

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON COMMUNITY DEVELOPMENT
JOINTLY WITH COMMITTEE ON CONTRACTS

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November 2, 2015
Start: 1:14 p.m.
Recess: 3:21 p.m.

HELD AT: 250 Broadway - Committee Room
14th Fl

B E F O R E: MARIA DEL CARMEN ARROYO
Chairperson

HELEN K. ROSENTHAL
Chairperson

COUNCIL MEMBERS: Annabel Palma
Elizabeth S. Crowley
Andy L. King
Vanessa L. Gibson
Alan N. Maisel
Peter A. Koo
Ruben Wills
Costa G. Constantinides
Chaim M. Deutsch
Corey D. Johnson
I. Daneek Miller

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

PV Anantharam, Deputy Director
NYC Office of Management and Budget (OMB)

Simonia Brown, Associate Director for Education,
Intergovernmental and Community Boards
NYC Office of Management and Budget (OMB)

Laura Ringelheim, Deputy General Counsel
NYC Mayor's Office of Contract Services (MOCS)

Allison Bricke, Assistant Director
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NYC Mayor's Office of Contract Services (MOCS)

Emily Miles, Policy Analyst
Federation of Protestant Welfare Agencies

James Parrott, Deputy Director & Chief Economist
Fiscal Policy Institute

Michelle Jackson, Associate Director
Human Services Council

Carmen Rivera, Assistant Vice President
Community and External Affairs
Community Services

Gregory Bender, Policy Analyst
United Neighborhood Houses

Amina Ross (sic)
Women's Center for Education and Career Advancement

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[sound check, pause]

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CHAIRPERSON ROSENTHAL: [off mic] [on

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mic] Now it's on. Thank you.

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COUNCIL MEMBER: Now you have to start

6

all over.

7

CHAIRPERSON ROSENTHAL: Oh, thank you,

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mama. So good afternoon. I'm Helen Rosenthal, Chair

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of the New York City Council's Committee on

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Contracts. We're here today to discuss the New York

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City Human Service Contract workers' wages and to

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determine if they are a living wage. The City relies

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on Human Service workers--Human Services workers to

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provide essential assistance to many vulnerable New

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Yorkers ranging from job training and placement to

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early childhood education, services for seniors,

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people with disabilities and patients like community

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health centers. There are 17,613 Human Service

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contracts, and I'm happy to be corrected if some of

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this not accurate. Located in--this is just not

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possible, 117 city agencies. So you'll get us the

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information about how many contracts, how many

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agencies, and the total value. It's a lot. The

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Human Service sector also employs a significant

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portion of New Yorkers. In 2011, Human Service

1 industry jobs accounted for 40% of all occupations in
2 the Bronx alone. Unfortunately, over half of Human
3 Service--services workers, the majority of whom are
4 women and people of color, who provide these vital
5 services to our communities earn less than \$14 an
6 hour. Frankly, it's troubling that many Human
7 Service workers due to their low income are eligible
8 for the same services they provide in their
9 professions such as food stamps and homeless
10 shelters. However, the Council and Mayor de Blasio
11 have made steps toward trying to improve wages for
12 these workers.
13

14 In 2002, the Council passed the Living
15 Wage Law requiring city service contractors and
16 subcontractors who provide home care, day care, Head
17 Start services, and services to people with cerebral
18 palsy to pay their workers a living, and we're
19 interested to see the Controller's review of that--of
20 those--of those contracts. Most recently, the
21 Mayor's Fiscal Year 2016 Budget allocates nearly \$59
22 million to establish a 2.5% COLA and an \$11.50 per
23 hour wage floor for Human Service contract workers.
24 This is the first time in seven years that Human
25 Services contract workers have received a cost of

1 living adjustment or wage increase from the city. As
2 many of us at the Council would agree, this is well
3 overdue and we appreciate the Mayor taking the first
4 steps to rectify the situation. The budget increase
5 reflects new mayoral support for the Human Services
6 sector. However, many of us hope that this increase
7 will be just the first step towards an additional
8 funding for Human Service contract workers to get
9 paid at least \$15 an hour with annual COLA
10 adjustments tied possible to DC 37 wage increases.

12 We're here today to explore how the
13 Council can facilitate increased wages for Human
14 Service contract workers so they can meet the growing
15 cost of living and working in New York City. We will
16 also discuss the Administration's progress in
17 allocating the funds to agencies so they can pass
18 along the wage increases to the Human Service
19 contract workers as well as hearing about the Career
20 Rata (sic) Program that they envision. Thank you in
21 advance to the Administration, the Human Services
22 Council, the Human Service contract providers who are
23 here and other interested parties for attending this
24 hearing, and providing substantive testimony that is
25 important to understanding the issue at hand. And

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2 now, I'm very pleased to introduce Council Member
3 Arroyo, Chairwoman for the Committee on Community
4 Development who will give an opening statement, and
5 I'm very pleased to be sharing this committee hearing
6 with her.

7 CHAIRPERSON ARROYO: Thank you my co-
8 chair, Council Member, and thank you all for being
9 here. My name is Maria Del Carmen Arroyo, and I
10 chair the Committee on Community Development, and I
11 would also like to thank all of my other colleagues
12 who have joined us and will join us to come together
13 for this hearing today. The Committee on Community
14 Development shares many of the concerns raised by
15 Chair Rosenthal, and we would also like to thank the
16 Center for Women's Welfare and the United Way for
17 putting together a report--the Report on Self-
18 Sufficiency Standards that ultimately served as the
19 basis for this hearing today. So thank you for that
20 work. I promised you some time in the spring that we
21 would have this conversation. Today here we are.
22 When I was approached by the United Way several
23 months ago, I was appalled to learn that many of the
24 workers on city Human Service contracts are not paid
25 to what amounts to be a living wage. And, in our

1 budget hearings in May, I was very adamant about the
2 fact that we cannot contribute to poverty wages in
3 our city through the services that we purchase, and
4 for the services that we provide to our residents.
5 We do recognize that the city can be an expensive
6 place to live, but that government should not
7 contribute to the problem of being the largest
8 provider of poverty wages in the city, as I stated
9 before. Both of these committees are aware of the
10 state law that restrains city contracting, and we're
11 not here to debate that law with the Administration.
12 Our goal today is to hopefully begin to think outside
13 the box, and try to collaborate in developing
14 contracting programs to ensure that workers hired for
15 city projects do not need to take on a second job or
16 apply for food stamps or low-income housing.

17
18 In particular we would like to hear
19 specifics from the Administration on the city's--
20 first on the city's implementation of Hire NYC and
21 its impact on Human Service contract workers, and the
22 Administration's progress towards establishing the
23 \$11.50 per hour wage floor for Human Service workers.
24 And lastly, whether non-profits, worker cooperatives
25 and other alternative business models can receive

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2 special consideration for city contracts in order to
3 reduce worker exploitation. We hope this hearing
4 will serve as an opportunity for the Council and the
5 Administration to work towards providing sustainable
6 wages for workers employed through our city's
7 contracts.

8 I want to thank my committee staff for
9 their work in preparing for this hearing, Alex
10 Paulenoff, the counsel to the committee to my right.
11 Jose Conde who's somewhere in the corner, the Policy
12 Analyst and Jessica Balson, our Fiscal Analyst, and
13 now I turn it over to my co-chair and thank you for
14 joining us for this conversation.

15 CHAIRPERSON ROSENTHAL: Thank you Council
16 Member Arroyo. I also want to acknowledge the
17 council members in the room. We have Council Member
18 Wills, Palma, King, Koo, Constantinides and Maisel,
19 and I also want to thank my General Counsel Alicia
20 Barron and my staff, Sarah Mallory who helped us to
21 prepare today. Now, we have--it's my understanding
22 we have from primarily OMB we have Simonia Brown.
23 Hi. PV Anantharam, Allison Bricke Hi and also Laura
24 Ringelheim from the Mayor's Office of Contracts.

25

1 Welcome. Thank you for coming here, and I'll turn
2 over the testimony to you.
3

4 [pause]

5 PV ANANTHARAM: I'm checking. Yeah, this
6 works. Perfect thank you.

7 CHAIRPERSON ROSENTHAL: [off mic] Just
8 try it again. (sic)

9 PV ANANTHARAM: It used to be you had to
10 press a button for that one. There we go. Thank you
11 again. Thank you very much for giving me the
12 opportunity to testify here today. Good afternoon
13 Chair Arroyo and Chair Rosenthal. I am PV Anantharam
14 Deputy Director at New York City Office of Management
15 and Budget, and it is my pleasure to speak to you
16 today at the oversight hearing on the self-
17 sufficiency standards for workers on Human Service
18 contracts. My testimony today will provide
19 information regarding the de Blasio Administration's
20 Human Service provider wage adjustments and
21 corresponding implementation by the applicable city
22 agencies. For most of the last decades, clients of
23 service providers working under contract with city
24 agencies have asked for increased funding to
25 reimburse them for the increased wages for their

1 employees. These dedicated professional work in
2 programs that the city and its residents rely on each
3 day for essential services in the areas of aging,
4 safety, education, health, housing and development.
5 They care for and provide safety net services to some
6 of the city's most vulnerable populations. (coughs)
7 The Administration heard their pleas and made a major
8 commitment to addressing the situation. The Mayor's
9 2016 Executive Budget provided \$54 million for \$11.50
10 or 2-1/2% cost of living wage adjustment. And we
11 want to thank the City Council for their support in
12 this effort. This wage adjustment will affect more
13 than 50,000 employees working for non-profit agencies
14 providing vital services for the City of New York
15 through direct line service line contracts with ACS,
16 DFTA, the Department of Corrections, DOE, DOHMH,
17 Department of Probation, Youth Services, HPD, HRA,
18 the Criminal Justice Coordinator's Office, and Small
19 Business Services.
20

21 Significant effort was undertaken to
22 ensure that it captured all eligible employees, and
23 as a result more programs and providers are receiving
24 the adjustment than were eligible in 2008, the last
25 time the adjustment was given by the city. This is a

1 long and overdue step in the support of employees
2 doing important social work. Over the course of
3 three months, the department worked--this
4 administration worked with stakeholder organizations
5 to develop a streamline process for implementation of
6 this wage adjustment. This was a significant
7 undertaking involving rigorous technical, legal,
8 administrative, and in turn communication
9 coordinating between the 11 affected agencies, which
10 oversee 4,000 eligible contracts. And I have to say
11 the number of contracts differ every time the
12 definition changes. With over 800 eligible providers
13 altogether representing more than 50,000 employees.
14 Perhaps most importantly given the complex nature of
15 the implementation, providers can make the wage
16 increases retroactive to July 2015 for all impacted
17 employees. Considerable efforts were undertaken to
18 ensure that an efficient and effective process will
19 be put in place so that every single eligible vendor
20 is able to obtain the funding from the city for the
21 wage increase for their employees, and that every
22 single eligible employee can take advantage of the
23 adjustment.
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2 Implementing the wage adjustment requires
3 every eligible provider to amend its exist contract
4 to the city. This an enormous undertaking for the
5 city and its provider. As a result of the
6 comprehensive and intensive development process the
7 city undertook, city agencies and providers will work
8 off a new standardized two-page contract amendment
9 that will work for every single one of the different
10 arrangements providers have with the city. As part
11 of this process, providers are required to submit
12 documentation of their eligible employees' payroll
13 data. This information will allow the city to
14 accurately budget for wage adjustments, reflect the
15 numbers in the new contracts, and submit those
16 contracts to the controller for prompt approval.
17 Recognizing that this reporting requirement places a
18 new burden on providers, the city has created a
19 template for providers to use, and they can submit
20 their information using the HHS Accelerator program,
21 which is a familiar streamlined system aimed at
22 making it easy for providers who contract with
23 multiple city agencies. As you can see, the
24 implementation process I am about to describe in
25 greater detail is the result of tremendous

1 interagency coordination and collaboration with
2 relevant stakeholders and providers, and every effort
3 has been made to streamline and simplify what would
4 otherwise have been an enormous and complex
5 undertaking for all involved.
6

7 I will now describe the process used to
8 implement the wage adjustment. Each eligible worker
9 will receive the greater of \$11.50 per hour and a 2-
10 1/2% wage increase. This wage adjustment may be
11 given at any time within 2016--fiscal year 2016, and
12 will be retroactive to and can be retroactive to July
13 1. As I have said, as part of the wage adjustment,
14 service providers must meet certain requirements.
15 The funds must be uses solely to provide wage
16 increases to employees and providers will need to
17 submit payroll and benefit information prior to
18 initiating contract amendments, and then annually.
19 Every effort will be made to make compliance with
20 this requirement simple and fast while still ensuring
21 that new funds all go towards the wage increases
22 these workers deserve. The Administration decided to
23 use the HHS Accelerator as a vehicle for vendors to
24 communicate with their respective agencies about the
25 wage adjustment. As you know, the Accelerator is a

1 centralized online portal that aids the procurement
2 process for direct line service providers, and they
3 are all familiar with it. On October 1st, eligible
4 providers received an email from Accelerator team.
5 This email included a cover letter, a draft of the
6 Standard--the Standardized Contract Amendment and the
7 simple easy-to-use Excel template for submitting
8 payroll information with instructions on how to
9 report information, and share it with the appropriate
10 city agencies using the Accelerator. The specific
11 instructions ask providers to fill out information on
12 the template. The information includes listing all
13 active and vacant positions, current salary or hourly
14 wage and the portion funded under the contract being
15 amended, and any state or federal cost of living
16 adjustments provided over the last two years. In
17 order to give providers fast and accurate answers to
18 any questions they might have, the Administration has
19 requested that they contact the HHS Accelerator team
20 via a centralized email address. The Accelerator
21 team will then answer the questions or route them to
22 the appropriate city agencies as necessary.

24 In order to implement the adjustment and
25 get the additional raises into the hands of deserving

1 employees as quickly as possible, providers were
2 asked to return the completed templates as soon as
3 they can. Once a provider submits its template, the
4 appropriate city agency will review it, and contact
5 the provider with any questions or corrections before
6 entering their contract amendment and registering it
7 with the Controller.
8

9 Every effort is being made to streamline
10 this process including expedited review by the
11 oversight agencies. And follow-up outreach providers
12 occurred last week both through the HHS Accelerator
13 and through our partners such as the Human Services
14 Council. In closing, again I thank you for the
15 opportunity to share the details of the service
16 provider wage adjustment, and I now look forward to
17 answering any questions that you may have on the
18 contents of my testimony. Thank you.

19 CHAIRPERSON ROSENTHAL: Thank you so
20 much, Mr. Anantharam. Ms. Brown, do you want to
21 provide testimony at this time?

22 SIMONIA BROWN: [off mic] No, not
23 testimony.

24 PV ANANTHARAM: They're fine.
25

1
2 SIMONIA BROWN: No testimony. I'm just
3 here to answer questions that we have.

4 CHAIRPERSON ROSENTHAL: Great and is
5 anyone from the HHS Accelerator team here to answer
6 questions.

7 PV ANANTHARAM: No, but we can definitely
8 carry forward any questions that we can't answer
9 ourselves.

10 CHAIRPERSON ROSENTHAL: Thank you. I'm
11 going to turn it over to Chair Arroyo.

12 PV ANANTHARAM: Thank you.

13 CHAIRPERSON ARROYO: Thank you, Council
14 Member. Thank you for your testimony. It raises
15 quite a number of questions, and I know that we have
16 a number of colleagues who have questions. So the co-
17 chairs will kind of bounce back and forth in between
18 our colleagues. So \$54 million was allocated in
19 Fiscal Year '16 for addressing the cost of living.
20 What are we calling it, cost of living?

21 PV ANANTHARAM: It's a wage adjustment--
22 it's a wage adjustment for Human Services workers.

23 CHAIRPERSON ARROYO: How far along in the
24 process are we in ensuring that providers have a
25

1 signed--executed contract and the \$54 million is
2 indeed being used for the cost of living increase?
3

4 PV ANANTHARAM: Excellent question. So
5 the 1st of October was when we sent out a
6 standardized communication from the HHS Accelerator
7 to all of the Human Services agencies that have
8 contracts with the city. We solicited these--this
9 information from all the city agencies, and
10 approximately 4,000 contractors received
11 communication from the Accelerator, which included a
12 cover letter explaining the wage increase, a simple
13 template in Excel format that can be uploaded to the
14 Accelerator. That includes the wage information, and
15 also a two-page contract amendment document that we
16 spent an extensive amount of time developing so that
17 each individual agency did not have to do the same
18 thing over and over again, which used to be the
19 practice in the past. We have to date--this has been
20 a month now--received about 30% responses back.

21 CHAIRPERSON ARROYO: And the due date is
22 when?

23 PV ANANTHARAM: Well, we originally--we
24 said submit it as fast as possible, and our original
25 estimate was I think the 13th of October. Clearly,

1
2 some of our contractors have had issues and
3 challenges filling out the documentation. We had
4 hoped that it was going to be as simple as possible
5 because we had made it standard across all the city
6 agencies, across all the contracts because individual
7 providers have contracts with multiple agencies. And
8 one of the goals that we had was to ensure that the
9 contractor did not have to provide information in a
10 different format to every single agency. And that was
11 the reason we undertook this process of coming up
12 with a template that would have been standard for all
13 city agencies. So, it's--clearly, we haven't gotten
14 all of the responses back by the 13th, but we've got
15 a decent number of them, and we are--and as I said,
16 it's about 30% have responded to date so--

17 CHAIRPERSON ARROYO: [interposing] So if
18 you expected to have them by October 13th and you
19 have 30%, I wouldn't define that as decent. Decent
20 is like 85%, but if you're grading it as if I was
21 taking calculus and I got 30% I'm going to fail the
22 class.

23 PV ANANTHARAM: That's probably true.

24 CHAIRPERSON ARROYO: No, no, that is
25 true.

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PV ANANTHARAM: Yes. (laughter)

CHAIRPERSON ARROYO: That is true.

PV ANANTHARAM: So we have 30% to date.

That much we can tell you, and we are--we are continuing to work with all the Human Service Council and all providers who have raised questions on this.

CHAIRPERSON ARROYO: We were chatting before this hearing started and my co-chair threatened you that she was going to ride you very hard. She was going to beat you up.

PV ANANTHARAM: Yes, she did.

CHAIRPERSON ARROYO: I think I'm going to do that.

PV ANANTHARAM: Thank you very much.

(laughter)

CHAIRPERSON ARROYO: It just--it just-- this is a serious conversation--

PV ANANTHARAM: [interposing] Yes.

CHAIRPERSON ARROYO: --and you state in your--in your testimony that given the complex nature of the implementation providers--they either do it or they don't. I mean I'm--I'm--I'm very simple. I think in a very simple way. They--they have a mandate. This money is--is intended to be used for

1 ensuring that a contract--So who are eligible
2 employees? Because your--you--you have a lot of
3 language in here that's very vague and--and that
4 concerns me. So don't providers have a very clear
5 mandate--
6

7 PV ANANTHARAM: [interposing] Uh-huh.

8 CHAIRPERSON ARROYO: --from the city that
9 they are required to do X by a particular time, and
10 then how are you going to monitor that moving
11 forward?

12 PV ANANTHARAM: So, yes, they have a
13 clear mandate to--

14 CHAIRPERSON ARROYO: [interposing]
15 Assuming like you are the end all to this
16 conversation?

17 PV ANANTHARAM: So, the--it--it is--it's
18 important that providers fill out this information so
19 that we can actually get the contract amendment
20 process in place. We are doing outreach efforts to
21 our city agencies to find out why these agencies have
22 not responded, and we will follow with each one of
23 them.

24 CHAIRPERSON ARROYO: The agencies or the
25 organizations?

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2 PV ANANTHARAM: The agencies--the city
3 agencies will follow with the organizations--

4 CHAIRPERSON ARROYO: [interposing] Okay.

5 PV ANANTHARAM: --and we will follow up
6 with each one of them to--to ensure they're filling
7 out their proper template. (sic)

8 CHAIRPERSON ARROYO: And what's your
9 deadline for that?

10 PV ANANTHARAM: We are starting this week
11 and we expect by the end of this week or early next
12 week we will contact all of them.

13 CHAIRPERSON ARROYO: And to what end?

14 PV ANANTHARAM: To the require them to
15 fill out the information that is necessary in the
16 template.

17 CHAIRPERSON ARROYO: What's the
18 consequence if they don't? And I know that some of
19 them are here in the room. I don't want you coming
20 up here whining about how this is. Okay, so let's be
21 clear.

22 PV ANANTHARAM: The--at this point in
23 time we can only strongly encourage them to supply
24 the information that's required.

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2 CHAIRPERSON ARROYO: That's not good
3 enough.

4 PV ANANTHARAM: The contract process that
5 we currently have in place and the contracts that we
6 have in place cannot force them to provide that
7 information. We can request that they provide that
8 information, and we are requesting it as part of the
9 amendment process. I--from our--

10 CHAIRPERSON ARROYO: [interposing] Let's
11 not get stuck there. I disagree with you. I think
12 that if they have a contract with the city they have
13 an obligation to meet certain requests for
14 information the city may have. But I commend you for
15 trying to streamline it and making it as user-
16 friendly as possible. But at the end of the day, they
17 have a contract with you and they have an obligation
18 to provide the requested information.

19 PV ANANTHARAM: And it is our expectation
20 that they will all do so because they have all been
21 asking for wage increases for quite some time and--

22 CHAIRPERSON ARROYO: [interposing] Uh-
23 huh. I know. They come to us every year asking for
24 it.

25 PV ANANTHARAM: So--so it is incumbent--

1
2 CHAIRPERSON ARROYO: [interposing] For
3 you guys to do it.

4 PV ANANTHARAM: And it is incumbent that
5 they--they provide this information as quickly as
6 possible because the expectation was that the
7 intention and the expectation clearly is to ensure
8 that all the workers get their rate increases as
9 quickly as possible.

10 CHAIRPERSON ARROYO: Okay, so and--and I
11 agree with you, and--and I think on that end we--we--
12 we are on the same page. I'm concerned about what
13 appears to be something that puts you in a place
14 where you have no control over their responses--
15 responding to you. Let's just leave that there.
16 Okay, define an eligible worker.

17 PV ANANTHARAM: All contracts that are
18 held by city agencies that are providing Human
19 Services in all of the agencies that I identified in
20 my testimony are covered. Certain programs that
21 recently were introduced like the UPK program or non-
22 Human Service contracts or programs that are covered
23 under grants that have their own limitations and own
24 requirements were not included. But, other than that,
25 almost everything has been included. In fact,

1 agencies that in previous iterations were not covered
2 like the Mayor's Office of Criminal Justice
3 Coordination and the Small Business Service, the
4 Employment programs all in the past have never been
5 included. And this time around we went--we undertook
6 a very collaborative effort meeting the providers. As
7 you recall, the budget was passed in--in June. The
8 Mayor proposed it in May, and they only just sent out
9 the letter. So we have been working quite some time
10 trying to make sure that all agencies and all
11 contractors as much as could possibly be covered
12 under this process were covered. So it is a most
13 expansive to date that I know of.

14
15 CHAIRPERSON ARROYO: I--I guess for the
16 members of this--of these two committees what will be
17 helpful, and maybe we do a different forum, maybe not
18 a public hearing. But what are all those nuances and
19 I think understanding them--

20 PV ANANTHARAM: [interposing] Uh-huh.

21 CHAIRPERSON ARROYO: --and being very
22 clear and transparent about those nuances is
23 important--important for us so we don't beat you up
24 unfairly, right. Anyone that gets beat up on her
25 should deserve it, and it can't be out of a lack of

1
2 information and/or a misunderstanding that we may
3 have about what is at play here. It's important, and
4 I will encourage my co-chair for our staff to follow
5 up with you, and the other players at the table here
6 to see if we can understanding better the nuances of
7 what contracts are expected to follow this living
8 wage increase or the \$11.50 an hour, and which ones
9 are exempt and the logic behind why they're exempt.
10 As far as I'm concerned, city contracts should all
11 require the same kind of bottom line salaries for
12 what employees are paid on those contracts regardless
13 of whether they are driving--I don't know--a bus or
14 whether they are doing HIV counseling at some clinic.
15 It really ought not matter what they're doing. They
16 all have a right to earn a wage that allows them to
17 take care of themselves and their families. And I
18 can't stress enough how strongly we all feel that
19 city dollars should not contribute to poverty in our
20 city.

21 CHAIRPERSON ROSENTHAL: Than you, Chair
22 Arroyo. I just want to acknowledge the presence of
23 Council Member Johnson. Welcome. And also, in my
24 list of gratitude, Casey Iverson is here the policy
25 staff for the Contracts Committee. Mr. Anatharam,

1 just one quick questions--question. Is part of the
2 challenge trying to separate out for a certain title
3 of worker how much is paid by the federal government
4 or state government and how much they pay per hour?
5 Is this part of what the contract agency is juggling
6 in figuring out the answer?
7

8 PV ANANTHARAM: Not exactly. It used to
9 be the case that we used to in previous wage
10 increases that has been given out to the Human
11 Services sector that we used to have agencies isolate
12 the portion that was purely tax refunded. There are
13 a variety of funding streams that attach themselves
14 to our Human Services contracts. Some are matching
15 funds that goes up regardless of whether the state
16 has approved it or not. In other instances you are
17 required to get the state's approval prior to giving
18 out the cost of living increases. Those are
19 adjustments that have to be addressed, but mostly
20 that are being addressed by the agency and the budget
21 office. So, from the contractor perspective--

22 CHAIRPERSON ROSENTHAL: No, no wait.
23 Hold on. On that situation are you saying that if we
24 have agency contract that's jointly funded by city
25 and state funds, probably federal as well, to the

1 extent that the city puts in a dollar, the state
2 would be required to put in a dollar and the federal
3 government two?
4

5 PV ANANTHARAM: Um, as long--

6 CHAIRPERSON ROSENTHAL: [interposing] Or
7 depending on the--

8 PV ANANTHARAM: --as long as they're
9 open-ended funding streams--

10 CHAIRPERSON ROSENTHAL: [interposing]
11 Yeah.

12 PV ANANTHARAM: --and that the statute
13 does not prohibit increases, yes that's true.

14 CHAIRPERSON ROSENTHAL: So you have to
15 for each contract--each of the 4,000--for each of the
16 4,000 contracts then you have to figure out--or the
17 agencies have to--

18 PV ANANTHARAM: [interposing] Yeah.

19 CHAIRPERSON ROSENTHAL: --figure out
20 those issues?

21 PV ANANTHARAM: Well, it wouldn't--it
22 wouldn't be for each of the 4,000, it would be much
23 bigger categories because it's by program areas. So
24 you could have 200 contacts in a particular program
25 area that behave in a certain fashion.

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CHAIRPERSON ROSENTHAL: [interposing]

Yeah.

PV ANANTHARAM: The other 200 are rather simple so--

CHAIRPERSON ROSENTHAL: When you put the money in the budget, the additional--I forget what the dollar amount is, \$54 million.

PV ANANTHARAM: Yeah.

CHAIRPERSON ROSENTHAL: Do you put in-- was a portion of that state and federal funds or was that all city tax levy?

PV ANANTHARAM: In addition to the \$54 that was granted--

CHAIRPERSON ROSENTHAL: [interposing]
Yeah.

PV ANANTHARAM: --\$15 million that were state and federal funds.

CHAIRPERSON ROSENTHAL: 5-0?

PV ANANTHARAM: 15, 1-5. So it would be like 6-59 or 69? (sic)

CHAIRPERSON ROSENTHAL: Okay, great.

Thank you very much. Council Member King and then Council Member Wills.

1
2 COUNCIL MEMBER KING: Good afternoon and
3 thank you for your testimony, Madam Chairwoman, and
4 thank you again for leading today's conversation.
5 I'm going to fall in line with my chair, my--my
6 colleague from the Bronx knowing that the Bronx
7 according to United Ways report has the highest
8 inadequacy as far as if salaries or people trying to
9 live. I know we get complaints constantly, you know,
10 trying to be home for--with your children, but you've
11 go to work two shifts and three shifts just to be
12 able to sustain, not to mention how many city workers
13 that we haven't even had the conversation in regards
14 to them fining themselves living in shelters just
15 because they're not able to provide for themselves of
16 their families. So something is wrong. So when we
17 start talking about the contract process and people
18 not being able to--it's kind of like you humbly
19 asking them please, please, please, please we need
20 this information. They're saying, oh, the process is
21 a little difficult. I will get back to you when we
22 can. The problem that I'm having is that if we put
23 \$54 million, but if you're getting money from the
24 city you have a responsibility to comply. You don't
25 have a choice. To have a responsibility to comply.

1
2 So I'm going to have to ask you all what do you do?
3 What--what consequences are there and--because I know
4 in some cases if some other agencies if they don't
5 get their paperwork together for MOCS or OMB (sic)
6 they don't have it together, they don't get their
7 money. So what are you all prepared to do for
8 everybody else of those who can't figure it out
9 because at the end of the day those families are
10 still struggling while we're trying to figure out
11 process? So help me understand that, and what--what
12 can you do to help us other than us trying to do
13 this. What can you do?

14 PV ANANTHARAM: So--so right from the
15 onset what is expected here is that the agencies
16 would be swift in responding. So rather than--right
17 from the beginning we believed that (background
18 comments)--I'm sorry. Okay. Right from the
19 beginning there was the expectation that the contract
20 agencies would respond swiftly. We don't quite know
21 all the reasons why they haven't, which is why we're
22 reaching out to them individually to find out what
23 their issues are.

24

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2 CHAIRPERSON ARROYO: I'm sorry. You say
3 contract agencies are not responding. Our city
4 agencies?

5 PV ANANTHARAM: No, the contractors.

6 CHAIRPERSON ARROYO: Okay. So why don't
7 we say organizations?

8 PV ANANTHARAM: Okay.

9 CHAIRPERSON ARROYO: Agencies are an
10 animal of government. There's a difference.

11 PV ANANTHARAM: Okay.

12 CHAIRPERSON ARROYO: So we're talking
13 about the providers.

14 PV ANANTHARAM: The provider
15 organizations.

16 CHAIRPERSON ARROYO: Okay, thank you.

17 PV ANANTHARAM: So it could very well be
18 they're encountering difficulties that we don't know
19 about and that is the reason why we have asked the
20 city agencies to reach out to these organizations to
21 find out how we can be helpful in the process. So I
22 do not want to at this point in time to point the
23 blame at the organizations without completely
24 understanding what their issues are. I am certain
25 that all of them want to do this.

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COUNCIL MEMBER KING: Is there a timeframe for a response, and if they don't respond in the timeframe what do we do because then again we still have people who can't manage their lives because we in downtown haven't figured out--or someone at some place or in some organization hasn't figured out how to communicate that they're having challenges. What are the consequences? Because there have to be some consequences. Otherwise, we'll be going to Fiscal '17 and still having this conversation.

PV ANANTHARAM: SO for the three months or four months that we've worked on this issue with the Human Services Council and major providers in the arena, I have not heard for one instance where they have not--they've said no we don't want this money. Almost universally everybody has asked that we do this fast, as quickly as possible, as simply as possible and that's what we've tried to do. Again, before we go into a penalty phase of identifying how--what could be done, I think it's important for us to understand what limitations our organizations have. I guess I'm less skeptical than you all are in this process.

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COUNCIL MEMBER KING: Well, you keep saying the challenges that these organizations have. So then I have to move to what kind of communication is happening to find out what challenges they're having because you've got to know this, you know, it can't keep going on. So I want to ask you again. I'm having a problem because what I'm hearing from you are people haven't responded. There has to be a reason why somebody responds, and what do we do when people haven't responded?

PV ANANTHARAM: So our outreach this week will tell us a lot more about that, and we can definitely communicate back to you what we have heard back in responses and what kind of time frame we can expect. I'm glad to follow up.

COUNCIL MEMBER KING: Okay. I'll look forward to that, and hopefully you set your own time frame not just leaving it out there and hopefully that someone responds. Control the process a little more. I would like to see that happen.

PV ANANTHARAM: It will be absolutely imperative for us to get this done as quickly as possible.

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COUNCIL MEMBER KING: Okay. Thank you.

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Thank you so much. Thank you, Madam Chairs.

4

CHAIRPERSON ROSENTHAL: Yeah, thank you

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Council Member King. You know, we'll hear I thin

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from the Human Services Council about specific

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problems that the providers are having, and I

8

appreciate that OMB is sort of one layer removed--

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PV ANANTHARAM: Uh-huh.

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CHAIRPERSON ROSENTHAL: --because you're

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not talking directly to the provider. You're talking

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to the agencies. I also think there's an interesting

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dynamic of the HHS Accelerator folks being much

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close--closer to the provider than MOCS in this

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situation. I mean because as we learn about what

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problems the agencies are having in filling out the

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forms, would that--what can we learn--

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PV ANANTHARAM: Uh-huh.

19

CHAIRPERSON ROSENTHAL: I'm sorry, the

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providers--thank you--in filling out the forms, what

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are we learning about that from a contracting point

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of view? And in a way maybe it's not MOCS who's at

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the end of the day responsible but the HHS

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Accelerator folks. Is that a fair thing to say?

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2 LAURA RINGELHEIM: So, I--I think it's a
3 two-part question.

4 CHAIRPERSON ROSENTHAL: Oh, and can you
5 introduce yourself for the record.

6 LAURA RINGELHEIM: Okay, Laura
7 Ringelheim, Deputy General Counsel at MOCS. There's
8 a portion that is submitted through HHS Accelerator
9 that's going to have the two-page contract amendment,
10 but then the agency will submit the R-Cam (sic)
11 through the regular process. So it's not--I'm not
12 sure that HHS Accelerator can give you additional
13 information in terms of what the contracting process
14 is or the problems that they might be having. They--
15 if there--if there are problems, the organizations
16 can still reach out to the agency to help them
17 through that. I--I--and I don't know because I'm not
18 sure of the process that they would go through
19 Accelerator, but I believe they're going to go
20 through the agency with any problems that they have.

21 CHAIRPERSON ROSENTHAL: And so should we
22 be talking to the ACCOs of a particular agency like
23 the HRA. What does ACCO stand for again?

24 LAURA RINGELHEIM: It's Agency Chief
25 Contracting Officer. Can you answer.

1
2 PV ANANTHARAM: Yes, I'm going to. The--
3 the Accelerator has been the work that we've used to
4 try and coordinate questions from different agencies--
5 -different organizations. Sorry. Thank you. It
6 hasn't gotten to the agency level yet. Wherever we
7 have--what we have tried to do is feed the questions
8 through a single point so that we can be consistent
9 in our responses to other agencies. So we work very
10 collaboratively--we and the Office of Management and
11 Budget has worked very collaborative with the
12 Accelerator to try and answer the questions that have
13 come through the Accelerator. The Accelerator in
14 itself or the clean Accelerator in itself does not
15 necessarily answer questions other than standard
16 responses that we have sort of laid out for things
17 that might be which contract do I respond to? My
18 contract is not showing up in the Accelerator or in
19 the email that you sent me. Why is it not there?
20 Those kinds of questions are what we're fielding
21 today. Where there are substantive programmatic
22 agency related question, we reached out to the agency
23 to try and get a response, and funnel it back to the
24 Accelerator to the contract to the organization

1 because it's important in our perspective to have a
2 single point of review as opposed to--

3
4 CHAIRPERSON ROSENTHAL: No absolutely and
5 it would become incredibly important in years going
6 forward in many ways as you're taking the time now to
7 set the stage so that the process in the future will
8 run much more smoothly. So you think that for this
9 window of time maybe only in the first year that--I
10 don't know who it would be. Maybe in the contracting
11 officer's office in the agencies or at HHS
12 Accelerator at MOCS, do you think that there might be
13 a need for additional staff in order to process this
14 because it's so new for the providers and they are,
15 as we'll hear later, working with through so many
16 different component parts.

17 PV ANANTHARAM: Again, I think that the
18 outreach that we do next week (laughs)

19 CHAIRPERSON ROSENTHAL: Come PV, it's
20 your parting shot.

21 PV ANANTHARAM: No, the outreach that we
22 do next week will inform us a whole lot--

23 CHAIRPERSON ROSENTHAL: [interposing]
24 Okay.

1
2 PV ANANTHARAM: --about how--what we need
3 to do. I--I don't want to minimize staff and
4 resources if necessary. I--I think all of us have
5 embarked on this journey to make sure that workers
6 get all the money as soon as possible so there is no
7 hesitation on our part to have resources if
8 necessarily.

9 CHAIRPERSON ROSENTHAL: Oh, good, I mean
10 I--Terrific. Thank I'm going to turn it over to my
11 co-chair.

12 CHAIRPERSON ARROYO: So Fiscal Year 16
13 started July 1st. Today is November 2nd? What? Why
14 are we having this conversation today and why we
15 doing outreach this week and we'll know by next week
16 maybe what the problems are?

17 PV ANANTHARAM: It is true we are four
18 months into the process already, but we did use the
19 four months to try to minimize any difficulties in
20 the process going forward. So we have invested time
21 at the front end of the process so that things can be
22 a lot more systematic and straightforward, and that
23 we gather information that can be useful for us in
24 future iterations, and also to plan better for this
25 workforce.

1
2 CHAIRPERSON ARROYO: Is this a brand new
3 process?

4 PV ANANTHARAM: Absolutely it is.

5 CHAIRPERSON ARROYO: Okay, and at some
6 point somebody is going to explain to me what this
7 HHS Accelerator is because there's--there's an
8 assumption that we all understand what it is and what
9 it does, and whether nor not it's appropriate and the
10 technology works and all that other stuff. So, along
11 with the nuance conversation that we hope to have so
12 that we can have a better understanding of why
13 certain services or contracts are not included in
14 this cost of living increase that we as council
15 members understand some of the mechanisms that enable
16 contracts to get successfully executed, and people to
17 get paid. So I--I mean I'm not one to demand
18 penalties on a provider. God knows we don't pay them
19 enough to do the work they do, and--and slowing money
20 to getting to the providers is just not going to make
21 any of what we're discussing any better. But
22 certainly there has to be--so what is it and what
23 does it do? Not for right now--not for right now,
24 but at some point when we have a follow-up
25 conversation on this.

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2 PV ANANTHARAM: [interposing] Absolutely,
3 and we can get you--and we can get you a document
4 outlining what the--

5 CHAIRPERSON ARROYO: [interposing] Thank
6 you. Council Member Wills.

7 COUNCIL MEMBER WILLS: Good afternoon. I
8 just have a couple quick questions for clarity. The--
9 -this additional funding is only for the--for the
10 employees?

11 PV ANANTHARAM: That's right. Wages and
12 wage related fringes.

13 COUNCIL MEMBER WILLS: Okay. So then are
14 we considering fringes only the health benefits--the
15 health?

16 PV ANANTHARAM: No, fringes would be
17 payroll related.

18 COUNCIL MEMBER WILLS: So they can use
19 their money towards their portion of the Social
20 Security and Medicare and things like that?

21 PV ANANTHARAM: The Social Security
22 increases that are considered payroll taxes will be
23 covered. Yes.

24 COUNCIL MEMBER WILLS: And that would be
25 covered by the additional money?

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2 PV ANANTHARAM: The \$54 or the \$69
3 million it would cover all of those increases. So it
4 will include the increase of the 2-1/2% for the
5 individual plus the associated fringe costs.

6 COUNCIL MEMBER WILLS: [interposing]
7 Okay. I just wanted to be on that. And how does
8 this impact the long-term costs like pension costs?

9 PV ANANTHARAM: So if there are pension
10 costs associated with the wage increase, we will
11 cover that, too.

12 COUNCIL MEMBER WILLS: Okay, Mrs. Miller
13 in her statement--well, in her record that she input
14 for the record, her testimony, she said in raising
15 the wage floor in enacting the appropriate COLA that
16 is automatically adjusting (sic) inflation will keep
17 not-for-profit wages competitive and ensure the
18 recruitment and retention of skilled workers. Do you
19 agree with that?

20 PV ANANTHARAM: Um--

21 COUNCIL MEMBER WILLS: I can read it
22 again if you want me go again.

23 PV ANANTHARAM: It's--it's too open a
24 question. I think I haven't time to take it in. I
25 started to ascertain that. Clearly what we--

COMMITTEE ON COMMUNITY DEVELOPMENT
JOINTLY WITH THE COMMITTEE ON CONTRACTS

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COUNCIL MEMBER WILLS: [interposing] So-

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PV ANANTHARAM: Clearly what we--

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COUNCIL MEMBER WILLS: [interposing] An

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appropriate wage--and I'm sorry, PV, I'm a fan of you

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work so I know when I'm asking you a question. An

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appropriate wage is what most or often times helps us

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to sustain a workforce that is diligent and able to

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carry out the job functions right?

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PV ANANTHARAM: [interposing] Yes, that's

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correct.

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COUNCIL MEMBER WILLS: It's a pay that

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you get monthly?

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PV ANANTHARAM: That is correct.

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COUNCIL MEMBER WILLS: So if this is true

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in the not-for-profit sector if they're not

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competitive at this point and us giving this money

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and going up to \$11.50, how--when do we begin to

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bridge that gap to make sure that they become

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competitive? Is it a year, two years, three years

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after this implementation that we're raising it up?

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PV ANANTHARAM: So, one of the reasons

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why we undertook a survey prior to actually doing

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this wage increase was to understand what workers in

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this sector make. We got back responses that were

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2 all over the place, but clearly indicated that a lot
3 of people were working two jobs or part-time work and
4 things of that nature. And it was the basis that
5 allowed us to decide what the increase ought to be,
6 and the Mayor had already commented the living wage
7 ought to be for of \$11.50 and pegged the number at
8 \$11.50. The--the Administration has also been very
9 much on the record in--in suggesting that the minimum
10 wage ought to be \$15.00, and we're glad that the
11 Governor has stepped up in the same manner, and the
12 legislature has also equally agreed. So, it is our
13 expectation as we move forward that that will become
14 law and it won't be for debate.

15 COUNCIL MEMBER WILLIS: So, we--we--you're
16 saying that we're waiting until the \$15.00 becomes
17 law before we acknowledge that people need to make
18 \$15.00 and pay them that? Because if that's the
19 case, I think that we should have share (sic) that
20 goes up to \$15.00 in two years regardless.

21 PV ANANTHARAM: What--what we have done
22 in this process is address wage increases that this
23 sector has not received for a long time. What we
24 have done in--in recognition of that is pegged the
25 floor at \$11.50, which is the living wage of the city

1 and 2-1/2% increase. That's what this particular
2 initiative has done. As regards to future increases,
3 I'm sure that as we go through this process and do
4 budget after budget we will come to some recognition
5 of what the needs are in this sector and address it
6 accordingly.
7

8 COUNCIL MEMBER WILLS: The--will the
9 future RFPs take this into account, the needed or
10 the--yeah, the needed additional funding for
11 salaries. So the next RFPs that come out for these
12 providers will we already that hey we know that they
13 need to be paid \$15.00 an hour so let's--let's make
14 sure that that we compensate them at those levels so
15 when we get the requests back in we already need to
16 know that they need to come back to that point. So
17 that way it stops us from having to go do four or
18 five budget cycles to get to that point. Is that
19 something that you guys have looked at?

20 PV ANANTHARAM: We haven't looked at it
21 that specifically, but I do know that there are some
22 legal limitations on what we can and cannot ask in
23 our contracts, and I guess corporation counsel is
24 much better at responding to that.
25

1
2 COUNCIL MEMBER WILLS: I don't--I don't
3 understand that. How could--I understand how
4 limitations legally, but if we're paying and they're
5 saying that we should meet this amount or the
6 services are due this amount in pay, then how would
7 that present a legal hurdle? Where--if the city is
8 paying the money, then it shouldn't present a legal
9 hurdle if we're providing the finances for the
10 contracts. If we're recognizing it in an RFP that
11 shouldn't present a legal hurdle.

12 PV ANANTHARAM: I--I defer to the Law
13 Department on that. I don't know that I can specify
14 an agency in my contracts. I am not certain about it,
15 but I defer to the Law Department--

16 COUNCIL MEMBER WILLS: [interposing]
17 Okay.

18 PV ANANTHARAM: --and get their response
19 if you'd like.

20 COUNCIL MEMBER WILLS: Co-Chairs, my last
21 question would be the specific employees that are
22 covered under this are there any employees that are
23 not eligible for this initiative? The DOE employees
24 for instance that are food handlers that come in
25 contact with our children every single day, are they-

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2 -if they're not contracted by a client provider or
3 providing, if they're just working directly for the
4 agency, are they covered? What happens with their
5 wages?

6 PV ANANTHARAM: I can get you
7 clarification on that. I don't know the specifics,
8 but I can definitely get you--get you clarification
9 on that.

10 COUNCIL MEMBER WILLS: Thank you very
11 much. Thank you Co-chairs.

12 CHAIRPERSON ROSENTHAL: Council Member
13 Johnson.

14 COUNCIL MEMBER JOHNSON: Thank you, Chair
15 Arroyo and Rosenthal for having this hearing. PV,
16 thank you for your testimony and for answering the
17 questions today. I know that the Mayor has talked
18 very frequently, of course, about income and equality
19 in our city and also nationally and doing all we can
20 here in the city in partnering with the Council when
21 possible when our goals are aligned on trying to help
22 folks who are not making enough to make ends meet in
23 New York City. One of the ways we've done that is
24 through Universal Pre-K lifting the burden off of
25 people. Instead of having to pay for childcare they

1
2 can then use that money for other purposes to support
3 themselves and their families. The Mayor supports
4 raising the minimum wage to \$15.00 an hour.

5 PV ANANTHARAM: That's correct.

6 COUNCIL MEMBER JOHNSON: That's right.

7 Yes. So why aren't we putting in money to raise this
8 up toe \$15.00 an hour?

9 PV ANANTHARAM: I--I go back to my
10 previous response. This particular wage increase was
11 to address the fact that our contractors had not
12 received wage increases for a long time. And at the
13 time that we proposed that, the floor that the Mayor
14 had laid out for \$11.50. It made sense for us.

15 COUNCIL MEMBER JOHNSON: [interposing]

16 The previous Mayor.

17 PV ANANTHARAM: This Mayor?

18 COUNCIL MEMBER JOHNSON: This Mayor?

19 PV ANANTHARAM: This Mayor and--

20 COUNCIL MEMBER JOHNSON: [interposing]

21 Oh, at that time?

22 PV ANANTHARAM: Right. In September of
23 2014.

24 COUNCIL MEMBER JOHNSON: Before the Wage
25 Board was called for fast food workers to get--

1
2 PV ANANTHARAM: [interposing] That is
3 correct.

4 COUNCIL MEMBER JOHNSON: --the \$15.00
5 increase.

6 PV ANANTHARAM: That is correct.

7 COUNCIL MEMBER JOHNSON: But now the
8 Mayor supports fast workers--

9 PV ANANTHARAM: [interposing] The Mayor-

10 -
11 COUNCIL MEMBER JOHNSON: --getting \$15.00
12 an hour?

13 PV ANANTHARAM: [interposing] The Mayor
14 has always supported a \$15.00 wage increase, and I
15 think it's incumbent on all of us to support that,
16 and the Governor has stepped up to that, as has the
17 Legislature. So there is an expectation that it will
18 become law. You have to also understand that he
19 phased in the raise to \$15.00. We are at this point
20 in time about that schedule that the Governor has set
21 out. We--we expect that that minimum wage will come
22 to pass.

23 COUNCIL MEMBER JOHNSON: Do you--or I
24 know given your, you know, history and your position
25 at OMB, of course, you are--you know about the self-

1
2 sufficiency standard that--that's talked about. The
3 United Way submitted testimony today related to a
4 self-sufficiency standard here in New York City. And
5 it shows that a single adult living in the Bronx
6 constituting the least expensive neighborhood across
7 the city's five boroughs, must earn at least \$12.76
8 hourly, which in turn ends up being \$26,951 annually
9 just to afford basic minimum expenses. It starts to
10 go up when you get to more expensive neighborhoods.
11 In Queens it would need to be \$15.36 an hour. In the
12 Bronx if it was a parent that had a child the floor
13 would have to be \$20.99 an hour, and when they're not
14 making those wages, what happens frequently is people
15 then rely upon government programs to be able to get
16 the support needed to actually support themselves and
17 their family. And we, of course, want people to be
18 self-sufficient, and to make good wages and to put
19 that money back into the economy and to have a good
20 life. So, what is the ultimate plan to get it higher
21 than what we're talking about today? Besides the
22 Legislature, I mean we could never rely upon the
23 Legislature doing the right thing ever. I mean us
24 relying upon a Republican State Senate raising wages
25 for workers here in New York City. I mean I'm glad

1
2 the Governor called the Wage Board, but what do we
3 do? I don't feel comfortable. I think the Assembly
4 will do the right thing, but I don't feel comfortable
5 waiting until next June to see if this is going to
6 happen.

7 PV ANANTHARAM: I--I'm sorry, I don't
8 know--

9 COUNCIL MEMBER JOHNSON: [interposing]
10 What's the plan? What's the plan to get it up higher
11 than \$11.50 eventually if the Mayor has a core belief
12 that the minimum wage should be \$15.00 an hour?

13 PV ANANTHARAM: And I think the Mayor's
14 core belief is true of all workers in the--

15 COUNCIL MEMBER JOHNSON: [interposing]
16 Yes, yes.

17 PV ANANTHARAM: --City of New York.
18 This--this particular wage increase was intended for
19 Human Service workers in contract with the City of
20 New York.

21 COUNCIL MEMBER JOHNSON: But we still
22 don't think it's enough, right?

23 PV ANANTHARAM: We clearly want the
24 minimum wage to be \$15.00. There is no question
25 about that, and we are expecting that the Legislature

1 will react appropriately and move it forward. At
2 this point in time, what we have on the table is
3 \$11.50--

4
5 CHAIRPERSON ARROYO: [interposing] So
6 Council--

7 PV ANANTHARAM: --wage increase.

8 CHAIRPERSON ARROYO: --Council Member
9 Johnson if I may add to--to the question. So the
10 state says yay, \$15.00 an hour and we're all happy,
11 and we celebrate that, and it gets us a little
12 further along in the conversation. How do we fund it
13 or are the provider's contracts going to remain
14 stagnant, and then we're having a conversation about
15 maybe cutting services as opposed to increasing
16 salaries?

17 PV ANANTHARAM: If the law were to pass,
18 and the minimum became whatever the minimum becomes
19 we would normally evaluate what the needs would be,
20 and discuss it with the Council in passing a budget
21 that would allow for that increased wages to be
22 passed through to the extent that we have an
23 agreement in that regard. It isn't a clean automatic
24 contractual process that increases it. It has to be
25

1
2 pursuant to further action, but the exact
3 increase.(sic)

4 CHAIRPERSON ARROYO: I understand that.
5 Where does the money come from? Do we go print it at
6 City Hall or the--do we presume that it's going to
7 come with--or is this going to be another one of
8 those unfunded mandates that we often talk about? It
9 feels good. It's a nice press release, a nice press
10 conference. At the end of the day, the revenue of
11 the city is what it is. How do we accommodate?

12 PV ANANTHARAM: We definitely hope that
13 any increases that come as a result of state
14 legislation will bring funding along with it, but--

15 CHAIRPERSON ARROYO: [interposing] Okay.

16 PV ANANTHARAM: --at the same token, we
17 also recognize--

18 CHAIRPERSON ARROYO: [interposing] I'm
19 sorry, Council Member.

20 COUNCIL MEMBER JOHNSON: I just have one
21 final question. SO, you know, we're talking about
22 record numbers of people in the shelter system in New
23 York City. I really applaud the Administration for
24 all the money they've put forward over the last two
25 budget cycles in trying to set up a rental assistance

1
2 program, and get support to individuals who need it
3 to get them out of shelter and into permanent
4 housing. And we've seen actually tens of thousands
5 of people get moved into permanent housing because of
6 these programs, but the number is still at a record
7 high. And I know you're not with DHS, but I think a
8 good question to ask here is we know that a certain
9 number--I think it's over 30% of that 57,000 number
10 of folks that are in shelter right now. I think it's
11 30% of people with full-time jobs working 40 hours a
12 week, which is shameful. I mean it's awful that
13 someone is working 40 hours a week playing by the
14 rules, trying to support themselves and their family,
15 and they still can't afford a roof over their heads.
16 I wonder out of that--whatever that number is of
17 individuals who were working full time in our--in the
18 shelter system, how many of them are these type of
19 workers? How many of them are doing this type of
20 working supporting other people in New York City
21 through Social Services, and then ending up in the
22 shelter system themselves because of where the wage
23 is. I just think it's a question that we should ask
24 and see if DHS has any statistics and number on that.
25 We saw--there was report--not that I go by what the

1
2 New York Post says--but we saw a report in the Post a
3 couple of months ago that said that there were
4 certain Parks Department employees who were sleeping
5 in their own cars and were in the shelter system
6 because they weren't being paid enough money. The
7 point here is--and--and I'm not attacking you because
8 I think the Administration has been moving in the
9 right direction. As I said, on UPK and on putting
10 money towards social services and on this, but the
11 ultimate issue is we are hamstrung by the federal
12 government and by Albany because they set the minimum
13 wage. And what we can do as a city to raise wages
14 for workers that need it most, workers that are
15 really contributing to the city, workers who are
16 primarily women and people of color, we should use
17 every tool in our budget arsenal to do that. Thank
18 you for your question today. Thank you very much.

19 CHAIRPERSON ARROYO: Thank you.

20 CHAIRPERSON ROSENTHAL: Thank you,
21 Council Member Johnson for nailing it as always.
22 Hang on one second. (background comments) So, Mr.
23 Anantharam, could you please introduce the people
24 from OMB who are with you and their titles?

25

1
2 PV ANANTHARAM: Sure. To my right is
3 Allison Bricke. She's the Assistant Director for
4 Social Services, and to my left is Simonia Brown who
5 is the Associate Director Education,
6 Intergovernmental and Community Boards.

7 CHAIRPERSON ROSENTHAL: Okay, and between
8 the two of them, how many of the 11 agencies does
9 that cover?

10 PV ANANTHARAM: Probably 9 of the 11 or 8
11 or 9 of the 11.

12 CHAIRPERSON ROSENTHAL: Oh, okay.

13 PV ANANTHARAM: So Allison Bricke
14 oversees all the social service agencies, which is
15 the vast majority of these programs. Ms. Brown's
16 portfolio includes education and the higher education
17 related programs that are covered here, too. What is
18 not--the people who are not here are the Health
19 Service Agency and the Criminal Justice agency.

20 CHAIRPERSON ROSENTHAL: Why is Criminal
21 Justice being covered under this? There are Human
22 Service--

23 PV ANANTHARAM: [interposing] It's the
24 Human Services aspects of criminal justice. The
25 alternatives to detention, alternatives displacement,

1 legal services for things of that nature. It's for
2 the 18B attorneys.

3
4 CHAIRPERSON ROSENTHAL: And SBS?

5 PV ANANTHARAM: SBS is cover, too, and
6 they're not here I don't believe so.

7 CHAIRPERSON ROSENTHAL: And what are the
8 Human Service contract?

9 PV ANANTHARAM: The employment programs
10 under SBS are covered.

11 CHAIRPERSON ROSENTHAL: Would it be
12 possible for you to provide to the Council by agency-
13 -you say it's 800 providers, 4,000 contracts, what's
14 the easiest way? I don't know how to pitch the
15 question--

16 PV ANANTHARAM: [interposing] Uh-huh.

17 CHAIRPERSON ROSENTHAL: --but if wanted
18 to get a sense by agency of either the category of
19 contracts or--I don't want to make the work harder,
20 but something that you already have at your desk.

21 PV ANANTHARAM: We can--we can get you a
22 list of programs, broad programs under agencies--

23 CHAIRPERSON ROSENTHAL: [interposing] For
24 each agency.

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PV ANANTHARAM: --to give you the flavor.

(sic)

CHAIRPERSON ROSENTHAL: That would be great. And then ultimately is where you're trying to go that--and I don't know that the Council as an oversight agency needs to see--the oversight body needs to necessarily see this, but you would have by title sort of the wage--

PV ANANTHARAM: [interposing] Uh-huh.

CHAIRPERSON ROSENTHAL: --from where you're going. But the titles for each contract could be getting currently the different--different wages hypothetically, right?

PV ANANTHARAM: Uh-huh.

CHAIRPERSON ROSENTHAL: So then--so for each title, for each contract, the wage then and then up to the \$11.50 or higher depending on the 2.5, and then you said there's a piece that is a Social Security add-on, a pension add-on. What are the other add-on pieces?

PV ANANTHARAM: Any payroll like, you know, unemployment insurance benefits they would be covered.

1
2 CHAIRPERSON ROSENTHAL: So you would have
3 that and then--and then that would be a total for
4 each title, for each contract, and then it would
5 hypothetically add up to \$54 million.

6 PV ANANTHARAM: It would yes,
7 hypothetically yes.

8 CHAIRPERSON ROSENTHAL: Okay.

9 PV ANANTHARAM: We're rather \$69 million
10 because there's that \$1,500 (sic).

11 CHAIRPERSON ROSENTHAL: What?

12 PV ANANTHARAM: Either expectation that
13 we can aggregate that kind of information from the--
14 from the template that we've put out--

15 CHAIRPERSON ROSENTHAL: [interposing]
16 That's right.

17 PV ANANTHARAM: --to the organizations so
18 that we can then look at and analyze it and
19 understand the labor force better than trying to
20 figure out which program areas would be better, which
21 services would be better, which grades would be
22 better. It's a whole a lot of functions--

23 CHAIRPERSON ROSENTHAL: [interposing] So
24 hypothetically--

25 PV ANANTHARAM: --that you can ask.

1
2 CHAIRPERSON ROSENTHAL: --you're going to
3 be hypothetically equalizing the contracts?

4 PV ANANTHARAM: Not necessarily
5 equalizing it, but it allows us to understand the
6 differences--

7 CHAIRPERSON ROSENTHAL: [interposing]
8 Yes.

9 PV ANANTHARAM: --and rationalize why so
10 or not, and then make policy decisions based on that.

11 CHAIRPERSON ROSENTHAL: Do you have a
12 rough idea just off the top of your head, and I know
13 this is a hearing, but I won't hold you to it--

14 PV ANANTHARAM: [interposing] Okay.

15 CHAIRPERSON ROSENTHAL: --because this is
16 why we have drafts, and we're going to call it a
17 draft--what you think it would cost to get us to
18 \$15.00 an hour for the Human Service contract
19 workers.

20 PV ANANTHARAM: Okay.

21 CHAIRPERSON ROSENTHAL: And I know it
22 means opening Pandora's Box because then we have
23 crossing guards that we have to get from \$11.1--
24 \$11.50 to \$15.00 an hour. But if we were only
25 talking about Human Service contract workers.

1
2 PV ANANTHARAM: It's a--it's a very
3 difficult question to answer only because the results
4 that we got back from the survey identified people
5 making \$4.00 an hour.

6 CHAIRPERSON ROSENTHAL: Wait. So
7 something is wrong with the question?

8 PV ANANTHARAM: It's-

9 CHAIRPERSON ROSENTHAL: [interposing]

10 PV ANANTHARAM: --the survey is very
11 impromptu. It wasn't necessarily an aggressive
12 survey document. It was just to get a sense of what
13 it might be, and as a basis for making an estimate in
14 the budget. So, I--I would be loathe to put
15 something out there that is--

16 CHAIRPERSON ARROYO: [interposing] \$4.00
17 an hour on a city contract?

18 PV ANANTHARAM: I'm sorry? Well, this is
19 the thing, it was incorrect in its responses. We
20 clearly knew that was not the case.

21 PV ANANTHARAM: Right.

22 CHAIRPERSON ARROYO: And--which is the
23 reason why I look to share information that--

24 CHAIRPERSON ROSENTHAL: [interposing]
25 Okay.

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PV ANANTHARAM: --that is--

CHAIRPERSON ROSENTHAL: [interposing]

Hypothetically once we have the information that gets us to the route of the \$50 of the \$69 million--

PV ANANTHARAM: [interposing] Right.

CHAIRPERSON ROSENTHAL: --you could then make an estimate?

PV ANANTHARAM: Absolutely.

CHAIRPERSON ROSENTHAL: So do you think that--is the goal to get this really ready to go by the January/February preliminary budget so that you could amount(sic) over money around then?

PV ANANTHARAM: Yes, the expectation clearly is that we would have all of the responses by then, and--

CHAIRPERSON ROSENTHAL: [interposing]

So--

PV ANANTHARAM: --and be able to identify the amount per agency.

CHAIRPERSON ROSENTHAL: And then--so who would we ask the question to? As a Council would we ask the OMB director at the beginning of the budget season what the number would be and he would, you know--?

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2 PV ANANTHARAM: Well, we've--they've
3 already budgeted for the amount, it's just the--

4 CHAIRPERSON ROSENTHAL: [interposing] No,
5 up to \$15.00.

6 PV ANANTHARAM: Oh, I think you have to
7 wait for the responses to come back and conduct an
8 analysis to see what the numbers would look like
9 whether it can be done based on the preliminary plan
10 depends on how many people respond, how fast they
11 respond.

12 CHAIRPERSON ROSENTHAL: Yeah, yeah.

13 PV ANANTHARAM: So--

14 CHAIRPERSON ROSENTHAL: Thank you. Chair
15 arroyo.

16 CHAIRPERSON ARROYO: Thank you, Madam
17 Chair. So eligible employees is something I have an
18 issue with, and also providers can make the wage
19 increase retroactive to July 1st. Why wouldn't they?

20 PV ANANTHARAM: They will.

21 CHAIRPERSON ARROYO: Is that--are you
22 leaving that up to them?

23 PV ANANTHARAM: Yes.

24 CHAIRPERSON ARROYO: Why?
25

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2 PV ANANTHARAM: What we can do at this
3 point in time is provide the funding necessary to go
4 back to July 1. It is--

5 CHAIRPERSON ARROYO: [interposing] Why
6 wouldn't they want more money?

7 PV ANANTHARAM: I--I don't dispute that.
8 I agree that they should want more money, and they
9 should do it and they hopefully would do it.

10 CHAIRPERSON ARROYO: There's no mandate
11 that they--?

12 PV ANANTHARAM: It--it-it is--yes, there
13 is no mandate on it.

14 CHAIRPERSON ARROYO: Despite the fact
15 that you're giving them the money?

16 PV ANANTHARAM: I'm--?

17 CHAIRPERSON ARROYO: Despite the fact
18 that the \$54 million accommodates for that?

19 PV ANANTHARAM: That's correct. Our
20 expectation is that almost everybody would go back to
21 July.

22 CHAIRPERSON ARROYO: [interposing] Okay,
23 so I guess we'll get from the providers whether or
24 not they intend to do that. And--and I'm still not--
25 I'm having a hard time understanding what's an

1 eligible employee, and maybe I'm not the smartest
2 person in the room, but--

3
4 PV ANANTHARAM: [interposing] Well, I--

5 CHAIRPERSON ARROYO: --I just don't
6 understand why every single employee on a contract
7 with the city is not covered under this living wage
8 or cost--

9 PV ANANTHARAM: [interposing] In--in
10 general--

11 CHAIRPERSON ARROYO: -- of living
12 increase?

13 PV ANANTHARAM: --in general they're all
14 covered. All titles in the contract are covered. I--
15 I--there's probably very few. The eligible worker
16 category is in terms of legal significance I guess.
17 There are some program areas that are not covered
18 that are--that are the kind of pro--organizations
19 that receive funding from both the city and the state
20 and federal government. So the contractor--so the
21 funding that follows, the state contract is not
22 covered by this so--

23 CHAIRPERSON ARROYO: [interposing] I
24 understand. I understand that. I just--

25 PV ANANTHARAM: Yes.

1
2 CHAIRPERSON ARROYO: --and, you know, for
3 the basis of this conversation this is about city
4 contracts and that every employee on a city contract
5 is making at least--

6 PV ANANTHARAM: [interposing] Yes.

7 CHAIRPERSON ARROYO: --\$11.00 an hour.

8 PV ANANTHARAM: Yes.

9 CHAIRPERSON ARROYO: That is the
10 expectation--

11 PV ANANTHARAM: [interposing] That's
12 correct.

13 CHAIRPERSON ARROYO: --regardless of the
14 service.

15 PV ANANTHARAM: That's correct.

16 CHAIRPERSON ARROYO: We did say there are
17 some services that are exempt like Universal Pre-K.
18 Why?

19 PV ANANTHARAM: Universal Pre-K was--is--
20 is a new contract. It was--they--the--the terms of
21 the wages that they negotiated within the
22 organization and the Department of Education took
23 into account all the exemplary standards that were
24 necessary to provide for a qualitative UPK program.
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So it's our expectation that those wages are already covered.

CHAIRPERSON ARROYO: Covered in what?
What do you mean covered?

PV ANANTHARAM: In that the right amount of wages are already being reported.

CHAIRPERSON ARROYO: That they're making at least that?

PV ANANTHARAM: Yes.

CHAIRPERSON ARROYO: Okay, so--so I am really looking forward to a follow-up conversation so that I can better understand the--the nuance.

PV ANANTHARAM: Uh-huh.

CHAIRPERSON ARROYO: So that I can be a little smarter about this overall conversation. I don't see why there should be a difference, and if what you're explaining--if I understand what you're explaining that there really isn't a difference then we shouldn't be talking about eligible workers. Like every worker on a contract should be making a minimum \$11.50 an hour whether they work two hours or 20 or 40. And then we're going to talk about the--the nuance about how sometimes these are part-time workers and they have to get more than one job

1 because they are not full-time employees. And having
2 run a program myself for many years, I understand the
3 nuances about that--

4
5 PV ANANTHARAM: [interposing] Uh-huh.

6 CHAIRPERSON ARROYO: --but hopefully
7 we're employing people full-time, and paying them
8 well over \$11.50 an hour. That--that just has to be
9 the bottom line. We shouldn't even be having this
10 conversation at all. You didn't make it up. So I'm
11 not going to beat you up. (sic)

12 CHAIRPERSON ROSENTHAL: Thank you so much
13 Chair Arroyo, and we have--

14 CHAIRPERSON ARROYO: I'm sorry. One more.
15 And we've been joined by Council Member Gibson from
16 the Bronx. Thank you for joining us. There--the--
17 the city contract process often when you read the
18 language on the RFP eligible responders, must be a
19 501(c)(3) are you contracting with for-profit
20 entities now or is--is there a different requirement
21 for--for different services based on the 501(c)(3)
22 status?

23 PV ANANTHARAM: I am not certain that
24 there are for-profit contractors with us. I'm sure
25 that there--

1
2 CHAIRPERSON ARROYO: [interposing] You
3 are not certain that there not?

4 PV ANANTHARAM: That is correct. I am--
5 I'm sure there are some for-profit contractors in--in
6 the--

7 CHAIRPERSON ARROYO: So every RFP that is
8 released by the city for-profit companies are
9 eligible to compete for that money?

10 PV ANANTHARAM: That's my understanding.
11 I don't know of any indication--

12 CHAIRPERSON ARROYO: [interposing] That
13 is your understanding?

14 PV ANANTHARAM: The Law Department can
15 reply better on that, but it is my understanding
16 that--that the competition is open that there is not
17 a limitation.

18 CHAIRPERSON ARROYO: It's no longer
19 limited to--

20 PV ANANTHARAM: [interposing] Yeah.

21 CHAIRPERSON ARROYO: --non-profit?

22 PV ANANTHARAM: Yeah, for the vast--for
23 the vast majority of our contracts are non-profit
24 contractors.

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2 CHAIRPERSON ARROYO: No, I understand
3 that but I--I know that one of the greatest
4 criticisms we levied against the Bloomberg
5 Administration is that he changed the landscape--

6 PV ANANTHARAM: [interposing] Yes.

7 CHAIRPERSON ARROYO: --and that our
8 501(c)(3)s in the city that had been providing
9 services for decades are now competing against larger
10 firms that have significantly stronger abilities to
11 put stuff on paper, not necessarily provide better
12 service. Which is why we've been so adamant about the
13 non-profit stabilization fund to make sure that the--
14 the non-profits, the guys that have been there in the
15 trenches for decades have a much better ability to
16 compete for these contracts because for-profit
17 companies are coming in, and basically taking over
18 the work. And then, when we talk about requirements
19 under a contract, for-profit entities and non-profit
20 entities what's the--what's the requirement each and
21 is there a different bar for either one?

22 PV ANANTHARAM: I'm--I'm sure that
23 there's not more than a handful of for-profit
24 providers if there are any. I do remember in the
25

1
2 personal care arena, Personal Touch used to be a
3 service--

4 CHAIRPERSON ARROYO: [interposing] Uh-
5 huh.

6 PV ANANTHARAM: --and that's a for-profit
7 company, and I'm sure there are some employment
8 programs that were for-profit, but they're far and
9 few between.

10 CHAIRPERSON ARROYO: We shouldn't be
11 encouraging them.

12 PV ANANTHARAM: That is a problem.

13 CHAIRPERSON ARROYO: You know, for-profit
14 companies to come in and--and--and run services that
15 we all know end up not being as quality as the non-
16 profit provider--

17 PV ANANTHARAM: [interposing] Uh-huh.

18 CHAIRPERSON ARROYO: world provides in
19 our communities. The bottom line is what they focus
20 on, and they're going to cut corners every time, and
21 that is not something that I, and I'm sure my co-
22 chair would not be in support of. That we should
23 look at reverting back to in order to compete for
24 city contracts you must be a private 501(c)(3).

25 Thank you.

1
2 CHAIRPERSON ROSENTHAL: Mr. Anantharam,
3 just one quick last question. Is it the case that
4 the federal government mandates that state and city
5 localities allocate a 10% overhead for non-profit
6 contract--contracting providers?

7 PV ANANTHARAM: I know that the federal
8 government has recently promulgated new rules on the
9 administrative overheads that relate to grantees and
10 the sub-grantees. We are still evaluating what that
11 particular ruling applies to, and which are for our
12 sub-grant, which are for our grantees. If we are--if
13 we are the grantees, which of the sub-grantees would
14 be eligible for that increase. So I don't have a
15 clean answer for you, but yes it is a federal
16 requirement.

17 CHAIRPERSON ROSENTHAL: Great. I think
18 it's going to be a topic of another hearing. So it's
19 something that I'm very interested in. I just want
20 to end by saying that OMB was lucky to have you for
21 25 years from my perspective, and it was a pleasure
22 for me to work side-by-side with you when we did at
23 OMB. And boy, you've left really big shoes to fill,
24 but it looks like you have some incredibly able
25 people who are going to help the next person do the

1
2 job. But I know I'm really going to miss working
3 with you.

4 PV ANANTHARAM: Thank you very much.

5 CHAIRPERSON ROSENTHAL: Okay. Okay, I'm
6 going to call up the next panel. Emily Miles from the
7 Federation of Protestant Welfare Agencies; James
8 Parrott from Fiscal Policy Institute; and Michelle
9 Jackson from the Human Services Council. You did a
10 great job.

11 (background comments, pause)

12 CHAIRPERSON ROSENTHAL: So I know you
13 guys work together all the time. Is there someone--
14 have you already decided who goes first. Just kick
15 it off when you're ready. Thank you. If you could
16 just introduce yourself when you start your
17 testimony.

18 JAMES PARROTT: Thank you. Is this on?
19 My name is James--James--James Parrott. I'm the
20 Deputy Director and Chief Economist at the Fiscal
21 Policy Institute and Emily and Michelle will
22 introduce themselves before they testify. Thank you
23 very much for having this hearing. Obviously, this
24 is a very important topic that affects a lot of what
25 New York City does, and a lot of people live in New

1
2 York City. In including funding for the first ever
3 \$11.50 on our wage floor and a 2-1/2% COLA for other
4 workers in the adopted budget, the Mayor and the
5 Council took an important first step in moving toward
6 reaching pay adequacy for social service workers in
7 New York City. We are particularly pleased to see
8 that in implementing the wage floor a wide net was
9 cast that extends even the Human Services contracts
10 managed by the Department of Education. This new
11 approach to Human Service contracts is in sharp
12 contrast to how thousands of low paid Human Service
13 contract workers were treated in city contracts for
14 many years when their pay and fringe benefits were a
15 subject of total indifference at best. Up to this
16 point the city has never compiled systematic data
17 about the pay and compensation of its Human Services
18 contract workforce. It's as if the city were buy
19 widgets, and the only thing that mattered was to
20 minimize the cost of widgets as much as possible. We
21 estimate that 15,000 to 18,000 full and part-time
22 Human Service workers will see their average pay
23 increase by 17% retroactive to July 1st and another
24 50,000 or so workers in this sector will benefit from
25 a 2-1/2% COLA, the first since 2008. This workforce

1
2 is overwhelming female and persons of color, and many
3 live in some of the poorest neighborhoods in the
4 city. It has always been clear to the advocates
5 pushing for meaningful Human Services wage floor that
6 we needed to reach a living wage level of \$15.00 in
7 relative short order, and that it needed to be
8 indexed from that point on. We are working toward
9 that end, and toward the companion goal of
10 instituting a sector wide education and training fund
11 so that Human Service workers will be able to acquire
12 additional education, skills and credentials in order
13 to move up the career ladder further enhance their
14 earnings, and help contributed to improved quality of
15 service delivery. We're heartened by and have been
16 integrally involved in the establishment of a \$15.00
17 wage for fast food workers, and the Governor's recent
18 proposal for a statewide \$15.00 minimum wage across
19 all sectors of the state economy. The crucial thing
20 that has to happen at this point, as the Legislature
21 and the Governor move forward on the proposal for an
22 across-the-board \$15.00 minimum wage, is to make sure
23 that state Human Service contracts include funding to
24 allow non-profits around the state to pay higher
25 wages. And that the state provide additional

1 assistance to local governments so that county Social
2 Service contracts and also other local government
3 entities like school districts have the funding they
4 need in order to pay the \$15.00 minimum wage. The
5 self-sufficiency family budgets for New York City are
6 an important tool for understanding how far our
7 economy and its system of rewards are from where we
8 should be. A worker working hard and playing by the
9 rules should be able to support her or himself and
10 family without reliance on public assistance or
11 private charity. Inadequate earnings for New York
12 City workers are a pervasive problem. Let me
13 highlight three bullets from the Self-Sufficiency
14 Analysis:

15
16 The cost of meeting basic family budget
17 needs in New York City has risen nearly three times
18 as fast as median earnings since 2000. In 2014, 42%
19 of working age households, nearly a million
20 households overall, have earnings that fall short of
21 what's needed to meet basic barebones family budget
22 needs. More than three out of every four families'
23 earnings fall short of budget adequacy are Latino,
24 Black or Asian. These staggering numbers reflect the
25 real cost of our pronounced income polarization. If

1 we had something like a broad sharing of the fruits
2 of economic growth, poverty would be much, much
3 lower, and every family would have the earnings it
4 takes to meet their family budget needs. We've had
5 the growth without the sharing of the benefits of
6 that growth. We will not get to self-sufficiency
7 overnight, but we should be able to be mindful of
8 that goal and act to make sure that private and
9 public practices are put in--put us on a path of
10 self-sufficiency. The Self-Sufficiency Report
11 provides specific recommendations in 14 areas that
12 were developed by a number of policy advocate groups
13 working together. The establishment of a fund wage
14 floor for Human Services contract workers points in
15 the direction of self-sufficiency as does the \$15.00
16 statewide minimum wage. Thank you very much.

18 CHAIRPERSON ROSENTHAL: Thank you, Mr.
19 Parrott. Can I ask for the next two speakers--I'm
20 not going to put you on a clock, but can you sort of
21 bring you highlights--the highlights of your
22 testimony to the fore. Thank you so much.

23 EMILY MILES: So my name is Emily Miles.
24 I'm the Director of Policy Advocacy and Research at
25 the Federation of Protestant Welfare Agencies. Thank

1
2 you so much for test--the opportunity to testify
3 before you today. I won't repeat the data from
4 James' testimony, but I do want to put a quick face
5 on who we're talking about. When we are talking
6 about these frontline workers who are providing these
7 vital services, 52% of whom are earning less than
8 \$14.00 an hour, we're talking about a majority of the
9 women from communities of color providing these vital
10 services. And we've heard stories from our member
11 agencies of these workers standing in the same food
12 pantry line with the very clients they serve later
13 that day. Applying for the very housing services
14 that their organizations provide, and having to
15 choose between doing their job well, and being able
16 to afford eyeglasses, going to the doctor for
17 themselves and their families. These are real issues
18 that these workers are facing. And this is largely
19 due to historic inadequate funding of New York City
20 and State contracts.

21 I the fall of 2014, FPWA and the Fiscal
22 Policy Institute launched a career ladder project
23 with the two recommendations for the creation of the
24 wage floor, and the comprehensive investment in
25 education and training fund, which resulted in the

1 \$11.50 wage floor. We also want to thank HFC for
2 their advocacy on the 2.5% COLA. Moving forward, we
3 have several recommendations for you. First, we look
4 forward to continuing to work with the city to ensure
5 that the wage floor is increased with a goal of
6 reaching \$15.00 by at the latest FY 18.

7 Additionally, we recommend that the Council move to
8 codify this wage floor to ensure the longevity of
9 these wages beyond the current mayoral
10 administration. To do that, we recommend amending
11 the city's existing living wage ordinance in several
12 ways. First, including language to establish the
13 city's responsibility to fund the wage floor, and
14 also to index the wage floor to ensure the wages of
15 Social Service employees are adjusted with the rate
16 of inflation. Additionally, we urge the Mayor and
17 the City Council to support the increase in Social
18 Service wages beyond New York City. At the State
19 level these wages are just as pervasively low, and
20 cause the same amount of hardships for these workers.
21 As the State takes steps to increase the minimum wage
22 to \$15.00 for all workers who must ensure that State
23 contracts are amended immediately to ensure the
24 appropriate funding for those wage increases, and we
25

1 look forward to working with the Council to amplify
2 this issue on a State level to ensure those wage
3 increases.
4

5 (background comments, pause)

6 MICHELLE JACKSON: Now, I'm on. Great.

7 (laughs) So good afternoon, Chair Arroyo, Chair
8 Rosenthal and members of the Committees on Community
9 Development and Contracts. My name is Michelle
10 Jackson and I'm the Associate Director for the Human
11 Services Council. I want to thank you for this
12 opportunity to testify, and also for holding this
13 important hearing on wages in the Human Services
14 field. HSC is a membership association representing
15 nearly 200 of New York's leading non-profit
16 organizations including direct service providers and
17 umbrella and advocacy groups. Again, I will not
18 reiterate a lot of what my colleagues have said about
19 who we are as a workforce. So I'll give you broad
20 little highlights. In addition to being 85% women
21 and 75% people of color, we're also an economic
22 engine. We employ over 100,000 people in New York
23 City just on city contracts. That's not--you know,
24 we also have state contracts, private funding and
25 federal funding as well. We haven't seen a raise in

1 city contracts since 2008 with very few exceptions,
2 and the last COLA was in 2008, and was 3%.
3 Similarly, at the state level we had issues with the
4 COLA. We haven't had one. There was one that was
5 just put in lace in 2012, but we like to refer to
6 that as diet COLA because it was for a much smaller
7 (laughter) workforce in a very convoluted spreadsheet
8 that I can share with you. We're very happy that the
9 Mayor has made this incredible commitment not just
10 the 2.5% COLA but establishing a wage floor of
11 \$11.50. I think this is a really important firs step
12 but, of course, while understanding limitations of
13 the budget, this is really just a start. The lack of
14 COLA and investments in programs have a real impact
15 on not just workers, but also programs in
16 communities. There's a very high turnover rate in the
17 non-profit sector due to a lack of wage increases,
18 and this is not--it obviously reduces the efficiency
19 of the agencies, but more importantly the people that
20 we serve rely on caseworkers. They rely on seeing
21 the same receptionist everyday. It's very important
22 to the programs and to the people that we serve that
23 they have that kind of interaction and a turnover
24 rate for example in Preventive Services is over 30%.
25

1
2 It's really problematic, and these are not low-wage
3 jobs. These are people that we rely on to take care
4 of our children, people with substance abuse issues,
5 mental health issues. And the fact that they're
6 getting paid a low wage means that we have a harder
7 time recruiting and maintaining talent that we need
8 in order to provide these services. While we're very
9 pleased that the City has finally acknowledged the
10 dire need with our workforce, this COLA does not
11 account for the losses of the previous six years. So
12 2.5% while a great start doesn't meet the cost of
13 inflation for this year or the last six years
14 overall. And our workforce is really looking for
15 these important increase. We're also hoping to work
16 with the Administration and the Council to
17 systematize the COLA so that I don't have to come
18 every five years and do advocacy as much as I enjoy
19 it. (laughs) I'd like to do advocacy on something
20 else than asking for 2.5% every five years. This is
21 now my second time around. (laughs) So I'd like to
22 spend my time doing something else. I also want to
23 say that I--that HSC and the sector support the
24 minimum wage increase at the State to \$15.00. We're
25 very support of these efforts as they get at the core

1 of anti-poverty initiatives of our work. The work of
2 our sector is to move people out of poverty and into
3 the middle-class and the \$15.00 wage is imperative to
4 that. Human Service workers need to be included in
5 that, and funding needs to come from the State and
6 the City. We cannot raise prices of our goods and
7 services to make that wage increase. And as Council
8 Members have pointed out, any wage increase that
9 doesn't come with corresponding dollars means a loss
10 of services. I also am happy to answer questions
11 about Accelerator, and--because HSC was integral in
12 creating that, and I know you have a lot of questions
13 about implementation of the COLA and I'd be happy to
14 answer that. But I won't go through the 10-minute
15 speech on it. I'll answer what you have.

17 CHAIRPERSON ARROYO: Okay, and we'll save
18 the Accelerator conversation for, you know, side bar,
19 not here right now. What are you hearing from
20 providers that can address why information is not
21 coming to OMB or to the agencies in the data that's
22 required in order for us to move this implementation
23 of \$11.50?

24 MICHELLE JACKSON: So I will say that
25 we're first very happy that's it's going to be using

1
2 the HHS Accelerator and they're not going through the
3 specifics of the agencies to do this so that there is
4 not a bunch of redundant processes, and we realize
5 that that too time to create that spreadsheet to
6 agency and send it out to providers. It took three
7 months for OMB to get this spreadsheet together from
8 the implementation date and five months since the
9 COLA was announced, and they gave providers eight day
10 to turn in their spreadsheet. The spreadsheet is as
11 simple as I think it could be, but it's still very
12 complicated. There's hundreds of staff lines that
13 need to be filled in. They need to find out how much
14 of the--that person's work--you know, that person's
15 salary is on the city contract providers. I think
16 most of them do get the correspondence pretty quickly
17 from Accelerator, but some of them had issues with
18 contracts being left out of the spreadsheet because
19 there were multiple contracts. And so there was a
20 lot--some obviously technical glitches, but also it's
21 just not something that can be completed in eight
22 days. Some of our providers have hired temps to come
23 in, and work on this because they have 50 or 60
24 contracts and hundreds of budget lines that go--staff
25 lines that need to be filled in. You're also asking

1
2 people to do this who are underpaid workforce who
3 don't get an adequate administrative overhead rate
4 who are also filling our RFPs and meeting payroll. So
5 it's not something that they can just take a staff
6 person and stick it on for eight days. And so that
7 has been one of the big things that I think, you
8 know, four to five weeks to get this turned around
9 for most of these agencies is probably a more
10 realistic timeframe. So we're meeting that time
11 frame now, but eight days--a couple of providers were
12 able to turn it in, and they spent a significant
13 amount of overtime and staff working hard to get it
14 in within those eight days.

15 CHAIRPERSON ARROYO: So, if--if you can
16 give us a list of the things that--of the factors
17 that providers are identifying as hindering their
18 ability to submit the information, I don't want to
19 walk out of here thinking they're being
20 irresponsible.

21 MICHELLE JACKSON: They are not. I've
22 got 180 members, and I think about 179 have called me
23 about this. (laughs) So it probably it probably is a
24 city contract. (sic)

25

1
2 CHAIRPERSON ARROYO: [interposing] So
3 what are the nuances that or besides it's just time
4 consuming and--

5 MICHELLE JACKSON: [interposing] Yeah.

6 CHAIRPERSON ARROYO: --and not user
7 friendly

8 MICHELLE JACKSON: [interposing] So it's
9 not a--

10 CHAIRPERSON ARROYO: Is there someone
11 from the Administration still here or OMB? Yes? No?
12 Whoa, somebody is getting a call. Okay, so I think
13 we need to provide for them that information as
14 quickly as possible. So if there is a technical
15 issue with the system, that it be correct.

16 MICHELLE JACKSON: Yes, it's no so much
17 that there's been--We have submitted a number of
18 questions to OMB and individual providers have
19 submitted a number of questions. The first thing I
20 would say is that it definitely takes longer than
21 anticipated to fill out this form. Not that it's not
22 user-friendly without any technical glitches. We
23 have providers who have hundreds of staff lines that
24 need to be filled in, and they can't just pull in a
25 staff person to work on it for five days. That's

1 just not going to happen. So I think that's one.
2
3 Two, there were definitely glitches that have been
4 communicated to Accelerator. I have to be honest.
5 The city agency staff is not prepared for this. When
6 providers received their spreadsheets they, of
7 course, went to their ACCOs and Contract Managers who
8 had never seen this spreadsheet who understood the
9 wage floor piece, but not the COLA piece. And so
10 there was a lot of conversation back and forth. There
11 were contracts that were missing from certain
12 spreadsheets. Some providers said that they didn't
13 get the communication because while email technology
14 is great, it's not perfect. And there was a lot of
15 confusion around do they have to fill in the staff
16 lines for every person under their contracts or just
17 people under \$11.50. They have vacant lines. What
18 do they do about people that, you know, summer youth
19 programs, for example. They only have people for
20 three months. They might not have someone in the
21 position. So there's a lot of back and forth to get
22 these spreadsheets filled, and Accelerator having
23 been the central point was great, but there was also
24 no FAQ or anything that accompanied these documents
25

1 nor has one been released to them to help providers
2 muddle through.

3
4 CHAIRPERSON ARROYO: Okay. All right,
5 anybody else? FPWA, do you have any--your providers
6 or your member?

7 EMILY MILES: Yes.

8 CHAIRPERSON ARROYO: And thank you for
9 the work on the worker cooperatives.

10 EMILY MILES: Thank you. We are hearing
11 largely exactly what Michelle is hearing, but it's
12 not that the providers don't want the money. They're
13 very appreciative. They're, you know, working
14 through the process. There are just these
15 administrative pieces that are difficult especially
16 when you're talking about smaller organizations who
17 don't have the staff capacity to meet these quick
18 turnaround times. So we know that a lot--many of our
19 member agencies who have received the contract
20 amendment are working on it, but they just don't have
21 the staff time to get it turned around in the eight
22 days. So they are hoping to meet this new kind of
23 deadline in the next couple of weeks that Michelle
24 was mentioning.

1
2 CHAIRPERSON ARROYO: The--no? No
3 feedback?

4 JAMES PARROTT: Well, I just wanted to
5 underscore the fact that going in neither the
6 contract providers in many cases nor the city had
7 detailed information on the workers who were
8 providing the city contract. The City had never
9 requested that information before. The City had
10 never really needed that information before. And
11 again, it reflects an indifference that the previous
12 city administration has had towards this workforce.
13 It's somebody else's responsibility. It's not the
14 city's responsibility. So I think the fact that
15 you've seen this initiative indicates that we're in a
16 different age, and there is a recognition that this
17 is the city's indirect workforce that the city has
18 responsibility for. And, going forward in the new
19 Human Service contracts the providers will be
20 providing that information not only on job titles and
21 wages, but also on health benefits and pension
22 benefits, if any, and so on. So the city will have a
23 better idea of what the compensation of this
24 workforce is.

1
2 EMILY MILES: Just very quickly to tag
3 onto what James just said, we keep coming back and
4 saying what is a good job and a good job is not just
5 wages. That is a huge piece of it, but it's not just
6 that. It's also affordable healthcare. It's
7 retirement. It's all these other pieces that make
8 work reasonable, and work with your family and your
9 other responsibilities. And so I encourage the
10 Council. Thank you so much for your oversight on
11 this issue and the wage piece. It's so needed, but
12 also looking at these other pieces like affordable
13 health care and insurance that so many of the Human
14 Services workers just don't have available to them
15 right now.

16 CHAIRPERSON ROSENTHAL: Let's see. This
17 has been so helpful. Maybe we should have had you
18 guys go first. This is great. Just some really
19 quick questions. Mr. Parrott, if we could start with
20 you. In your testimony, you mention 815--oh, wait.
21 Sorry. I want to welcome Council Members Deutsch and
22 Crowley. I know you had earlier things you had to be
23 at. So thanks so much for coming by. I really
24 appreciate it. You mentioned 15 to 18,000 full and
25 part-time Human Service contract workers, and then

1
2 another 50,000 or so workers benefitting from the
3 2.5% COLA. Is the 15 to 18,000 a subset of the
4 50,000? Because OMB only mentioned the 50,000.

5 JAMES PARROTT: Well, we didn't get
6 together and sort of compare the latest calculations
7 for this workforce, but when I'm thinking back to
8 spreadsheets where we're looking at them in the
9 spring where the total workforce we were intending to
10 cover was about 60 to 65,000.

11 CHAIRPERSON ROSENTHAL: Okay.

12 JAMES PARROTT: And we were able to
13 extend the program areas beyond the sort of core
14 (sic) in the service areas. So granted, those are
15 not necessarily big contracts in Criminal Justice and
16 the Small Business Services, but included in that are
17 the--some of the DOE contracts that we hadn't--we
18 hadn't included that workforce before. So I think,
19 you know, again because we don't have solid
20 information to work from. These are guesstimates at
21 best based upon the survey that the--PV talked about
22 OMB conducting back in the spring. So I think, you
23 know, this is the--the ballpark for the number of
24 workers. So I think altogether yeah the workers
25

1 affected by the wage floor and the COLA are going to
2 be in the 60 or 65,000 range.

3
4 CHAIRPERSON ROSENTHAL: Okay, that's
5 helpful and then--let's see. Michelle, you mentioned
6 that the--about--you have about 200 providers, but
7 OMB was talking about 800 providers. So can--can
8 both--the three of you help me understand if they're
9 not members of the Human Services Council I did hear
10 a little bit about SBS and MOCJ and DOE, but that
11 can't make up the other 600.

12 MICHELLE JACKSON: So that's my favorite
13 question. (laughs) This is--so HSC has about, you
14 know, 200 members under us, but we also have all the
15 federations and coalitions who have a significant
16 amount of members. So HSC our direct membership is
17 under 200, but our reach is more about 2,000 if you
18 factor in groups like FPWA who don't have dual
19 membership, the UJA Federation, Catholic Charities.
20 There's a lot of those groups who tend to be smaller
21 who have just a few contracts. While we have more of
22 the larger contracting agency. I mean our--our
23 organizations run the gamut. But that's how you get
24 to that 800 is, you know, if you include some of the
25 other coalitions like New York Immigration Coalition.

1 They also have a lot of groups who have a number of
2 literacy and immigrant services contracts. The
3 Hispanic Federation, FPWA, the UJA Federation, and
4 those groups.
5

6 CHAIRPERSON ROSENTHAL: Thank you, and
7 for FPWA so what are some of your providers that
8 would fall under your coalition.

9 EMILY MILES: So we have about 200 member
10 organizations that run the gamut across the Human
11 Services sector. So everything from working in--with
12 seniors, early childhood education, housing and
13 homeless services, domestic violence, everything that
14 you can imagine under the Human Services umbrella.

15 CHAIRPERSON ROSENTHAL: So what we
16 really want to know, the worker co-ops are going to
17 get-Oh, because they wouldn't do city. Okay.

18 CHAIRPERSON ARROYO: Well, all kidding
19 aside, right, a serious discussion about how do we
20 deal with wage--appropriate wages and work--worker
21 cooperatives as non-profits. It might help us have
22 that conversation in a more holistic way. Workers in
23 worker-owned business earn higher wages than their
24 counterparts in private traditional businesses. But
25 our conversation internally is how do we engage the

1 Health and Human Services arena in a conversation
2 about how non-profits as worker cooperatives can also
3 be part of this larger issue about equity and
4 appropriate wages for the work people.
5

6 MICHELLE JACKSON: Okay, we'd love to
7 have that conversation.

8 CHAIRPERSON ROSENTHAL: And then, so
9 Emily, you also mentioned that the goal would be to
10 get to \$15.00 an hour by FY18. So if we're at \$11.50
11 now, and we're in '16--

12 EMILY MILES: [interposing] Right. So
13 what we had always said is \$15.00 phased in just
14 because there tends to be more responsible to do it
15 in a phased-in manner.

16 CHAIRPERSON ROSENTHAL: Right.

17 EMILY MILES: So in our minds we were
18 looking at \$11.50 going to \$13.30 the second year and
19 then \$15.00.

20 CHAIRPERSON ROSENTHAL: Great. That's
21 very helpful. So when we ask the Administration for
22 the cost--

23 EMILY MILES: [interposing] Right.

24 CHAIRPERSON ROSENTHAL: --so we can peg
25 it that way in that sort of consensus.

1
2 MICHELLE JACKSON: Can I just add to
3 that. There is also a very important ladder piece of
4 that that people who are making \$15.00 or \$14.00 now,
5 we don't want Human Services jobs to become minimum
6 jobs overnight. We're very concerned about that.
7 We're already significantly low-wage workers and so
8 part of that phasing in also needs to include how do
9 you get to \$16.00 to \$18.00 so that overnight you
10 don't have a number of people all at \$15.00.

11 CHAIRPERSON ROSENTHAL: So explain that a
12 little bit more. Does that--that--is that the \$11
13 million that the Administration put in for career
14 ladder. Is that what that affects or--?

15 JAMES PARROTT: No. So, it was \$5 million
16 I believe unless they've increased it without--

17 CHAIRPERSON ROSENTHAL: [interposing] Oh,
18 no, they didn't do that. (sic)

19 JAMES PARROTT: --they didn't do the \$5--
20 they're doing \$6 million.

21 CHAIRPERSON ROSENTHAL: It was \$5
22 million.

23 JAMES PARROTT: So the \$5 million is
24 toward developing--

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CHAIRPERSON ROSENTHAL: [interposing]

Okay.

JAMES PARROTT: -- a career ladder that would then--that would exist sector wide in the--in the Human Services non-profit sector and be funded by the city that would provide access to education and training and the supports needed for counseling and child care to enable people to access the training and so on. Micelle is referring to what--what economists sometimes refer to as a spillover wage effect. So if you raise everybody up to \$15.00 an hour, the people who are close to or a little bit above \$15.00 or even \$16.00 or \$17.00 are--are very likely to expect and should be expecting some wage adjustment on their end as well. So we need--at this point, you know, nothing has been factored in for that. So we need to start thinking about that particularly as the wage levels rise above where the are. So I guess I'd also like to address how the world is different from when we started this campaign a year and a half ago. We never saw \$15.00 as a minimum wage, right. We saw \$15.00 as something moving in the direction of a living wage for the Human Services sector. Fortunately, there has been

1 progress around this in other spheres with the
2 Governor's proposal for a \$15.00 minimum wage in fast
3 food, and now extending that across the board to all
4 sectors in New York State. Because of the importance
5 of social services of human services, you know, the
6 importance to--of the services that are provided and
7 the importance to all society of doing that. And the
8 fact that these are not unskilled workers or low
9 skilled workers. They're low paid. They have lots
10 of skills, and more importantly, they have a lot of
11 commitment to what they do. So we shouldn't see this
12 as a minimum wage sector. So our advocacy really
13 needs to sort of put more emphasis on good benefits,
14 make real the career ladder opportunities so that
15 workers can avail themselves of opportunities to, you
16 know, move up--to acquire additional skills and
17 credentials, and education and move up to better
18 positions within the sector or wherever for that
19 matter. And it's going to take additional resources
20 to do that, and because this is an indirect city
21 workforce providing essential service, they're
22 entitled to it. We're all entitled to it.

24 CHAIRPERSON ROSENTHAL: Right. So then
25 if we were thinking about what an FAQ would include,

1 we would include in there yes give us the titles of
2 the workers and their wages even if they're making
3 over \$11.50 an hour, right? Because hypothetically,
4 if we want to capture the spillover effect for the
5 next installments, we would use--

7 JAMES PARROTT: [interposing] Right.

8 CHAIRPERSON ROSENTHAL: --this effort to
9 maybe--and is that their answer?

10 MICHELLE JACKSON: Well, the--the staff
11 lines that have to be included now are from people
12 who make more than \$11. It's every staff line--

13 CHAIRPERSON ROSENTHAL: [interposing]
14 Well, good.

15 MICHELLE JACKSON: --under city contract
16 so and the 2.5%. So they are documenting all of that
17 information. So, it's not just--they're not just
18 capturing the people who are under \$11.50 now.

19 CHAIRPERSON ROSENTHAL: So hypothetically
20 when they do the run for the \$13.30 and the \$15.00,
21 they can capture what the impact will be on the
22 workers making close to that wage. And I'm sure
23 you'll have thoughts about proportionately how much
24 those wages should be increased by and what that

1 number should be as well, right? We'll need to give
2 the Administration guidance on that.

3
4 JAMES PARROTT: Sure.

5 CHAIRPERSON ROSENTHAL: Yeah, who got the
6 \$5 million for developing the Career Ladder and how
7 is that going.

8 EMILY MILES: So the \$5 million--so the
9 development of the Career Ladder system is currently
10 being housed by the Office of Labor Relations. Our
11 original vision for this money was essential as
12 education and training funding that would provide
13 access to social service employees to access for
14 higher education, obtaining certifications, but also
15 for a really critical support piece to allow those
16 activities to happen. So we're talking about a
17 workforce that is mainly women, many of whom have
18 children and if you are at a job where you're earning
19 \$12.00 an hour, you are likely to have a second or
20 third job in order to make ends meet, which makes it
21 very difficult to go back to school. Which is why
22 the wage piece is really critical, but the support
23 piece for the education and training is critical as
24 well because if you are going back to school,
25 probably at night or on the weekends, and you need

1
2 quality child care available to you during those
3 times in order to make that possible. So we envision
4 the creation of this centralized education and
5 training fund have two pieces, a financial support
6 piece, but also the--a support piece for kind life
7 events that pop up that make it impossible to go back
8 to school. The \$5 million as we first imagined--as
9 we first understood it was an initial investment to
10 create that fund. We now understand that they are
11 looking at putting \$2.5 million of that towards just
12 the early childhood education set part of the sector.
13 And then the other \$2.5 for the remaining parts of
14 the sector. That's not how we initially envisioned
15 it, and we look forward to additional information
16 about how that would actually be played out. That
17 said, that development of the education and training
18 piece has been delayed because in essence it had to
19 come second to determining who was actually included
20 in the Human Service sector. So that goes to some of
21 the pieces that you heard from Michelle and from PV
22 earlier about what programs and contracts were
23 actually going to be included in this larger program.
24 Now, that we have that, we should be able to move

1 forward with further defining the Career (sic) Ladder
2 piece.
3

4 CHAIRPERSON ROSENTHAL: Right. It doesn't
5 sound like we have it at all.

6 EMILY MILES: Well--

7 CHAIRPERSON ROSENTHAL: I mean it sounds
8 like--

9 EMILY MILES: [interposing] They have it.

10 CHAIRPERSON ROSENTHAL: Well, it doesn't
11 sound like they have it. They have 30% of it. So
12 they're--it sounds like they're going to have it by
13 February if that. And so I'm wondering. It's just
14 sitting in OLR right now.

15 JAMES PARROTT: Well, so--so I'm not sure
16 I--we're on the same page here. I don't know that
17 OMB needs to have all of the responses back from the
18 providers in order to move forward on their Career
19 Ladder piece.

20 CHAIRPERSON ROSENTHAL: Yes. So who--who
21 do you recommend we talk to, to gently nudge them
22 along?

23 JAMES PARROTT: I would suggest OMB for
24 starters because they certainly know where it's at
25

1
2 even if they're not directly in charge of developing
3 it right now.

4 CHAIRPERSON ROSENTHAL: Okay. I mean I
5 think--

6 JAMES PARROTT: [interposing] Who would
7 you have gone to?

8 CHAIRPERSON ROSENTHAL: I'm guessing the
9 First Deputy Mayor at this point. It would have been
10 the Deputy Mayor for Human Services.

11 JAMES PARROTT: Yeah, yeah, right.
12 (laughs)

13 CHAIRPERSON ROSENTHAL: All right,
14 anything--anything else? Do my colleagues have any
15 other questions?

16 CHAIRPERSON ARROYO: I, you know, I think
17 this Career Ladder conversation--we had a joint
18 hearing on the Administration's workforce development
19 strategy and the larger plan that includes the--and
20 the construction industries are--are very nervous
21 about what that means for them and some certification
22 for them being--I don't know, a good employer. I
23 think it's the label that they would get. So, we're
24 going to do another discussion about where are we
25 with the workforce development strategy, and how this

1 Career Ladder strategy works its way into that, or
2 how we work it into that. Because we can't have
3 parallel conversations and somewhere they don't meet.
4 We--this is all part of the much larger issue that
5 requires all of these things to intersect. And make
6 sense if we're going to deal with the issue of wage--
7 appropriate wages and--and people being able to earn
8 a living in the city that they could still afford to
9 live here regardless of what neighborhood. It
10 troubles me that in more affluent neighborhoods
11 people need to make more money so they can stay
12 there. I think people need to make more money period
13 regardless of where they live, and that's my only
14 criticism of the United Way (sic) Report. But I
15 certainly hope to see you guys at--at that hearing
16 and in that conversation as well. Thank you, Madam
17 Chair.

19 CHAIRPERSON ROSENTHAL: Thank you very
20 much.

21 JAMES PARROTT: Thank you.

22 CHAIRPERSON ROSENTHAL: I'm going to call
23 up the last panel. We have Amina Ross from the
24 Women's Center for Education and Career Advancement.
25 Carmen Rivera, VIP Community Services, and Gregory

1 Bender from United Neighborhood Houses. Thanks so
2 much for your patience, and thank you for coming to
3 testify and that's it for--in terms of slips that I
4 have for people who would like to testify. If
5 there's anyone else, please let the sergeant-at-arms
6 know. Thank you.

8 (background comments, pause)

9 CHAIRPERSON ARROYO: We called three--she
10 called three people. Where is the third party?
11 Hello. Come. You don't have to.

12 CHAIRPERSON ROSENTHAL: And while we're
13 waiting, I just want to thank Sarah Desmond who was
14 here earlier from Housing Conservation Coordinators,
15 who submitted testimony regarding the Self-
16 Sufficiency Guidelines. I appreciate that, and also
17 for the record, we have testimony from Lauren Miller
18 from the United Way New York City. I'm sorry they
19 couldn't come, but we have their testimony. Okay, if
20 I could ask the three of you to decide who to go
21 first, or we can just start from left to right or
22 right left. Gregory, you're definitely second, but
23 if you could get that going, we'd appreciate it.
24 Just introduce yourselves. Thank you.

1
2 CARMEN RIVERA: I'm--my name is Carmen
3 Rivera and I am the AVP of Community and External
4 Affairs at Community--VIP Community Services.

5 [pause]

6 CHAIRPERSON ROSENTHAL: (off mic) Oh, you
7 can get started.

8 CARMEN RIVERA: Oh, I can. Okay, thank
9 you. Thank you. Chairs Rosenthal and Arroyo, thank
10 you for the opportunity to provide testimony on this
11 very important topic, we VIP Community Services was
12 established in 1974, and we are dedicated to changing
13 lives and transforming our community in the Bronx.
14 We service 10,000 clients a year. We develop
15 affordable housing for families and single adults.
16 Currently, we maintain 18 sites that provide
17 affordable, supportive and transitional housing. We
18 provide high quality comprehensive healthcare
19 services to low-income uninsured individuals, which
20 include primary care at a federally qualified health
21 center with a specialty in HIV treatment and
22 prevention. We also currently acquired licensed
23 Article No. 31 for mental health services. VIP's
24 most important resource is our trained and dedicated
25 staff. We currently employ 250 staff across our

1 sites, including 57 whose compensation is covered by
2 New York City Human Service contracts, 57 yes. These
3 staff provide a range of healthcare and social
4 services to our clients, which includes social
5 workers, healthcare workers, counselors, care
6 coordinators, and residential aids as well as
7 administrative staff. Just as our clients seek to
8 gain self-sufficiency through the services VIP
9 provides so, too, do our staff rely on the
10 compensation and benefits they receive from us in
11 order to survive in our community and gain self-
12 sufficiency for themselves and their families.

14 While employees in human services fields
15 provide critical, sometimes life saving support to
16 communities most in need, their salaries are often
17 barely enough to cover basic costs of living expenses
18 particularly in the New York City area. In fact,
19 those who make the least are often the staff who have
20 the most contact, and direct impact on client care
21 and outcomes. For this reason, VIP is thankful that
22 Mayor de Blasio and this Council approved a 2.5% cost
23 of living adjustment. And even more important an
24 \$11.50 per hour wage floor for City Human Service
25 contracts in Fiscal Year 2016. These adjustments

1 recognize that for too long wages for workers in our
2 field have been stagnant despite the continually
3 rising costs of living in the city. Beyond the
4 financial burden, staff turnover due to low wages,
5 and that's something I think Michelle mentioned in
6 her testimony earlier, staff turnover due to low
7 wages also leads to instability for VIP's programs
8 and our clients. Clients are able to most
9 effectively achieve their goals when they can develop
10 strong ongoing relationship with the staff in our
11 programs. Turnover negatively impacts continuity of
12 care and, therefore, client outcomes. VIP also
13 incurs higher overtime costs when we have vacancies,
14 as we cannot go without coverage in certain
15 residential sites in our service areas. For those
16 reasons, VIP encourages the Council and the Mayor to
17 build on the recent gains by considering regular cost
18 of living adjustments that keep Human Service
19 providers' salaries at a pace with the--commensurate
20 with inflation and competitive with other low-wage
21 industries that are starting--that we--that are
22 starting to increase wage floors. The outcome will
23 be more stable in Human Services communities in New
24 York City, and will enable organizations like VIP to
25

1 help more New Yorkers achieve healthy and successful
2 lives. Thank you.

3
4 CHAIRPERSON ROSENTHAL: Thank you. Mr.
5 Bender, I'm going to ask that you try to summarize--

6 GREGORY BENDER: [interposing] Yes.

7 CHAIRPERSON ROSENTHAL: --you testimony,
8 and just hit the high points.

9 GREGORY BENDER: Sure.

10 CHAIRPERSON ROSENTHAL: Thank you.

11 GREGORY BENDER: I won't read it all.

12 I'm Gregory Bender from United Neighborhood Houses.

13 We are the Federation of the Settlement Houses.

14 Actually, I just wanted to briefly respond to three

15 things I heard in the hearing. First is will

16 provider actually do anything they want to? And we

17 met with our member agencies many times and the

18 answer is yes even for those who have calculated that

19 actually implementing it will cost more than they're

20 going to get. There is an incredibly strong desire

21 to see this workforce has been poorly treated receive

22 the amount which they deserve. The second part I'll

23 get to is that we don't think that's adequate. But

24 the other questions, the \$4.00 staff that PV

25 mentioned, I think that relates, but as I said I

1 don't know from specifics. I don't know who said
2 that, but my sense is that providers have been
3 incredibly creative in how they fund (sic) positions.
4 So you have something from here. So, you can see,
5 for example, a senior citizen director with a DFTA
6 contract is part time, but if you combine that with a
7 NORC SSP contract from the State so the city may be
8 only funding essentially \$4.00 of that contract--
9 \$4.00 per hour of that contract, but they'll be
10 providing the others--the state contracts these are
11 something else. And I think it's just the challenge
12 that I know that the agencies tried to look through
13 the Human Services contracts because we don't have a
14 comprehensive system. Because providers have been
15 saying what do my--what does my community needs, and
16 how do I pull together this, this and this to make it
17 happen? You have numbers that are probably looking a
18 little funky like that.

19
20 Third I will be asking about for--Council
21 Member Arroyo about for-profit providers, but I also
22 remember--it must be five years ago you questioning
23 ACS very strongly about this at the original hearing
24 on Early Learn. You right then because you did say
25 that the contracts should be 501(c)(3)s. I think

1
2 you're still right. Unfortunately, ACS did not take
3 your advice or ours, and we suggested the same thing,
4 and there are for-profit providers. With that
5 contract probably others that I can't think of.

6 The 18 points that we have in our
7 testimony are about just that we're very grateful
8 that this happening. We're very grateful to the
9 Council for your oversight, but this is not enough to
10 move people out of poverty. \$11.50 an hour at a
11 full-time wage is \$23,000. That's below the--what is
12 it the \$24,250 poverty threshold for a family of
13 four. So we really do need to keep going. So we
14 really, really are grateful to hear the Council and
15 all the other advocates talking about the need to
16 move up to \$15.00.

17 The other thing we wanted to really
18 specifically address was sort of the impact of the
19 programs, and then we're looking at one area in
20 particular, which is the Early Childhood. The impact
21 of the programs throughout this sector means that the
22 turnover, as Michelle mentioned, it means
23 particularly in areas where people are building
24 relationships. Those relationships have to be
25 constantly reinvented and that's a real challenge.

1
2 Where we see this really have a huge impact is the
3 Early Childhood field where there's an incredible
4 disparity between the teachers working in community
5 based organizations and those in the Department of
6 Education. I have some stats on those means, but in
7 the immediate term the difference is at \$10,000. If
8 you've been at our job a long time sometimes like 15
9 years, you're looking at a \$30,000 disparities in how
10 much you're making for a job that actually has longer
11 hours. And we've already seen the stream of
12 certified teachers. In a survey conducted by our
13 colleagues at the Day Care Council many of their
14 members in the Early Childhood program they found 69%
15 of surveyed agencies didn't--have lost the certified
16 teacher the last two years since the limitation of
17 Pre-K. Seventy-six percent of the centers have
18 vacancies, and it takes about three to six months to
19 fill them. So we're really seeing in the services
20 that are problematic (sic) services, and are there
21 for the most low-income families and children a loss
22 of qualified staff. And quite frankly, even as
23 someone representing their employers, it's hard to
24 believe that because they do need to make an honest
25 wage to support their families. So thank you again

1
2 for holding this hearing and for your really
3 passionate advocacy on this, and we really look
4 forward to keep working with you. Oh, one other
5 thing, on the Early Childhood issue, I also submitted
6 with our testimony a letter spearheaded by the
7 Campaign for Children with over 100 provider and
8 advocacy organizations calling on the City to take
9 immediate action to achieve salary parity for the
10 Early Childhood workforce. Thank you.

11 CHAIRPERSON ROSENTHAL: That's very
12 helpful. Thank you very much. You answered my
13 question. In fact, I was going to ask if you wanted
14 to submit more information about it, here it is.

15 GREGORY BENDER: (laughs) Great.

16 CHAIRPERSON ROSENTHAL: Okay. Ms. Russ,
17 my understanding is that you're going to read a
18 statement, which is fine, but I hope it's not this
19 really long one.

20 AMINA ROSS: It's quite long so if you
21 guys would rather me not, I'd greatly appreciate
22 that.

23 CHAIRPERSON ROSENTHAL: Oh, no problem,
24 but. No, that's--but okay. Well, that's fine. We
25

1 have it for the record. I just had one question then
2 for Ms. Rivera.
3

4 CARMEN RIVERA: Yes.

5 CHAIRPERSON ROSENTHAL: How many
6 contracts? How many Human Service contracts does
7 your agency have?

8 CARMEN RIVERA: We have several--we have
9 several. We work with DHS. DHS is our biggest city-
10 -city contract.

11 CHAIRPERSON ROSENTHAL: And then what
12 other agencies?

13 CARMEN RIVERA: I think it's OTDA
14 Shipping, OTDA

15 CHAIRPERSON ROSENTHAL: What's OTDA?

16 CARMEN RIVERA: It's disability--Temporary
17 Disability--

18 AMINA ROSS: [off mic] That's a state
19 agency.

20 CARMEN RIVERA: Yeah, that's State.

21 CHAIRPERSON ROSENTHAL: So do you have
22 any other city, and you need to let us know. Here's
23 why I'm asking.

24 CARMEN RIVERA: [interposing] I have that
25 information, but I don't have it with me.

1
2 CHAIRPERSON ROSENTHAL: It doesn't really
3 matter. This is very helpful. I was just wondering
4 because in your testimony you start to explain the
5 complexity of filling out these forms. Actually,
6 what you just said further explains it, but you
7 mention that you have 250 staff across the sites
8 including 57 whose compensation is covered by the
9 Human Service Contract.

10 CARMEN RIVERA: [interposing] Right and
11 all 57 employees are covered under the city contract.

12 CHAIRPERSON ROSENTHAL: And so it's for
13 those 57 employees that you're filling out the HHS
14 Accelerator form?

15 CARMEN RIVERA: That's correct. That's
16 correct.

17 CHAIRPERSON ROSENTHAL: Okay, and--

18 CARMEN RIVERA: [interposing] And our--
19 and our forms have already been sent in.

20 CHAIRPERSON ARROYO: Thank you. That
21 brings us up to 70. (sic)

22 CHAIRPERSON ROSENTHAL: Well, it sound
23 like you're working with an extraordinary person.
24 Perhaps she's in this room, is Sharon--

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CARMEN RIVERA: [interposing] Yes, yes.

(laughs)

CHAIRPERSON ROSENTHAL: --who gives you a lot of good help. All right.

CARMEN RIVERA: Yes.

CHAIRPERSON ROSENTHAL: Oh, Council Member Miller has joined us. Thank you so much for coming here. Does anyone else have any questions or else I think I'm going to call the hearing to a close.

COUNCIL MEMBER MILLER: Well, I--

CHAIRPERSON ARROYO: You made it in just under the wire. As we sum up, I just want to as always thank you, our provider and the public. It's my favorite part of the hearings always to hear from our non-profit organizations and our public to hear your side of the story because usually we get to different pictures. Although at this hearing that was not necessarily the case, and I want to thank OMB for that. We're usually hearing completely different opposite stories from--from the public and our providers. And I want to thank you for the work that you all do in our communities because without you, we would fail so miserably in our challenge to serve

1
2 people in need, and we have many New Yorkers that
3 benefit from the services that you provided and that
4 you should get paid for that work appropriately. And
5 that you should not have to worry about where \$15.00
6 is going to come from so that we can raise the floor
7 on the minimum, and then worry about how we're going
8 to do the guys that are making more than \$15.00. I
9 think that's a challenge that we are all capable of
10 taking on and be creative about getting it done.

11 In my opening statement I said this is
12 not a debate with the Administration about the law
13 that they have to adhere to as it relates to
14 contracts. It's about how do we deal with the need
15 for the city not to be the largest employer of
16 poverty wages that we know in the city. That in my
17 mind is unacceptable. I don't--I don't care what
18 anybody has to say about that. Thank you, Madam
19 Chair for your cooperation in this conversation.

20 CARMEN RIVERA: Well, thank you very much
21 for giving us the opportunity. Thank you.

22 CHAIRPERSON ROSENTHAL: Yes, I just want
23 to echo what Council Member Arroyo just had to say,
24 and I look forward to--we've learned so much today
25 from the providers, people that, you know, are right

1 in the city providing these services hands on. Thank
2 you for your work, but also to OMB and to the Human
3 Services Council and to FPWA and Fiscal Policy
4 Institute is helping to bring all this together. I
5 share your goal or our trying to get to \$15.00 an
6 hour. It sounds like it's just a matter of figuring
7 out the process of how to do it so it doesn't
8 interrupt or get in the way of getting additional
9 funds from the state and federal government, which
10 certainly we--we--I feel very strongly they need to
11 do their share. But the sooner we can get to \$15.00
12 an hour for all city workers, the better. So I thank
13 you so much for collaborating on this hearing. Always
14 a pleasure. I call this hearing to a close. [gavel]

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COMMITTEE ON COMMUNITY DEVELOPMENT
JOINTLY WITH THE COMMITTEE ON CONTRACTS

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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 November 6, 2015