the, the, the
budget actually should show because it is, it is
true an increase I a baselining of funding for
MWBEs in two different ways. One is to expand our
capacity building programs and that's to the tune
of 1.4 million which has been baselined. And the
other is another 1.4, approximately for, to fund
the disparity analysis to the extent that there is
a discrepancies that, that, that is inconsistent
with that. We will make sure to follow-up. But it
has been a huge priority of the administration to
make sure that we are pulling every lever to help
MWBEs. And the budget should reflect that. In
general over the course of the last 12 months that

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1 through one ensuring that we have... the right
2 leadership across the, the agencies that are
3 administering the program to with the pipeline
4 issue that you mentioned increasing the number of
5 certified firms expanding the capacity building
6 programs, three increasing utilization amongst
7 agencies through accountability measures, and four
8 importantly pulling policy legal levers to really
9 open new doors. So the disparity study is, is
10 certainly a way to do that. It's a new full
11 disparity study. Or to the extent that we need to
12 reset the program, dramatically change goals, we
13 need that study to form the legal basis. And the
14 two other things that I'd mentioned, the state law
15 changes that we're seeking we believe will be
16 crucially important to boosting opportunities to
17 give us the same tools that the state has in
18 providing opportunities to MWBEs. And lastly as
19 part of the One NYC plan that was released a couple
20 of, of weeks ago we announced a new and
21 unprecedented commitment of 16 billion to MWBEs
22 over the course of the next 10 years. And so all of
23 these are measures that were all working very
24 feverishly and the budget should reflect that
25

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particular commitment. If there's a discrepancy
we'll, we'll make sure to clarify.

CO-CHAIRPERSON CORNEGY JR: Thank you.

And then my last question before I move on is we've
had some preliminary discussion here at the council
and I, and I've had some with you about the
potential for classifying some non-profits as small
businesses. When we did some preliminary studies we
noticed that 13 percent of hiring in the city of
New York is done by non-profits. And while there's
a robust support network and support services
provided by SBS for small businesses there aren't
as many to grow and develop non-profits as they can
be an economic and hiring driver. Has any more
discussion taken place on, on your behalf on that
movement at all?

MARIA TORRES-SPRINGER: So we certainly
the not for profit organizations that are doing
commercial revitalization work so the whole panoply
of LDC's merchant associations BIDs we, we
certainly support whether it's through funding for
particular projects or capacity building efforts.
And I think there's a lot that we can port from what
we, what we do and how we partner with those

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particular not-for-profits to other types. And more
recently I was talking to the commissioner of the
department of cultural affairs and because there
are a lot of arts and cultural institutions for
instance that are economic drivers in their own
right in their neighborhoods and so we've talked
about making sure that we're addressing this very
issue how do you build capacity. And so they're,
they're different in ways that we are, we are
looking at that but certainly happy to consider
and, and consider how we can deepen our work there.

CO-CHAIRPERSON CORNEGY JR: Thank you. I
just think that the, the city would be remiss if,
if they didn't look at this in a way that could be
supported. So it's a, there's a lot of potential
for growth if supported by the city and not having
to create a whole department but using some of the
resources available through SBS. If, if we just
began to look at as small businesses. So thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Cornegy. We're going to now hear from
Council Member Menchaca followed by Council Member
Dickens. We've been joined by Council Member
Koslowitz, Cumbo, and Miller.

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COUNCIL MEMBER MENCHACA: Thank you
chairs. And thank you for, so much for your
testimony. We'll start with SBS and the topic is
adult literacy as it pertains to the current
budget. And in your responses and as we've kind of
moved from preliminary to executive kind of shown
that, that there is some commitment here. Can you
tell us a little bit about how you will be using
funds now to address the adult literacy gap? I'll
start there.

MARIA TORRES-SPRINGER: Yes. I'd be
happy to do that. So the, the one thing that's
important to remember most of our workforce
development dollars in funding is from the federal
government. And so we are funding giving the,
giving its rules. We are prohibited from using to
fund basic adult literacy. Having said that over
the course of the last several years we have
incorporated English as a second language training
as part of many occupational training programs. So
for instance in FY '15 we funded the national
council licensure examination training for foreign
born nursing graduates to help them become licensed
nurses. We also launched home health, health aid

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training which includes contextualized ESL to help
foreign born New Yorkers with limited English
proficiency. And those, so those are, so we've done
this despite the, the, the limits of our federal
dollars. Moving forward with the industry
partnerships that we are going to stand up and give
in that the funding is now more diverse city
federal and hopefully we'll be able to compliment
it with federal, with private dollars. Our hope is
definitely to ensure that we create bridge programs
that allow individuals with limited not just
language skills but literacy skills make themselves
available are, they can take advantage excuse me of
the programs that we are offering that get people
on a pathway. So we're very much... we haven't, of
the six million that's... that is part of the
executive budget funding for the in, the different
industry partnerships it, we have not yet itemized
which ones will go towards this but it's definitely
a priority of ours and we'd be happy to continue
talking to you about it.

CO-CHAIRPERSON CORNEGY JR: Especially
after or I should say before we approve this, this
executive budget it'd be great to understand the

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line item pieces. Because we, we understood
everything you, you kind of laid out as far as
your, your, your limitations. But the success of
the career pathways really, really falls on that
bridge. And so, because I don't have too much more
time I'm going to move on to EDC really quick. But
let's come back in second round?

CHAIRPERSON FERRERAS-COPELAND: Yes.

MARIA TORRES-SPRINGER: The, the one
thing I will say is we...

CO-CHAIRPERSON CORNEGY JR: Sure.

MARIA TORRES-SPRINGER: ...haven't
designed all of the programs yet. And so that, the,
the, it's a challenge of providing by line item
what is going, what will be allocated towards these
types of bridge programs but we'll provide as much
specificity as we can.

CO-CHAIRPERSON CORNEGY JR: And the only
thing I'll say is that HRAs, in conversation with
HRA it's a little unclear where this falls. The
dock... dopa [phonetic] work that the council's been
doing, the docka [phonetic] large grants or the
large investment that we made made a very kid of
clear statement about the commitment and we're

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hoping that at the end of this budget we can all
land on that same kind of commitment that has line
item at least at a, at a dollar amount on adult
literacies focus. But with the last minute and a
half we went over to EDC. President Kimball wanted
to know a little bit about the 37.5 million dollars
in Sunset Park response on executive budget. The
language is a little, little, little murky. There's
kind of suggestions on something that may happen.
But if you can give us a little bit more on the
specifics and 37.5 is pretty particular too so it'd
be great to kind of hear from you about where the
agency is going.

PRESIDENT KYLE KIMBALL: Sure. I mean I
think we can certainly spend more than, I think you
would agree with me more than 37.5 million in
Sunset Park but I think this is a good down payment
on what the administration has planned there for an
industrial working waterfront. There are no, there
are some, we know, this is one of those where you
know a little bit more because, because we are the
major, one of the major landlords in the area. We
know and we've had a lot of conversations with your
help with the stakeholders. And we know that second

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avenue is a particular problem, that drainage is a
problem, that some of the old railroad tracks are a
problem and that we need new, new sewer and
electric substructure. So we will work with you in
our taskforce conversations. I think it'll be
important for us to sit with those stakeholders and
make sure that we understand the, the priorities.
Because we, you know 37.5 is, we're very lucky to
have it on the same time. We could probably spend
more so we're going to have to engage in a good
process of prioritization with your help.

CO-CHAIRPERSON CORNEGY JR: Great. So
just to kind of connect the dots. So this is, this
is funding that will, will kind of connect to
community taskforce work that we just developed and
we're going to be working in, in coordination with
on public, public spaces like streets and road
repair and sewers as to find... there's a little bit
about the private component too. I'm kind of
curious to see what, what that looks like as well.
And I know time is up so... and I, I want to have... is
there a second round of questions by the way? Sure
great. So just finish on the private and we'll come

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back to it. I... meant by that because I, we, we
clearly kind of understand the, the...

PRESIDENT KYLE KIMBALL: Well I meant, I
meant that till we improvements on public assets.
So I, this is not meant for improvements, any
infrastructure improvements on private assets. This
is, this is meant for basic infrastructure in the
sunset park areas of roads, sewers, electric, that
kind of thing. It's not meant for, as far as know
not meant for, as far as I know not meant, there's
nothing identified that's for private uses.

CO-CHAIRPERSON CORNEGY JR: Okay. Come
back. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member. We'll have Council Member
Dickens followed by Council Member Cumbo.

COUNCIL MEMBER DICKENS: Thank you
chairs. And thank you Kyle for the work that you've
done. I'm going to miss you.

PRESIDENT KYLE KIMBALL: Thank you.

COUNCIL MEMBER DICKENS: It's been good
working with you. On page 1 of your testimony you
mentioned, you referred to the mayor's state of the
city address in which he talked about dedicated 55

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million in capital for newer infrastructure. And
you go on to mention four sites, none of them are
in Manhattan considering that in Manhattan Council
Members Levine, Garodnick, Johnson, Chin, Mendez,
and Rodriguez... I'm land locked, all have waterfront
properties in their districts... and I to tell the
residents of Manhattan that there is no plan for
any fair infrastructure to be built or maintained
in Manhattan.

PRESIDENT KYLE KIMBALL: So there, there
is plans for infrastructure in Manhattan. There's
one of the 2018 routes, not the 2017 but the 18
routes is, essentially it's a lower east side 34th
street, 23rd but it's east side going down. There
is no... so in part of the previous citywide... that
was done in 2013 we examined at Westside Ferry
Service. And just in terms of the demand metrics
and this as a very exhaustive study that's done and
we can send it to you. It's on our website. That
because of the west side of Manhattan has
relatively attractive transportation options; the
HRA and the two train which can get you to lower
Manhattan relatedly quickly. Faster than a ferry,
that the ferry was not competitive. But on the east

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side where the transportation options were not as
robust that it made more sense that the demand was
higher. So there are services in Manhattan. It's
just they are, are, are, are two rollouts in 2017
and 2018 are focused on the east side.

COUNCIL MEMBER DICKENS: Okay. Now are,
I assume that in rolling out additional ferry
systems it would done through a bidding process.

PRESIDENT KYLE KIMBALL: We are going to
do RFP for an operator for citywide ferry service
yes.

COUNCIL MEMBER DICKENS: Are you aware
that there's a MWBE ferry company in Manhattan?

PRESIDENT KYLE KIMBALL: I would love it
if they responded, yes. That'd be great.

COUNCIL MEMBER DICKENS: ...let you know
about them?

PRESIDENT KYLE KIMBALL: Sure, yes.
Absolutely.

COUNCIL MEMBER DICKENS: Alright. We'll
be glad to.

PRESIDENT KYLE KIMBALL: Yes.

COUNCIL MEMBER DICKENS: Thank you so
much. And Commissioner Torres-Springer thank you so

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much for your testimony and begin here day. In, in,
on page two of your testimony you referred to the,
the 36 percent of the FY '16 executive budget just
for the SBS program and operations. What is the
breakdown percentage for operations, for program,
and for the support of MWBEs? That's one.

MARIA TORRES-SPRINGER: So the, the new
funding that we have is an additional 1.4 million
to build out new capacity building programs for
MWBEs. And so these are the, the types of programs
that we can provide one on one assistance on how to
compete for bids, additional resources for teaming
opportunities, additional workshops, building on
some of the programs that we have now. Then there's
an additional 1.4 million that is, will be used to
fund the disparity study that we will conduct over
the course of the next year. Of the, of the 1.4
with capacity building we'll provide the specific
breakdown some of that is to fund personnel. I
believe it's about 10 new lines and the remainder
is for programmatic expense.

COUNCIL MEMBER DICKENS: That's very
good but what is the percentage for operations?

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MARIA TORRES-SPRINGER: I will, we'll
get back to you on that to make sure... [cross-talk]

COUNCIL MEMBER DICKENS: Mm-hmm.

MARIA TORRES-SPRINGER: ...that the...

COUNCIL MEMBER DICKENS: And percentage...
[cross-talk]

MARIA TORRES-SPRINGER: ...numbers are
accurate.

COUNCIL MEMBER DICKENS: ...for programs.
And percentage for MWBE participation. On page
three of your testimony you also speak about the
workforce one career centers. Breakdown, breakdown
by workforce one career centers. What is the budget
that goes to the West Harlem Center, that's one.
And two is part of that training that is done at
the workforce one career centers, does that include
training skills that lead to job opportunities
under Section 3 considering that, that your budget
also includes monies that come down from the
federal government?

MARIA TORRES-SPRINGER: Okay. I'm going
to ask my Deputy Commissioner Jackie Mallon who
runs our workforce development division to talk
about the upper Manhattan Workforce one center and...

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COUNCIL MEMBER DICKENS: Sure.

MARIA TORRES-SPRINGER: ...the budget
there. And then we'll... [cross-talk] training.

JACQUELINE MALLON: Okay so I don't know
how to do this... sorry. Hi, so the answer to your,
your question...

CHAIRPERSON FERRERAS-COPELAND: I'm, I'm
sorry can you state your name for the record?

JACQUELINE MALLON: I sure can. I'm
sorry. I'm...

CHAIRPERSON FERRERAS-COPELAND: It's
okay.

JACQUELINE MALLON: ...Jackie Mallon
Deputy Commissioner for Workforce Development at...
[cross-talk]

COUNCIL MEMBER DICKENS: That was very
fast.

JACQUELINE MALLON: Again? Jackie Mallon
Deputy Commissioner Workforce Development at the
Department of Small Business Services. So to answer
your question the rough budget because I, I don't
have the exact number off of the top of my head for
the 125th street location is about 3.3, 3.4 million
but I can get back to you with a, with an exact

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figure. The other part of your question was about
occupational skills training I think?

COUNCIL MEMBER DICKENS: Mm-hmm.

JACQUELINE MALLON: Yeah? So there's a
completely separate line item for, for training
that, that takes place not generally actually at
that location. For the most part we contract with
training providers all over the city, whoever has
the best training...

COUNCIL MEMBER DICKENS: ...because I
didn't mean at that center. I really was referring
to citywide...

JACQUELINE MALLON: Okay.

COUNCIL MEMBER DICKENS: ...the training
skills that would lead to job opportunities based
upon Section 3.

JACQUELINE MALLON: You... [cross-talk]

COUNCIL MEMBER DICKENS: So to get
federal dollars.

JACQUELINE MALLON: So... the... [cross-
talk]

COUNCIL MEMBER DICKENS: And the, and
the mayor has rolled out a very aggressive program
for NYCHA.

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JACQUELINE MALLON: You're... [cross-talk]

COUNCIL MEMBER DICKENS: Section 3
refers to NYCHA residents, training skills and job
opportunities.

JACQUELINE MALLON: ...programs that they
run, you're asking what kind of... [cross-talk]

COUNCIL MEMBER DICKENS: Does the, the,
the training skills provided by SBS, does that
incorporate into it Section 3 particularly since
you get federal dollars in your budget?

JACQUELINE MALLON: We, we don't get
Section... For the most part we have... We don't get
Section 3 dollars but we...

COUNCIL MEMBER DICKENS: It's not
Section 3 dollars. Section 3 is a regulation for
NYCHA residents.

JACQUELINE MALLON: Mm-hmm.

COUNCIL MEMBER DICKENS: That's alright.
I'll ask you privately because maybe you know I'm
not making myself clear.

JACQUELINE MALLON: I can give it one
more try if it's helpful.

COUNCIL MEMBER DICKENS: Alright one
more try.

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JACQUELINE MALLON: I'm trying to do my
best.

COUNCIL MEMBER DICKENS: Thank you
Jackie.

JACQUELINE MALLON: No no it's my
pleasure. We work in partnership often with, with
NYCHA to, to find residents of housing projects to,
to participate in our trainings. In addition our
center in Coney Island which is, which is HUD
disaster recovery money funds, training vouchers
for pre-apprenticeship trainings in, in, as a
pathway to, to union construction jobs so they can
connect to build it back opportunities. So...

COUNCIL MEMBER DICKENS: You gave it a
great... [cross-talk] a great try.

JACQUELINE MALLON: Okay.

COUNCIL MEMBER DICKENS: No you, you
did... [cross-talk]

JACQUELINE MALLON: Alright.

COUNCIL MEMBER DICKENS: But I'll talk
to you about it you know because maybe I'm not
making myself clear. But if possible I'd like call
you and, and, and talk to you about it.

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JACQUELINE MALLON: Would be my
pleasure.

COUNCIL MEMBER DICKENS: Alright. And
lastly of the six million that you talk about for
the four partnerships for industry partnerships do
you know what four partnerships they are?

MARIA TORRES-SPRINGER: Yes. So we,
there are six industry partnerships in total. So
the funding is to create four new ones and expand
two that already exist. The two that already exist
are in healthcare and in technology. And then the
four new ones include industrial and in
manufacturing, construction, retail, and food.

COUNCIL MEMBER DICKENS: And who was
used for the technology?

MARIA TORRES-SPRINGER: So the way it's
set up is that we, there is, we've created what's
called an industry partnership. And so this is,
there are some staff that are housed at SBS who
work with employers, training providers, academic
institutions, and bring them together to understand
what the skills needs are in that particular
industry so for example for tech. And by having
that conversation and that dialogue working with

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employers the industry partnership will then
develop training programs for New Yorkers so that
they can be trained in the skills that employers
need in that sector. And so that's what we've done
with healthcare and with tech and we'll do that for
the other four.

COUNCIL MEMBER DICKENS: How much of
your budget is, what is the... [cross-talk]

CHAIRPERSON FERRERAS-COPELAND: Council
Member.

COUNCIL MEMBER DICKENS: ...percentage of
your budget for advertising and outreach to MWBEs?

CHAIRPERSON FERRERAS-COPELAND: Council
Member after she responds to this I can add you to
the second round. We just have three other council
members.

COUNCIL MEMBER DICKENS: Well can she
answer the last question?

CHAIRPERSON FERRERAS-COPELAND: Yes.

MARIA TORRES-SPRINGER: So while I don't
know the percentage and we can get back to you...
[interpose]

COUNCIL MEMBER DICKENS: Of the budget
is for advertising for MWBE.

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MARIA TORRES-SPRINGER: Understood. So
we'll get back to you. What I do know is that you
know a large part of our effort is making sure that
we're out in communities supporting and being at
hosting events and in any given year there are 500
events that our MWBE team attends, hosts, supports
in order to get out there. But from an advert, what
we spend on advertising I'll get back to you on
that.

COUNCIL MEMBER DICKENS: Thank you so
much for your, your answers and your testimony.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Dickens. We will now hear from
Council Member followed by Council Member Miller.

COUNCIL MEMBER CUMBO: Thank you so much
for your testimony. And wanted to focus on the
women entrepreneurs, the WENYC program. The
executive plan includes 745 thousand in fiscal 2016
and 740 thousand annually in 2017 to 2019 to
support the economic potential of women
entrepreneurs which I think is fantastic. What will
the funding be specifically used for? Who will be
the focus of this initiative? In other words is SBS
focusing on entrepreneurs at a particular

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development stage? And how many entrepreneurs and
at what level of service will SBS be able to
support with this level of funding?

MARIA TORRES-SPRINGER: Mm-hmm. So thank
you for asking those questions. I love this
initiative so how long do you have? I'm just
kidding. So the goal of this initiative is to reach
5,000 women over the course of the next three
years. And the particular focus is to ensure that
we are providing services to women entrepreneurs in
underserved communities and low income communities.
The funding that we have received through the
executive budget, the 750 thousand will fund a
couple of, of new staff lines. But really the bulk
of that is to seed new programs that really allow
us to fill gaps that exist in the system as it
relates to support for women entrepreneurs. We
right now, our working hypothesis is there are four
buckets of categories of needs. One access the
capital, two skill building, three networking and
mentorships, and four getting all this information
in one, in one place. And so all of this was
developed after doing really an extensive community
outreach process where we reached about 2,000

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women. We did community forums across the five
boroughs. The specific programs we will release
RFPs by the fall in, that are based on
understanding of those four categories where we
think we can really make a difference and get to
scale an impact.

COUNCIL MEMBER CUMBO: Can I interrupt
you for one second on that? Are there specific
professions because I want to go somewhere in my
five minutes...

MARIA TORRES-SPRINGER: Yeah.

COUNCIL MEMBER CUMBO: ...before it goes.
But are there specific professions that you're
looking to assist women in underserved communities
as you said as your target or is it I want to be a
pediatrician and open up my own practice or I want
to be a veterinarian or I want to be in the home
health care industry? Are there specific...

MARIA TORRES-SPRINGER: Yep.

COUNCIL MEMBER CUMBO: ...industries
you're focused on?

MARIA TORRES-SPRINGER: So at the end of
the day we want to help women who are interested in
all industries but we believe that there's a

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particular opportunity for instance in food as well
as I'm given also some work that we've done in, in
child care as well. Those are just, we, we've done
some pilots in those areas. There are interesting
stepping stones into larger businesses but the
services will provide... the, the aim is to have them
be able to serve women in different sectors. But
there will likely be areas where we think there's a
particular impact we can make.

COUNCIL MEMBER CUMBO: The reason why I
ask that question also is because we had a very
challenging testimony yesterday in terms of looking
at, we've seen any women, particularly women of
color have built in many ways an industry in the
childcare industry. And so yesterday within our
hearing at ACS we learned that many childcare
providers, mostly women of color who have built
organizations and childcare organizations for the
last 20 30 40 years through the results of an RFP
process and in my case in my district young minds
had scored very high and had an excellent rating
from the city. And so I can't even blame it on the
proposal process which often happens in terms of
that being a scapegoat, in terms of why those

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organizations lost funding. But what I learned at
that was that they are not classified or counted as
MWBEs. Is there any way that through these, before
we lose any more institutions of childcare
providers that are institutions in our community
could that designation of an MWBE or the ability to
have a specific interest in promoting businesses,
particularly women of color, would their
designation assist them in the city recognizing
their value, their importance, and their necessity
to stay alive?

MARIA TORRES-SPRINGER: So in terms of,
of us as an agency SBS recognizing their value not
just in the community but as economic drivers
themselves I personally don't need the MWBE
certification to know that, that, that this is an
area where we have to concentrate efforts and we're
already doing that. We're talking to ACS. We're
talking to advocacy groups. We'd love to partner
more with you on this issue. As it relates
specifically to contacting it, it, I will need to
get back to you on that. I'm just not exactly sure
how the, how it works with ACS or others but we'd
be happy to investigate that for you.

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CHAIRPERSON FERRERAS-COPELAND: Thank
you Council Member Cumbo. Council Member Miller.

COUNCIL MEMBER MILLER: Thank you Madam
Chair. And thank you to the co-chairs. And good to
see you Mr. Kimball and Commissioner. As always I
want to start with EDC... have a couple of questions
here and, and I, I immediately notice that there is
very little in the borough in Queens and very
little if any in, in, in southeast Queens. But I
think that that, that could be easily rectified so
I'm going to move on with that. So in your
acquisition fund my question is is there, we've
been working around the foreclosure crisis in
southeast Queens over the past few months. And
recently HUD has changed their policy around their
distressed asset stabilization program which allows
for municipalities and not-for-profits to purchase
some of the... home to a foreclosed homes in, in the,
in the community. And we have been fighting
diligently, looking diligently to raise resources.
Is this a area that EDC perhaps we could find some
funding?

PRESIDENT KYLE KIMBALL: ...the
acquisition fund was I think set up for a larger

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sites to, that can have you know hundreds of units
of housing potentially or a number of units of
housing to get those projects started. I don't
believe here, this, the acquisition fund, the 75
million acquisition fund contemplates stabilizing
distressed homes. I'm, I'm pretty sure it doesn't.
We could have a separate conversation about, about
that as a strategy for preserving affordable
housing. But the 75 million dollar fund is, would
be separate from that.

COUNCIL MEMBER MILLER: So, so it's
already been allocated or it's allocated for...

PRESIDENT KYLE KIMBALL: It has not been
allocated but it's the, the, the principle behind
it is that there are certain sites around the city
that if we just engaged, had the money and engaged
with the landlords that we'd be able to activate
those long, those long sort of... [cross-talk]

COUNCIL MEMBER MILLER: Okay so, so I
hope that we can engage and, and talk about the
potential to rescue three to 400 homes throughout,
not just southeast Queens but throughout the city
there is real possibility... so and I'm going to feel
the couple of questions from my couple of my local

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chambers of commerce and development corps and... for
EDC that they have, they say that they have been,
had difficulty engaging this agency about an area
they were trying to redevelop and that myself and
the borough president had already invested some
funds and then they were looking for you guys to
come on board. So... want to follow-up with you on
that just...

PRESIDENT KYLE KIMBALL: Okay.

COUNCIL MEMBER MILLER: ...to say that
they've reached out and, and certainly something
I'd like to get done before the next few months.
Commissioner... the Avenue NYC program... they also,
did the same organization say that they, that, that
they think that it's a very good program but often
the smaller organization find that the
administration to be often burdensome and erroneous
and they could use some assistance and streamline
the compliance of that and/or just navigating
through kind of the... of, of what it is. Could we
possibly come out and do some type of a forum to,
for, for all of those organizations that could use
some assistance, not just these two but I'm sure
could we facilitate that?

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MARIA TORRES-SPRINGER: Mm-hm. I'm
thinking that's a great idea. We've taken strides
to streamline that program but always happy to find
ways to ensure that it's as user friendly for the
groups that we're working with.

COUNCIL MEMBER MILLER: And the same
would, would apply to the MWBEs? So we can kind of
do a, a one stop shopping and put on a number of
forums throughout. I know I've spoken with the
chair about doing so but you know our small
businesses really want to thrive and, and they're
looking forward. They're really excited about the
programming but we have not been able to bring the
programming to, to, to the district so it'd be
helpful, and it'd be really helpful to those
businesses if we can facilitate that.

MARIA TORRES-SPRINGER: We'd love to do
that.

COUNCIL MEMBER MILLER: Okay thank you.
And thank you. Great working with you. He, he said
that we've spoken. That's, that's a very nice mild
way of saying that he has a reasonable expectation
that we'll be out in Southeast Queens doing some
stuff in terms of small business. So thank you for

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saying it like that. If we, if it was private he
would be saying it a little bit differently. I
would be remiss if I didn't on behalf of my
colleague Dan Garodnick who was called away on a
very important daddy duty mission and as a father I
understand the responsibility. So I just want to
ask one or two questions on behalf of Dan who had
to leave. Is that alright Madam Chair?

CHAIRPERSON FERRERAS-COPELAND: Of
course.

COUNCIL MEMBER MILLER: So to, to
President Kimball are there, are there plans to
seek sources of funding outside the agency's
general budget, i.e. sponsorships or advertising or
any other financing mechanisms for the ferry
service?

PRESIDENT KYLE KIMBALL: So the first
part of the process is we have put a RFP out for
operations. And Council Member Dickens I just found
out the RFP is due back to us on June 12th so we're
happy to hear about your MWBE firm but we, they
should respond by June 12th. From that process we
will have, we will know then exactly how much is
going to the operating subsidy will be and, and

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what kind of service levels we will be able to
provide. From then we will of course look to find
other sources of money to help offset the expense
of subsidizing the service. But we have not begun
that process in earnest because we don't yet know
how much it's going to cost.

COUNCIL MEMBER MILLER: And then to
facilitate some of our residents who aren't able to
make it to hearings and who aren't able to weigh in
on questions we have started a little pilot program
to, through social media, get one question asked
and answered... [cross-talk] so to President Kimball...

PRESIDENT KYLE KIMBALL: Okay.

COUNCIL MEMBER MILLER: ...an anonymous
person has asked who's responsible for the
oversight on final contractor payments for any EDC
funded projects?

PRESIDENT KYLE KIMBALL: So the OMB
gives us the go ahead to spend the money. The
comptroller then agrees through the registration
process. And then once we have contracted out the
contractor there is an internal process to pay
those invoices to the extent that our change
orders, we have a separate internal audit group

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that weighs in on if there was any change orders
and whether or not those change orders are valid.
But, but it's all internal after that point
assuming we're on budget... [cross-talk]

COUNCIL MEMBER MILLER: So just some
context. MWBEs who have had contracts granted
awarded to them find that the city is notoriously
slow in, in its payments. I know that... I was going
to say Council Member Dickens has often made
mention of that. So...

PRESIDENT KYLE KIMBALL: Yep.

COUNCIL MEMBER MILLER: ...I, I'm going to
assume and go out on a limb and say that this is
one of those contractors who's found their payment
even after ribbon cutting of this particular
project still has not been paid.

PRESIDENT KYLE KIMBALL: That, that
might be the very... we do have disputes with
contractors all the time. Having said that we are
making point, I think a lot of reasons that
contractors want to do business with us is that we
are often able to use EDC's balance sheet to bridge
the city. So if the city has slow interlacing funds
but there's an invoice that needs to be paid then

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EDC will go ahead and pay it out our fund balance
to keep up our timely payment reputation. But
having said that we do... particular problem with
MWBEs who cannot, don't have the liquidity to
sometimes withstand how long it takes to get paid
which is why we are, why we have such a high MWBE
participation rate, around 42 percent because we
are able to pay our bills on time.

CO-CHAIRPERSON CORNEGY JR: So I just
want to take this opportunity to say that while
we're, we're fighting to enhance MWBE certification
and contracting on the back end I think we have to
be clear that there are some, some difficulties
with processing and payments and those kinds of
things that sometimes prohibit MWBEs for wanting,
from wanting to even participate in the program. So
I just wanted to take this opportunity to be on the
record to say that because I think we're doing a
better job, SBS and EDC in terms of reaching out,
doing outreach for new certifications but existing
certified MWBEs are, have come to my office and,
and noted some reasons that they look sometimes not
to recertify. So we want to kind of remove any

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barriers from, from MWBEs doing business with the
city.

CHAIRPERSON FERRERAS-COPELAND: Thank
you Chair Cornegy. I'm having lunch. We're going to
start the second round. I actually just wanted to
ask from both of you the citywide savings program
how were your, what, how were your savings
identified and also do you see that your agencies
will continue the efficiencies. What effort is the
agency making to, well to continue identifying
efficiencies?

PRESIDENT KYLE KIMBALL: Sure. So I
think SBS already answered but I will say on EDC's
side... So EDC actually doesn't receive that much
money from the city. So the, the city doesn't spend
that much money on us. And it turns out it's only,
they only spend around 8.2 million dollars. So as
part of our efficiency in terms of cutting city
spending we actually agree to fund any, so it's to
forego any receipt of any city tax levy going
forward. So we, that was 8.2 million dollars of
savings that will fund those programs out of our
EDC fund balance.

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CHAIRPERSON FERRERAS-COPELAND: Is that
a one year or do you...

PRESIDENT KYLE KIMBALL: That's going
forward. And then separately... there might be some
tax levy that's still in our budget but those are
federal pass throughs. I think Fulton Corridor is
one of them. But in terms of city tax levy we were,
we will no longer receive it. Ad we'll fund those
through EDC fund balance to the extent that they
have something to do with economic development. And
that's, that was the rationale. Number two. We fund
about a dozen positions around the city in terms of
headcount for different city agencies. And so we
agreed to continue funding those as opposed to
transferring those onto the city payroll. So all in
we contributed about 10 million dollars in, in
annual savings.

CHAIRPERSON FERRERAS-COPELAND: Great.
I'm going to now have Council Member Menchaca in
the second round.

COUNCIL MEMBER MENCHACA: Thank you
Chair. And really my, my, my last final comments
and... we'll continue to kind of work through some of
the issues is really give both of you my, my, my

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deepest appreciations for a couple things.

Commissioner Torres Springer the, the kind of work
that you've been doing on cooperatives, worker
cooperatives and really at the, at the leadership
of the city council in working with all of you in a
year's time you, you laid out all the, the work
that's happened in integration in different
components I think is, is making a lot of really
positive waves in the community. And as someone who
hosts so many of the worker cooperatives I just
want to say thank you for that. I think there's a
lot of work we can do in the future. And so just
thank you for that. Also thank you and the
administration for the 1.5 million in the IBET
support. This is something that has been happening
or the conversation anyway has been happening for
such a long time and here was the commitment that
we wanted and so thank you for that. President
Kimball I just want to say thank you as your last
moment in front of us in the city council as you,
as you move on to the next chapter. I just want to
say thank you to you and your team. We in the last
few months you've shown some leadership in, in many
ways and are leaving, you're leaving a really good

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legacy and, and a compass really for the next
person that will be in your seat. And I'm hoping
that yeah your team and, and the next person will
continue in that, in that fashion. I really enjoyed
working with you in this last, these last few
months have been I think informative for all of us.
And the 37.5 million in the budget for Sunset Park
continues to be that, that commitment. And so we'll
iron it out but I'm confident that we'll be able to
take that in a good direction.

PRESIDENT KYLE KIMBALL: Thank you for...

[cross-talk]

COUNCIL MEMBER MENCHACA: So thank you.

PRESIDENT KYLE KIMBALL: Thank you for
the kind words. We've learned a lot and we're very
excited about moving forward and, and all that
Sunset Park has to offer.

COUNCIL MEMBER MENCHACA: Wonderful. I
wish you a happy and healthy next chapter.

PRESIDENT KYLE KIMBALL: Thank you.

COUNCIL MEMBER MENCHACA: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. And President Kimball I have to also say that

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I could not have... the woods point plane without
your help you... [cross-talk]

PRESIDENT KYLE KIMBALL: Nor could have
we.

CHAIRPERSON FERRERAS-COPELAND: ...yes we...
done this together. And you were nothing but a
great asset and such a pleasure to work with during
that process. Even while I was pregnant you know
you were very patient and, and were able to help me
deliver for my community. So that's something that
I will never forget.

PRESIDENT KYLE KIMBALL: Thank you.

CHAIRPERSON FERRERAS-COPELAND: So I
thank you for that.

PRESIDENT KYLE KIMBALL: Thank you.

CHAIRPERSON FERRERAS-COPELAND: And your
team but they remain, don't take them...

PRESIDENT KYLE KIMBALL: Yes.

CHAIRPERSON FERRERAS-COPELAND: Alright.
This concludes our hearing for today. The finance
committee will resume executive budget hearings on
fiscal 2016 tomorrow at 10 a.m. in this room.

Tomorrow the Finance Committee will be joined by
the Public Safety Committee and we will hear from

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the Police Department, the District Attorneys, and
the Special Narcotics Prosecutor. As a reminder the
public will be invited to testify again on June
9th, the last day of budget hearings at
approximately 1:30 p.m. in this room. For any
member of the public who wishes to testify but
cannot make it to the hearing you can email your
testimony to the finance division at Finance
Testimony at Council dot NYC dot gov. And the staff
will make it a part of the official record. Thank
you. And this hearing is now adjourned.

[gavel]

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. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date May 28, 2015