

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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B E F O R E: JULISSA FERRERAS-COPELAND
Chairperson

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Vanessa L. Gibson
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A P P E A R A N C E S (CONTINUED)

Dean Fuleihan, Director
NYC Office of Management and Budget

Larian Angelo, First Deputy Director
NYC Office of Management and Budget

[sound check, pause]

CHAIRPERSON FERRERAS-COPELAND: Good morning and welcome to the first day of the City Council's hearing on the Mayor's Executive Budget for Fiscal 2017. My name is Julissa-Ferreras Copeland and I'm the Chair of the Committee. We've been joined by Council Members Matteo, Van Bramer, Rosenthal and Chin. Today marks the first day of the Council's Chartered mandated responsibility to review the Mayor's Executive Budget. The Council begins its Executive Budget Hearings with testimony from the Office Management and Budget. Today's hearing will focus on an overall budget structure, significantly spending, debt service costs and the citywide savings plan, and the economic challenges facing the city in the coming year. Following today's hearing, the Council will conduct agency specific hearings to delve into details of the individual agencies' budget. So I will ask my colleagues to please save questions about specific agency budgets for that day. With that said, I will begin with a timeline of the budget process so far this year.

On January 21st, the Mayor's Office released his Preliminary Budget for Fiscal 2017

totaling \$82.1 billion. Throughout the entire month of March, the Council heard testimony from over 50 agencies, and the public about potential changes in the Preliminary Budget that should be incorporated in the Executive Budget, and for the first time held a hearing on immigrant services, a significant milestone for the Council, which will be repeated when we have the first Veterans' Committee Budget hearing in two weeks. During the course of the hearings, council members acknowledged proposals included in the Preliminary Budget that affected both the values and priorities of the Administration, the Council and the public. However, many council members also voiced concerns about the need for other priorities to be recognized such as the addition of services and programs; the lack of adequate funding for existing services; the lack of opportunities for the city's youth; the need for long-term budget stability; and the lack of transparency city agencies' operations. After careful consideration of the testimony that was presented by the Administration and the public at each Preliminary Budget hearing, the Council developed its budget response, which contained a clear statement of the

Council's priorities. The response reiterated the Council's focus on addressing inequality through responsible budgeting. This means addressing inequalities in the type, scale and accessibility of services and programs all while advancing long-term budget stability, efficiency and transparency of the City's operations. To that end, the Council set forth significant proposals such as baselining and expanding the Council's year-round youth jobs initiative Work, Learn & Grow, expanding the Summer Youth Employment program, and creating wage parity between Early Learn and Universal Pre-Kindergarten child provide--childcare providers.

On April 26th, the Mayor released is Fiscal 2017 Executive Budget, which totals \$82.2 billion. The Council is pleased that the budget reflects the Mayor's progressive values, and a few of the Council's proposals from the budget response including additional funding to support and strengthen career technical education programs; enhancing services for the Beacon Program; boosting pay rates for contract case management staff in the Department of Aging; baselining city priorities such as additional staff at the Commission on Human

Rights; funding additional maintenance and seasonal staffing at the Department of Parks and Recreation; and providing for an additional 550 EMS tours.

However, reviewing the Executive Budget it is clear that it is the Mayor's Budget rather than the budget that reflects the collaborative budget process envisioned by the Charter to ensure that the shared priorities of both the Administration and the Council are included. The failure to not include many of the Council's stated priorities is not for lack for lack of funding. Between the Preliminary Budget and the Executive Budget combined, the Administration had added an astounding just under \$2 billion city-funded new needs since the effort--adoption of the Fiscal 2016 budget. this represents a 6.2% rate of growth in the City's spending, well above the average historical rate of 5.7%. Yet, even with these new needs, the budget does not include the investments that are so important to this Council such as the Summer Youth Employment jobs; expanding comforts for elementary school children; restoring 3,000 SONYC summer slots; baselining case management services for seniors; and providing additional funding for the city's cultural institutions. Therefore, from the

Council's perspective, much remains to be done, and the Executive Budget represents and continuation on the negotiation that would go on into adoption. As part of the negotiation, the Council will continue to emphasize its concerns with several areas within the budget. Such as the lack of detail presented in the Citywide Savings Program, which was first created by the de Blasio Administration as a part of Fiscal 2016's Budget. The Savings Program is intended to identify agency and sufficiencies and savings for Fiscal 2016. Savings presented in the plan totaling \$1.3 billion in Fiscal 2017 and the savings presented a total of \$997.4 million. Like the savings included in the Preliminary Budget, the Fiscal 17 Executive Budget Savings seem to stem--stem largely from accruals, delays in spending or re-estimates, and other non-recurring savings rather than programmatic savings. While it is important for a financial plan to indicate more accurate spending projections, re-estimates should not be labeled a savings, but rather as more accurate spending projections. Similarly, accruals should not be presented as savings since they are simply delays in spending. For example, the NYPD presents a \$7.7 savings in Fiscal 2016 by

delaying the hiring of 415 civilians. Yet, the Police Department fully intends to spend those funds and hire the civilians in Fiscal 2017. We don't consider that a savings. In order to provide more transparency in the Citywide Saving Program, the Council recommends categorizing each of the agency's proposed savings into these stacks or groupings and providing the savings impact by unit of appropriation and budget code. Moreover, a more in-depth explanation must be provided for the savings. The description of most--of all the savings are simple one-sentence explanations. Like this one that we have here: PS savings: The Department of Small Business Service will achieve savings in FY16. And that is all the explanation. So, explain how the Department of Small Business will achieve \$500,000 in savings when PS savings actually says just this one statement and this one line. In addition, the Council has several long-term budgetary concerns surrounding the budget's treatment of New York City's health and hospitals and the city's reserves. In coordination with the release of the Executive Budget, the Mayor unveiled the One New York Health and Hospitals Transformation Plan, a four-part plan

to transform New York City's Health and Hospitals and to address--address the looming financial risk of the city's public health system. However, while the Fiscal 2017 Plan temporary provides Health and Hospitals with funding to stabilize its Fiscal 2016 budget, we question whether it adequately addresses the long-term financial risk from looming federal cuts as a result of the Affordable Care Act and the declining revenue generation by the public hospital system. With respect to the city's reserves with the recovery from the Great Recession continuing into the seventh year, the City must ensure that it's prepared for the next financial downturn that will inevitably come. To be clear, the City is not forecasting a recession and, in fact, it did continue with moderate growth, but in order to be prepared and fiscally responsible, the city must take steps now to build its reserves and find efficiencies where money can be saved. However, even though the Executive Budget adds a billion dollars to the Budget Stabilization Account and \$250 million to the Retiree Health Benefit Fund, the city reserves remain flat at approximately \$7 billion as compared to last year's end-of-year reserves. An increase in expenditures

combined with unchanged reserves brings down the ratio of reserves to adjusted operating expenditures to about 8.2% down from 8.5% at the end of Fiscal 2015. This pales in comparison with Fiscal 28--2008 right before the recession [coughs] when the City had \$11 billion in reserve representing 18.5% of adjusted operating expenditures. Today, the Committee looks forward to hearing from the Director of O--the Director of OMB Dean Fuleihan to learn more information about these issues I've just outlined.

Before we get started, I need to thank the Finance Division Director Latonia McKinney and all of our her amazing staff including Deputy Directors, the Chief Counsel, Assisting Counsel, the unit heads, the Legislative Financial Analyst and, of course, the administrative support staff for putting out--putting so much effort into preparing for today's hearing, and all the hearings that will be held over the course of the next few days. Thank you for your commitment, your late nights and for everything that you do to make this budget process run smoothly.

Lastly, a quick reminder to my colleagues that the first round of questions for OMB will be

limited to five minutes per council member. If council members have additional questions, we will have a second round of questions at three minutes per council member. I'd also like to acknowledge our Sergeants-at-Arms Allen Hsu and Colin Todd, and the WNYC-TV that's streaming us live. Yvonne Sania (sp?) and Elliott Stern. And also, I'd like to acknowledge that this is the last day of Tanisha Edwards. I think she's somewhere. So we're just very proud and very grateful. It's--it's nine years working with her. We're very proud of her here in this Council, and we wish her well as she goes onto work for the Governor. We will now hear from the OMB Director asking you're sworn in by my counsel.

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

DEAN FULEIHAN: I do. Thank you. Thank you Finance Chair Julissa Ferreras-Copeland, members of the Finance Committee and members of the City Council for the opportunity to testify today on the Mayor's Executive Budget. On behalf of Mayor de Blasio and this administration we are grateful for the partnership and collaboration we have shared with

the City Council throughout the last budget process, and the Fiscal Year 2017 Preliminary and Executive Budgets. I am joined at the table today by Larian Angelo, the First Deputy Director at OMB. We also have our talented staff here to assist me in answering questions. I also want to join you in-- [coughs] excuse me--in thanking Latonia McKinney [coughs] and the Council Finance staff for their many contributions to this process. After more than two years in office and three executive budgets, Mayor de Blasio's vision for the city, the strategic investments the administration has put to work in every neighborhood and our disciplined fiscal management, we are producing tangible results. Our Fiscal 2017 Executive Budget is \$82.2 billion. With our projected changes both the Fiscal Year 2017 Budget and the Fiscal Year 2016 Budget remain balanced. In keeping with this administration's established practice, the Fiscal Year 2017 Executive Budget is highly responsive. It makes investments that address longstanding structural issues that affect all New Yorkers. I will detail those in a moment. It also protects our fiscal health for the future through a citywide savings program and

maintaining unprecedented reserves. The Fiscal Year 2017 Preliminary Budget had identified \$1.1 billion in the Savings Program, and in this plan we have found an additional \$1.25 billion in savings by the end of Fiscal 2017. These additional savings will pay for nearly all of the Executive Budgets and the investments. For the first time in this administration we are achieving savings in both the Preliminary and the Executive Budget. The Citywide Savings Program totals more than \$2.3 billion making this the largest such program in the last five years, and there's more to come because the Mayor is instructing the government to find hundreds of millions more savings by November. Meanwhile, our landmark agreement with the Municipal Labor Committee is creating the first significant structural change to the city's health plan in decades. Brining up closer--bringing us closer to our commitment to achieve \$3.4 billion in healthcare savings through Fiscal Year 2018, and \$1.3 billion every year thereafter. We have already met our Fiscal Year 2016 healthcare savings target of \$700 million, and we will achieve our Fiscal Year 2017 goal of \$1 billion. Our agreement involves significant changes to the

city health plans to create incentives for employees to improve their health, use primary care and avoid costly emergency room visits. At the same time, we've been demanding savings, we have also been maintaining strong reserves. This year we will add \$250,000 to the Retiree Health Benefit Trust Fund to bring it to the highest level it has been, a total of \$3.7 billion. This means for the first time ever the city has added to the Retiree Health Benefit Trust Fund three years in a row. We're maintaining the General Reserve, the city's precautionary savings for expenses of \$1 billion annually. Traditionally, this reserve was held at less than a third of that, and we're now in the second year of the city's first ever capital stabilization reserve of \$500 million. Our disciplined approach has received consistent place in our monitors who cite our prudent professional management of the City's fiscal health. Yet, we do continue to face many challenges. So, I'll discuss the current economic situation, describe our Fiscal Year 2017 Executive Budget investments, and then I'll look forward to your questions.

The Mayor has said the job of government is to ensure that residents are living and working in

a safe, strong city that both grows and attracts the best talent. That's exactly what we are seeing today. Our population and local economy are growing in every borough. As our population grows, so does our economy. New York City is home to an all-time high of nearly 4.3 million jobs. This includes 249,000 jobs added in the past two years, which is a record for any two-year period in the city history. We are also seeing positive change in the quality of the economy. It continues to diversify showing growth across multiple significant industries. In 2015, as in 2014, every borough saw employment growth with Queens, the Bronx and Brooklyn continuing to lead the way. As New Yorkers struggle during relatively good economic times, financial news worldwide is worried. Among the troubling signs are currently U.S. GDP growth estimates for the first quarter of 2016 are below 1%. Economists are lowering growth expectations. Corporate profits are falling, and first quarter revenues at the major investment banks dropped 19% in 2016 compared to a year ago. Growth is slowing worldwide. Global equity markets are down. We showing Russia in recession and the European, Canadian and Japanese

economies are sluggish. Meanwhile, here in the city, the world's economy affects our financial service community. It's forecasted tax revenue. We expect tax growth to be around 3.5% in Fiscal Year 16 and 1.7% in Fiscal Year 17 after having averaged nearly 7% for the past five years. And New Yorkers know we must be ready for whatever fiscal challenges are had especially since we've had consistently declining support. The latest state budget initially included dangerous cuts and cost shifts, but with the Council's help we managed to avoid hundreds of millions of cuts to CUNY and Medicaid. In the enacted State Budget, our public schools will see an increase in to raise achievement and keep our Universal Pre-Kindergarten program going. But there is still a State short--there is still a State shortfall of \$1.6 billion in the Campaign for Fiscal Equity Funding. And the State has yet to release the \$220,000 previously committed for homeless programming. In addition, the Governor has pledged to take \$600 million of the city's sale tax revenue over the next three years. We avoided the worst consequences this year, but we may not be so fortunate next time. Federal funding has also been

uncertain. It took a decade for Congress to agree on a multi-year surface transportation program with the first meaningful increase since 2005. And there is no resolution to set funding levels for the federal agencies and programs past September. We also face risks on counterterrorism funding. Right now, we are urging Congress to reject a large proposed cut in the Urban Area Security Initiative Grant. This grant was recommended at \$330 million in the President's request for Fiscal Year 2017 after being funded at \$600 million the prior year. We look forward to the Council's support to help us ensure that our federal and state partners make the best fiscal and policy decisions with all of our city residents closely in mind. Yet, even in the face of uncertainty, it is our obligation to continue making crucial investments in our city's future. In education the Executive Budget funds initiatives in the Mayor's Equity and Excellence Agenda including Algebra for all 8th and 9th graders, AP classes for all and individual college counseling for all high school students. We are investing more than \$160 million a year to raise our schools to an average of 91% of the Fair Student Funding Standard, and ensure that no school is at

less than 87%. We have already allocated funds to raise renewal and community schools to 100%, and as the Mayor said in Albany yesterday, we are urging New York State to continue its support so we can raise the Fair Student Funding average to 100% by Fiscal Year 2021. On homelessness, we are investing \$66 million to help implement our new plan to address homelessness in Fiscal Year 2017. These includes Homestead, which pairs existing response and prevention programs with innovations designed to better identify, engage and move homeless New Yorkers from the streets to appropriate service and permanent housing. An adjustment of reimbursement rates to improve shelter and serve as quality and increase accountability, and converting shelter units to permanent housing. These investments are offset by \$38 million in savings from uniting the Department of Homeless Services and the Human Resources Administration under one commission.

Our public hospital system. New York City needs a public healthcare system to ensure access to quality care regardless of income or immigration status. Health and Hospitals is certain--is central to that commitment, but it is also

facing significant threats to its fiscal sustainability. Changes in State Medicaid policy and the Federal Affordable Care Act include much needed reforms, but they have produced growing revenue declines for our hospitals. A third of the system's patients are uninsured. Their care is insufficiently funded today and may be complete unfunded soon. The state has been moving Medicaid beneficiaries into managed care, which pays a lower rate than fee for service, and the shift to managed care also means that our hospitals are no longer eligible for vital federal supplemental program, the other payment needs. The system is facing a projected operating gap of \$1.8 billion by 2020. We have created a realistic and credible plan to work with all interested parties to close this gap by Fiscal Year 2020 through projected savings of \$700 million and projected new revenues of \$1.1 billion. In addition, in Fiscal Year 2016 alone, the city will add \$500 million to support--\$500 million more to support Health and Hospitals. This includes \$337 million to pay debt service and medical malpractice costs that was included in the Preliminary Budget, as well as \$160 million for operating costs, and \$200 million is

included in the Capital Budget for spending to bring the computer systems up to industry standards.

In Fiscal Year 2017 through 2020, the City will continue to cover Health and Hospital debt service, \$180 million in 2017; \$173 million in 2018; and \$179 million in 2019 and \$203 million in Fiscal 2020. These significant investments will help Health and Hospitals to execute it's comprehensive plan.

Healthcare for our neighborhoods to transform the system for the 21st Century. First, we will stabilize revenues to ensure more New Yorkers are getting a fair share of state and federal insurance funding. Another key element, which we need the Council help with involves urging Congress to eliminate federal cuts to support--that support the treating of the uninsured. Secondly, we are investing \$100 million in new capital funding to expand community base production, primary and outpatient care that is the future of American healthcare. Third, we will improve the system's quality and efficiency by using buying power to reduce the cost of supplies; educating patients on the importance of preventative care; consolidating services; creating and efficient workforce through

attrition, retraining, collaboration with labor. Our other important investments for Fiscal 17 in this budget include public safety. We're investing \$70 million to create a new precinct to address the needs of Southeast Queens and relieve pressure on the large and spread out 105th Precinct. We're building on significant investments in our Preliminary Budget funding \$5 million and \$9.8 million in 8--in Fiscal Year 18 to add 50 new ambulance tours to ensure faster response times in Queens and the Bronx. We are also adding \$5.5 million to fight opioid drugs through educate--educating medical professional about over-prescribing, distribution of live saving drugs and more seats in treatment facilities.

In Transportation we are investing \$21 million to acquire additional snow clearing equipment to help us get onto narrow roads, sidewalks and bus stops. We are adding 206--\$276 million to bridge repair including \$244 million of the Ed Koch Queensborough Bridge. We're spending \$186 million to--more to repave 1,300 miles of our roadways and in Fiscal Year 2018 keeping pace that we're set in 2017. We're investing \$42 million to purchase and upgrade ferries and outfit the Brooklyn Navy Yard as our

ferry system home port. In water and sewer, we're righting a longstanding wrong. We will no longer charge homeowners for the water rental payment. This will save homeowners \$244 million in Fiscal Year 17 and \$268 million in Fiscal Year 2018, all customers seeing--and if--with no decline, if we had done no decline and we had not done the action of the credit, it would be a 7% savings in Fiscal 2020. The Mayor has announced a one-time water and sewer bill credit for the owners of all one, two and three-family homes, a 17% savings for typical single-family households. Other investments in our water infrastructure include \$21 million to disinfect and fill the Brooklyn-Queens leg of Water Tunnel 3 by the end of 2017, and we will invest an additional \$7 million to construct a connection between Water Tunnel 3, Brooklyn-Queens section and the Richmond Tunnel to Staten Island. We are also adding \$305 million in this Capital Budget and another \$300 million will be added in Fiscal Year 2022 next year to accelerate construction of the two shafts that will bring water to Tunnel 3 Brooklyn and Queens. Construction will start in 2020, a year earlier than previously planned.

On the Board of Elections following the problems that New York experienced in the recent Presidential Primaries, we have created what the Mayor has called a challenge grant for the Board Elections. The Board of Elections is not a city agency, but it is funded by the city. Our Executive Budget covers the basic expenses of running three additional elections in 2016, but we need the board to adopt amore professional approach. So we're using our resource to help the city's voting process up to par. Finally, in this budget, we're please to fund a number of key Council priorities including \$12 million for increasing seasonal staffing to enhance park and playground maintenance, and allow comfort stations to open--to be opened. So thus, additional resources for the Rockaway Boardwalk.

\$5.8 million, as you mentioned, to increase two-thirds funding for Beacon Community Centers and public the first increase in decades. \$4.8 million to raise salaries for contracted case management, social workers' care for our seniors. \$800,000 of baseline funding for the rising rent increases at 45 senior centers. \$3 million for 15 NYCHA senior centers. \$10 million to purchase land

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2 to designate two full-service animal shelters. \$2.3
3 million to increase special and discharge grant and
4 to increase special and discharge grants to foster
5 youth. In conclusion, the Fiscal Year 2017 Executive
6 Budget reaffirms the commitment the Mayor and the
7 City Council shares, the fiscal responsibility in
8 meeting our challenges head on. I want to thank you
9 again for the opportunity to testify today, and now I
10 look forward to your questions.

11 CHAIRPERSON FERRERAS-COPELAND: Thank you
12 very much for your testimony. I'm going to start wit
13 a few questions, and then we'll have our colleagues
14 follow. We've been joined by Council Members
15 Johnson, Cumbo and Rosenthal. I want to start with
16 the Citywide Savings Programs. The Human Resources
17 Administration Medicaid Re-estimate Savings Account
18 for almost 31% of the total cost savings in the
19 Fiscal 2017 Executive Budget resulting in \$305
20 million savings in Fiscal 2016 and the out years.
21 However, the description of how the agency will be
22 able to achieve this savings merely states it is the
23 result of reimbursement changes associated with the
24 Affordable Care Act. Can you explain how will HRA
25 achieve this Medicaid cost savings, and how does OMB

come up with the \$305 million estimate, and how secure are you about that number--of that number?

DEAN FULEIHAN: Okay, so the \$305 let's-- let's start here. You've asked for more detail. I'm happy to do that. We should actually work together on what that looks like. That was your request up front. So let--let me acknowledge that, and we're happy to do that.

CHAIRPERSON FERRERAS-COPELAND: Okay.

DEAN FULEIHAN: And as--as you know, the Mayor has announced an additional savings program going in--forward in November. So I think the nice way to do that would be to actually start and talk about how we can move together on additional savings and efficiencies in government for that November savings plan as well.

CHAIRPERSON FERRERAS-COPELAND:

Excellent.

DEAN FULEIHAN: On--on the \$305 million, right, we--we're actually, and I'm quite sure we'll spend a considerable amount of time on Medicaid and-- and Health and Hospitals. The Affordable Care Act did many things. One of the things that we're going to discuss I'm quite sure is the--effectively the end

of the disproportionate share, payments to hospitals, which covered a huge portion of the uninsured payment, which in Fiscal 17 to 18 drops \$400 million. One of the positive--there were many obviously very positive things that came out of the Affordable Care Act. One of the positives that in an increase in the reimbursement level for childless adults. New York State, however, all--all of New York State had been providing that care prior to the Affordable Care Act.

CHAIRPERSON FERRERAS-COPELAND: Right.

DEAN FULEIHAN: The result was that the Affordable Care Act gave us an additional percentage increase to New York State and its local governments. and that increase will--will continue to increase I believe through Fiscal Year 2020. We are estimating that benefit to New York City at \$305 million. By the way, the State was instructed to share this with its local governments. We believe the state amount of that is actually a billion, three hundred million and that other counties in this state will get about \$100 million. So we're very--actually very confident in that amount.

CHAIRPERSON FERRERAS-COPELAND: Okay because we were concerned obviously, and that was

reason for my follow-up question whether the federal government clear that the State had to share with the local governments.

DEAN FULEIHAN: They--they were clear.

CHAIRPERSON FERRERAS-COPELAND: Okay.

How long can you expect for--to accrue the savings and are there time limits? Or does it reflect the permanent structure or adjustments in how they get paid?

DEAN FULEIHAN: It's--it's a permanent structural adjustment. I mean you're--you're right to--to warn us that Medicaid goes up and down, and that there--there other adjustments in Medicaid that go the other way, and we'll be making those over the years. So there are some--there are some percentages that are going to go down, but this one in particular we're very confident it. It was a permanent change.

CHAIRPERSON FERRERAS-COPELAND: Great.

The format of the documents outlining the Citywide Savings Program I'm just going to go more in detail to what you mentioned. It makes it difficult to discern which actions are actual programmatic deficiencies or cuts and which ones are simple savings we actually use for programs that have been

over-budgeted. Have--why have you categorized accruals and the estimates of savings when in actuality, they're more about accurate spending projections.

DEAN FULEIHAN: [interposing] So, I--I think we should work with you on that because I think in some--we would argue in some of those cases they're--they actually are long-term savings.

CHAIRPERSON FERRERAS-COPELAND: Okay.

DEAN FULEIHAN: In our--you--you may be more accurate that it was a matter of estimate. So we should actually--this has been--I mean truthfully these numbers and the way they've been put together is a longstanding tradition in the city, and probably should be updated, and that's--and we're happy to do that with you.

CHAIRPERSON FERRERAS-COPELAND: So I know that you stated this, but I just want to be clear that you're going to work with this committee--

DEAN FULEIHAN: [interposing] Yes.

CHAIRPERSON FERRERAS-COPELAND: --and get us the information and the different categories--

DEAN FULEIHAN: [interposing] Yeah, we'll--

CHAIRPERSON FERRERAS-COPELAND: --as it relates to accrual.

DEAN FULEIHAN: --we need to work with you because once again I think we may have some disagreement. So we need to talk about that.

CHAIRPERSON FERRERAS-COPELAND: We've had disagreements before but, you know, we get there.

DEAN FULEIHAN: [interposing] And we've worked through them.

CHAIRPERSON FERRERAS-COPELAND: And we've worked through them. So, I'm getting your commitment, yes.

DEAN FULEIHAN: Yes--

CHAIRPERSON FERRERAS-COPELAND: [interposing] Okay.

DEAN FULEIHAN: --you do have that.

CHAIRPERSON FERRERAS-COPELAND: Okay, very good thank you. Agency new needs, the Fiscal 2017 Executive Budget includes, as you mentioned, City spending totaling \$1.1 billion for agency new needs. When combined with actions in the November and Preliminary Plans, the Financial Plan includes additional city funding or nearly \$2 billion of new needs in Fiscal 2017. How did you determine the size

of the new needs package, and was the one \$1.1 billion a pre-determined target or how--how did you get to this number?

DEAN FULEIHAN: Well, the--let's go back. In the Executive Budget effectively every--all of the initiatives are offset by the savings program. So the--every initiative we've added here has actually been--been identified and--and adjusted for. So I think that's a pretty--beginning response--that's a very responsible approach to this. We recognized--we adjusted, you know, our revenues. Let's go back. Our revenues are very cautious. That's why for Fiscal 17 we actually reduced tax revenues by \$400 million. I'm going to guess that we'll be below most of our monitors. In--in Fiscal Year 17 those reports will still come out. We're certainly below where they were before. So we're very cautious about that. We're being responsible. We're building up--we're maintaining reserves. The reserves are at historic highs. I--I--there was a comparison made to 2008. We should mention that that comparison included a pre-payment, not really a reserve. It included rolling--to roll over from one year to the next, which were not included, and our pre-payment of \$3.3

billion is higher than it was in the last Executive Budget. So we think this is a very prudent plan that actually addresses really very vital health and safety needs, and--and then some very common core issues that are about the future of this city and education, and that's the concentration that we focus on.

CHAIRPERSON FERRERAS-COPELAND: Can you walk us through--and I guess this could be for--to identify new needs, and identifying the savings. How--how id you engage with your commissioners because you also put in our Budget Response or our Preliminary Budget Response, and how do you figure out which agencies get what, what the savings package is and which recommendation of the Council do you--

DEAN FULEIHAN: [interposing] So--so much of what's in this budget is--is really mandated. If--if there are significant expenses, for example, in the Department of Environmental Protection and those are over \$100 million of expense money and those are mandated really. Those are requirements that we need to do. The homeless spending I think we have a common agreement on that we have had to change a trajectory that began in 2011 with the end of the

Advantage Program. I mean I hate to go into detail on each one, but actually that's what's driving the major spending in this Executive Budget. So the homeless spending, which is a significant portion of the increase here was--was--this is an attempt to stop what began in 2011 when the State and the City ended the Advantage Program. At that point, basically the shelter population while going up and down, but then it's relatively flat. Right after that, it's a straight line until really last year when once again we have effectively stabilized that population. If it continued in stead of being right below 58,000, if it had continued at the trajectory that it was going on when we took office, it would have been at over 70,000 in the shelter population. So recognizing that, we--there are significant amounts of money in here. There's another \$160 million for FY--for Fiscal Year 17 on the operations of shelters. So these are really requirements. We hope that number will be less, by the way. I hope--I hope next year we can come to say in the re-estimates that the programmatic--that the programmatic initiatives that--that are part of the 90-day review are actually having success, and we're able to see a

reduction at the same time, of course, we're trying to get more people off in--in Homestead, more people off the street into shelters. So, you know, we--it--it became a necessity to say, okay, that kind of spending has to occur, and I think if you go through the--the Executive Budget, you'll see place after place where--where those priorities are addressed and--and effectively had to be addressed.

CHAIRPERSON FERRERAS-COPELAND: And how often do you, especially since we're specifically talking about the homeless situation, how often do you find yourself re-evaluating with your commissioner because it is a very large investment and we want it to be successful, but I feel like we've invested and--and maybe the--you know, a long--a long-term problem. But at what point do you figure out what's working and what's not? Because it seems like we're investing a lot of money, and some of these programs just not--may not be working any more. So at what point do you with your commissioner and the Mayor re-evaluate this in the next 30, 60, 90 days to see if numbers are changing?

DEAN FULEIHAN: So, we--we evaluate with Steve Banks on a constant basis. We're in touch

constantly, and actually what is in the Executive Budget is that re-evaluation. It is the elimination of programs that were not working. It is the concentration on programs that we believe will work, and will get people either not into the shelter, prevent the shelter, and prevent that actually from occurring or to help them into supportive housing. We're doing much more within the shelters and training in the systems and mental health intervention. We are making those investments, but we're doing exactly what you said. The 90-day review was particularly geared to that, and--and I should add the \$38 million in savings, those are actual savings that I think anyone in the room would say absolutely. It's consolidating a procurement. It's consolidating Council services. It's taking the two agencies and say, you know, what, while we're expanding programs by \$66 million, we actually can offset that with real consistent and continuing \$38 million of savings.

CHAIRPERSON FERRERAS-COPELAND: I want to speak briefly, and I know that we have Chair Johnson here on HMH, but by Fiscal 2020, the financial gap at the Health and Hospitals will total \$1.8 billion.

With the release of the Transformation Plan, the two recent financial plans, the city has made over \$490 million in contributions to the Health and Hospitals 2016 Budget. This, however, does not address the immediate financial risks posed by the Health and Hospitals budget to the City's Fiscal 2017 Budget. How has the City's contribution to the Health and Hospitals changed over the past two fiscal years, and how is the strategy different from the recently released Transformation Plan?

DEAN FULEIHAN: So, you're--you're correct, the--the--obviously, they could yes. (sic)

CHAIRPERSON FERRERAS-COPELAND: I try.

DEAN FULEIHAN: They could always. The--the current between the Preliminary and the Executive Budgets effectively \$500 million. Prior to that two years ago, we included, which we did the same for NYCHA, by the way. We included the labor contract addition. So that is approximately \$170 million. so the base--the base of the city contribution traditionally may have been \$1.3 billion. If we add the labor piece that we did two years ago, it's \$1.5 and now we're adding this, and we believe that that level of commitment, it will go up and down. There's

no question. There are a lot of payments. Once again, this deal is with Medicaid and hundreds of million of dollars. I mean there are claims for Health and Hospital that go back to 2014 that we're working on very hard with the State and Federal to get--to get us as current as possible in our Medicaid claims, and those are hundreds of millions of dollars. So--but we are very confident with this amount of investment in the current fiscal year, that the current fiscal year Health and Hospitals is stable, and that with the addition, with the City picking and--and I should be careful about this, right. If we are--in--in Fiscal Year 17, 18, 19 and 20, what we are recommending is that the City pay the debt service on city bonds, on city debt that we have issued on behalf of the Health and Hospitals. Health and Hospitals has some of its own debt. It's not a huge amount, but they do--they issued in the past their debt, but they are paying their debt servicing. But the city has traditionally issued most of the debt. As a matter of fact, in the Executive Budget is a another \$200 million, a--a necessary part of--of moving forward to give them a state-of-the-art IT system so they have the proper billing, and can track

patients and provide the proper care, and that's in this Executive Budget. We are saying that when we finish that IT investment that the city should pay the debt service on that. And--and we could start to argue that that's not an unusual thing for the city to do for something that's so vital and so integral to part of the city. So we believe with those investments, working with our partners, it's going to take a lot of work. It's going to talk--it's going to take working with the Council, working with labor. Healthcare is being transformed, and we're trying to say okay, it's time for this transformation to help in this vital part of city service. But that's why it would require a lot of partnering, and it is going to require partnering with the city and the federal government. Just--just that--that one Affordable Care Act change is \$400 million every year starting--and--and you see the precipitous drop from 17 to--to Fiscal Year 18. So of that \$1.8 billion, \$400 million is simply that one federal action. Well, why are we hopeful that that would happen? Why do we have any faith in that? Well, the federal government has delayed that three times. If we can get that delayed again, or if we can get them to permanently

change, that not only helps Health and Hospitals, it not only helps all of the voluntary hospitals throughout the State of New York that have high Medicaid patients and uninsured patients. It helps all these hospitals throughout the country. So we think we have a lot to partner with to--to be able to access those funds.

CHAIRPERSON FERRERAS-COPELAND: So this is where I have concerns particular with HH, and this--this is an example of--of why we have I would say why we feel that there needs to be constant oversight over this plan and how we're going to kind of get there. At the end of the day, we want every hospital to succeed. But in previous budget hearings the Health and Hospitals Corporation presented a cost containment strategy for \$309 million annually. However, for Fiscal 2016 Health and Hospitals has only recognized 70--\$65 million or 20% of those savings. How can the city guarantee that the projected \$309 million in savings for Fiscal 2017 will actually be--be achieved if only 20% of it was achieved in targeted or targeted at Fiscal 2016?

DEAN FULEIHAN: So, it's correct. They had estimated a \$300 million plan. They achieved--

they are achieving \$65 million of that. I we looked at the list of things they were trying to achieve, they actually achieved most of them. They received productivity savings. What they did not achieve was their personnel reduction. As part of the Mayor's review, which began after the Preliminary Budget where he said, okay, between the Preliminary Budget and the Executive Budget, we will go back, work with Health and Hospitals, be very active with them, and come back with what we believe is a realistic achievement. And that's what--that's exactly what we're doing. So we actually believe that the savings targets, which rise year--will rise year by year. We will be able to achieve working with them, but does it need monitoring, and should we be talking all the time about this? Absolutely. But do we believe there is a path there. A lot of hard work. It does involve the same way that we worked with the unions from the very first day of the Administration when we walked in and there were no contracts, and the only thing we said was that we wanted healthcare savings. And I--and--and by the way, in terms of savings that are absolutely real by anyone's definition again, the billion dollars we're going to achieve in healthcare

savings in Fiscal Year 17 are absolutely are--are real, and--and--and--and it's--it's really one of the great successes within the Municipal Labor Committee. We're going to have to do the exact same thing with our partners at labor at Health and Hospitals, and we're going to have--but we're also going to have to work on the state--[coughs] excuse--and the federal government to access additional resources. But yes, you should hold us to a plan. Health and Hospitals will be coming out with a financial plan. We will all work together to detail what those savings are in a realistic way. They have already, though, turned the corner by centralizing--by centralizing decision making on personnel that has already been adjusted. So what was not being achieved has already started to turn around.

CHAIRPERSON FERRERAS-COPELAND: Okay. I mean I just think that you have a lot of faith, and I guess at some point you have to, but as OMB Director if--if someone proposes a savings, and they come back a year later with achieving 20% of that savings, I would very concerned.

DEAN FULEIHAN: [interposing] So.

CHAIRPERSON FERRERAS-COPELAND: And I think that to then say okay try it again next year is--seems problematic for our perspective.

DEAN FULEIHAN: So--so let me apologize. We're not saying we'll see you again next year. What we're saying is we're talking to you every single day, and we're working with you every single day, and we're part--this--how we arrive at this financial plan, and how we arrive at this savings, and how we actually work with on the federal government and the state, we are going to do that on a daily basis. I am having conversations every single day with the state on this.

CHAIRPERSON FERRERAS-COPELAND: So you don't feel at this point that we just need to change a targeted number? You're comfortable with the targeted number proposed for Fiscal 2017?

DEAN FULEIHAN: I am.

CHAIRPERSON FERRERAS-COPELAND: Okay. We'll be back here. With the Health and Hospitals' continued failure to achieve savings puts the city on the hook for another \$500 million subsidy next year, and if the City is likely to give a subsidy to the

Health and Hospitals in Fiscal 2017, why hasn't that been reflected in the budget?

DEAN FULEIHAN: So--so we are giving a subsidy right?

CHAIRPERSON FERRERAS-COPELAND: Right.

DEAN FULEIHAN: We--we're picking up another-another \$180 million next year. Once again, there are a lot of moving parts to this, right. There are commercial payers. There's Medicare, there's Medicaid dollars, there's the uninsured, there's relationships with other hospitals, there's other paying plans. We're watching very carefully the cash flow of Health and Hospitals. We're working very hard together on prior payments both--and--and it's not just Health and Hospitals. I'm directly involve with--with the state. HRA is directly involved with the Medicaid office at the state to make sure that we can get current on all those payments. If we're able to do that, then we're-- then--the we are confident, but once again, this is-- this is a road map, right. This is a plan that says here are these things that have to happen. Will we come back to you and say if there's a complete failure to get change in federal--in federal law--if

there's a complete failure of any recognition, that hospitals that deal with populations that--that primarily serve Medicare and the uninsured in Health and Hospitals 70% of its base, if that failure occurs, then we're going to have to come back and say okay, where are these other savings going to come from? And we're going to have to work that out with you.

CHAIRPERSON FERRERAS-COPELAND: So do you think that we're at the point where perhaps we should start looking at the savings now in the event--not waiting whether it's going to happen or not, but planning for those savings in the event that it would happen in FY17?

DEAN FULEIHAN: Right, we need to be planning right now for the savings that are isolated that we have identified in--in that transformation plan. We need to be working on that with our partners. We need to see if there are other savings that we can find. If there are other efficiencies that we can find. I--we--we--we are quite sure that working together we're going to find other places that we can find savings, and we should wherever we

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2 can find yes, and we're more than open to it, and we
3 should be pursuing it.

4 CHAIRPERSON FERRERAS-COPELAND: Okay. My
5 last question for this round is CIRS. I want to
6 thank you for including the funding for the Cultural
7 Institutional Retirement System in the pension
8 budget. I know that you and I had many conversations
9 on this topic, and you team did with our team also,
10 including close to \$2.4 million for the day care
11 portion of CIRS, and over \$1.6 million for the
12 cultural portion in Fiscal 2017. Does the
13 Administration intend to fund CIRS through the
14 pension budget for the out years of the plan, and has
15 the Administration and CIRS come to any agreement
16 about the unfunded liability of the \$64 million
17 resulting in Early Learn, which reduced the number of
18 active employees in day care centers by 25%?

19 DEAN FULEIHAN: So, what I--I believe,
20 we've had this conversation several times, [laughs]
21 that we're having to do--

22 CHAIRPERSON FERRERAS-COPELAND:
23 [interposing] We're going to get it on the record
24 now.

25

DEAN FULEIHAN: --that we're at an--an agreement for the next two years to work with this retirement system. They will get their payments in their traditional way over the next two years. That we will hopefully working together make sure that we have an actuarial understanding. I think the first thing we need to do is to make sure because--because there are--there's a view out there that says it's 100% funded, and then there's the concern in the daycare community that because of the Early Learn reductions and maybe it's not. I--we should--we should once again, and yes, we are--have working together, and we've gotten to this point. We need to just make sure that we are all using the same actuarial assumptions, and that we make--and that we know what the funding level is, and what changes may be necessary. We should remember that--that the state has made significant changes to--the pension system of New York City. There have been changes that affect all of us, and all of our employees. There may be some changes that the cultural institutions as well need to make, and the day care providers. But once again, the goal is to do that in a collaborative relationship working with them. But

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2 do we want--do we want to make sure, and ensure that
3 the employees have security in their retirement?

4 Absolutely.

5 CHAIRPERSON FERRERAS-COPELAND:

6 Excellent. Thank you so much. I will be coming with
7 other questions.

8 DEAN FULEIHAN: [interposing] Well, I--I
9 have one more--

10 CHAIRPERSON FERRERAS-COPELAND: --
11 [interposing] Okay.

12 DEAN FULEIHAN: --that I meant to add at
13 the end of the introduction. In another conversation
14 that you and I had, we did add additional documents
15 on the Open Data System that you had requested
16 yesterday.

17 CHAIRPERSON FERRERAS-COPELAND:
18 Excellent.

19 DEAN FULEIHAN: So we have expanded into
20 six new data sets, capital commitments, financial
21 plan expense, expense budget, full-time staffing
22 levels and revenues.

23 CHAIRPERSON FERRERAS-COPELAND: Well, I'm
24 glad I'm online to check it out.

25 DEAN FULEIHAN: Thank you.

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2 CHAIRPERSON FERRERAS-COPELAND: Thank you
3 so much. We will now hear--we've been joined by
4 Council Member Gibson. We will hear from several
5 council members, Council Member Matteo follow by
6 Council Member Van Bramer. Again, we will be on a
7 five-minute clock, and if you need a second round--to
8 be added to the second round, we can add you to the
9 second round. Thank you very much.

10 COUNCIL MEMBER MATTEO: Thank you, Madam
11 Chair. I would like to welcome--I just want to start
12 off--

13 DEAN FULEIHAN: [interposing] Thank you.

14 COUNCIL MEMBER MATTEO: --by I know we're
15 in the middle of the--of this budget game in the
16 sixth inning, but some of the issues we've already
17 worked, eWaste pickup, curbside pickup--

18 DEAN FULEIHAN: [interposing] Yes.

19 COUNCIL MEMBER MATTEO: --DOT paving,
20 DSNY equipment, opioid, you know, we'll be here--

21 DEAN FULEIHAN: [interposing] All right.

22 COUNCIL MEMBER MATTEO: ---not to say
23 that we were working well together, and I appreciate
24 that. Staten Island appreciates that on behalf of my
25 delegation, but there are two--there are some issues

I want to bring up today, but in this round of questioning there are two glaring omissions I want to talk about. One, that is both the priorities of the delegation as well as the--the Council as a whole. One is funding for RUMC the Medical Center, we are looking for a new ER, one. The other issue is funding for district attorneys, which not only for Staten Island, but also promote (sic) district attorneys in all five boroughs. So, I understand that HHC is putting money into the Vanderbilt Clinic. I get it. I'm not pitting one against the other here, but historically, and it's not just this administration, but Staten Island has been underfunded, and under-resourced from HHC. That is--that has just been the reality as long as I've been government and before--before I--I ask, and we have two hospitals systems on Staten Island. We do not have an HHC hospital as everyone knows. So I understand the general discussion about the Administration's private hospital for profit, but it's--our--our two hospital are, in fact, are HHC facilities because we don't have one. We have this ER that the delegation along with the Speaker went to visit a month ago, and the ER is outdated. It--it

was designed to accommodate about 22,000 patients a year. We're at 65,000. I--I--I'm supportive of the Vanderbilt Clinic. I don't think it's going to help the ER problem that we have at RUMC. We had this problem at SIUH years ago. The City helped with funding there. I am putting money in my own capital budget in. Council Member Rose is, the Delegation is as well, the brought president. We have to prioritize funding for ER. It's--this isn't just about RUMC. This is about the healthcare of Staten Islanders. You know, I was talking to the guy just before. Where we are sitting is just one area where we're surrounded by curtains, and we are. That is just not working. I remember going to the doctor and I went to the technology lab, and I don't see patients or their family. It--it needs to--to--to move forward. We need better technology. We need better ER, and quite frankly we need the Administration to help. This Council made it a priority, and we're going to do on our part, but we need the Administration to work with us. And then just the second part of this is the--is the district attorneys especially for Staten Island. I know we've given money for Opioid addiction already but, you

know, we have to be successful in spite, and we have to give them law enforcement aspect as well. So, we've got to utilize the NYPD and the DA. So I just want to know where the--where the Administration is on this. And the last part of that is TASC. We've been fighting for it to be baselined for years. It's only \$250,000 and every year this Council has to pick it up. So I'm asking for your comments on those two issues.

DEAN FULEIHAN: So thank you for acknowledging that most of the list that we've talked about on Staten Island, the Mayor has actually--has included and we have funded and moved forward on. The Health and Hospitals conversation that we're having, the transformation of Health and Hospitals has to go through, which is moving into the community it's very much evident in--in what's happening at that site in Staten Island. That's a significant investment of the \$20, \$25 million two-story building. It's not--it's--it's a very sophisticated clinic moving into the--moving into the community. That's the type of investment that we see Health and Hospitals doing more and more of as it has to transform as every hospital is going to have to

transform the type of service it provides. So that's where we see the emphasis we need to place. You've--you've said it and--and you know that the City has not provided resources to the voluntary hospitals. They formerly concentrated on Health and Hospitals. We understand the issue on--on Staten Island. It's the reason that we're opening this clinic that's going to serve 50,000 patients new year on a rapid scale, and we'll push that as quickly as we can, and--and that is how we're trying to address this issue and continuing to move and make investments. There's another \$100 million that's been placed in this Executive Budget for more ambulatory care, which obviously Staten Island has to be part of that. So we do recognize that. On--on--quickly on the district attorney, I've met with your district attorney. We're working with all district attorneys and as we approach the Adopted Budget, we'll work with you on exactly what that should look like, but we're--we're, and we have two new district attorneys. We're working with them both on their needs, and to try to understand their needs. One of their--one of the needs, of course, you mentioned was the opioid, and we did address that. I'm sorry, but

the \$250 baselining, I didn't--I didn't--what program is that?

COUNCIL MEMBER MATTEO: TASC.

DEAN FULEIHAN: Okay, thank you.

COUNCIL MEMBER MATTEO: And--and I'm just going to follow up on--on RUMC and listen, I understand, and--but--and you said it, you know, we agree about the--the lack of funding. Staten Islanders are concerned that, you know, this isn't going to happen, and I understand it's funded. I understand, you know, and I'll talk to HHC more about the clinic. And again, I'm not trying to put one against the other, but for me, for my delegation and for Staten Islanders, these two hospitals are the hospitals, and we don't have that building. I'm not saying we should put the HHC hospital in Staten Island because that is a conversation that I don't think is helpful. I think we need to be doing the clinics, but with that said, we have to existing hospitals that need help, and the clinic, which is great is not, in my opinion, the delegation is not going to solve ROMC's problem. And we're--we're going to help on--on this--on this side of the aisle, the Council's idea, and I just think it's the

Administration needs to make that a priority as well. we're not--it's not--we're not asking for \$100 million or \$50,000. We're going to put, like I said, funding on our side. I really would--would ask that you continue talks with us, and talk with the administration and the Mayor for reconsidering and putting some capital dollars into the ER. I'm not asking for fully funded. There's a--there's a capital plan in place to raise money. So I'm asking that the Administration reconsider the point of putting money into ROMC.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Minority Leader, and now we'll hear from Majority Van Bramer followed by Council Member Rodriguez followed by Council Member Chin.

COUNCIL MEMBER VAN BRAMER: Thank you very much, and following in the Minority Leader's footsteps I will thank you for the good things that we accomplished in the Executive Budget and in last year's Adopted Budget. I believe with this Council's very strong leadership and--and insistence, we achieved the historic record of funding for libraries as historic restoration, and--and have six-day service citywide, which I'm sure you would agree is a

tremendous success story for the City. And--and then the Mayor went and baselined half of that, which was terrific and historic in its own right. So, thank you for those things. But the other half has still not been baselined and this Council and its response to the Mayor's Proposed Budget asked for that. Of course, we're also seeking additional funding, but I just wanted to get on the record that this administration has committed to six-day service, and obviously at a minimum we should have six-day service as a result of this Adopted Budget.

DEAN FULEIHAN: So we obviously agree in principle. We put in what baselined the mayoral funds in the Preliminary Budget, and now we'll look forward to continuing this conversation quickly as we get to adoption.

COUNCIL MEMBER VAN BRAMER: And we've had this discussion before, but the Administration can and should baseline all of it. So you have that power, and I know we all believe in the power of six-day service. So we absolutely have to protect it, and codify it and make sure that it's never on the table again. Switching very quickly to culture and the arts, we had Tom Finkelpearl, our Commissioner in

a couple days ago, and I'm sure you may be aware that cultural memberships as a result of IDNYC was redeemed. Free memberships is now approaching 400,000 in the city of New York already. That is a staggering number of free cultural memberships--

DEAN FULEIHAN: [interposing] Great.

COUNCIL MEMBER VAN BRAMER: -- that have been afforded to New Yorkers in every neighborhood and every borough. Again, and that's a success story, but the--and while this Council has increased under the Speaker and--and this Chair every single cultural initiative that we had at the City Council, funding for the Department of Cultural Affairs from the Administration has been flat. So I was just looking around the room here, and we've been to so many cultural organizations in all the boroughs whether it's the Louis Armstrong, Nelson, in the Chair's district or the Historic Richmond Town in Staten Island, the Museum of Chinese in America where Council Member Chin and I were on Friday. We're going out to Coney Island with Council Member Treyger. All those organizations haven't seen an increase in their budgets for close to a decade, and we did include in our budget response to the Mayor

\$40 million for culture and the arts, and that has not been included so I just want to ask you as this Administration rightly talks about the tourism numbers and the billions in revenue that's generated. So much of that is from cultural tourism and this administration rightly talks about the IDNYC Program and what an amazing success story that is, culture's role in that as well. That we--that we do something, and the Administration come forward and join us. Obviously, we stated our--our commitment to this issue, but it's really critically important and there are some great groups and Council Member Cumbo and I were out at South Ashford Space. (sic) where there are small cultural organizations in her district like the Alliance of Resident Theaters, and--and this morning I was at--in Shadow of Socrates Sculpture Park in Long Island City. All of them need more support. This is an opportunity to do that, and is the Administration is committed to working with us to make sure that all of these smaller neighborhood cultural organizations finally see an increase in funding.

DEAN FULEIHAN: So this is a new request this year at this level. It is not in the Executive

Budget, as you indicated. Look, we, of course, these are important things. We focus the Executive Budget, very targeted investments given the world we're facing and the need to build reserves, and our concern about revenues on a series of priorities that we--as I indicate are health and safety, our core education priorities of the Council and this Administration and that was the focus of the Executive Budget. Are we willing to continue a conversation with you on your priorities? Absolutely. That's the point of the Adopted Budget. We understand that.

COUNCIL MEMBER VAN BRAMER: And--and thank you for making the point about education. I know that arts and education is a priority--

DEAN FULEIHAN: [interposing] Yes.

COUNCIL MEMBER VAN BRAMER: --for this Council and this Administration. We've done some great things on that front, but all of the organizations that I just mentioned and so many others like the Irish Rep and the Irish Art Center in Council Member Johnson's District have an important role to play in arts education, and with more funding and reach more children in our schools, and we do the

work that we both want to do. So I just want to urge you once again to come forward with some really solid proposals, and as we negotiate to fully fund culture and the arts.

DEAN FULEIHAN: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Council Member Rodriguez followed by Council Member Chin followed by Council Member Johnson.

COUNCIL MEMBER RODRIGUEZ: Thank you. Thank you for your work, and I want to start on Vision Zero. I know that it's part of that whole budget balancing cycle. You know, you count on something, we push back and, you know, at the end of the day we get them done. But for me, we cannot include on the--in the budget balancing not including money for Vision Zero educational message. You know, everyone know that the anti-smoke campaign was so successful not only because of the whole department they did a great job, but also all New Yorkers need to go to radio or TV and act while New York City was doing the anti-smoking campaign. Last year we presented a budget with our money from the--for the Vision Zero Educational Campaign. You pushed it back. It was at the last minute that we put \$2.5

million. It is unacceptable to come back in another budget cycle in something that is the first--one of the top priorities for this Administration and not having money for the education of Vision Zero. For me it is unacceptable and I hope that moving forward we can include it. Don't leave it to us because sometimes the expectation is this is so important to the Council that we will come back putting this money there. I just hope that before we get close to financing the budget, the administration get the money because if we want to address the 40--that we have \$40,000, we can run every year. That Vision Zero continue to being a--a priority to just--to zero the number of people being killed by irresponsible drivers that we need to find the money for Vision Zero enough to putting on the TV, to putting it on radio and to also to putting ads. Only a suggestion. One question. In your first appearance at the Council, you shared something that everyone knows. This Administration inherited a city with 46% New Yorkers living in poverty. Mayor de Blasio has been doing a great job. I support 100% on his vision on his initiative in whatever he's doing addressing poverty in our city. In your third year coming in

front of us, are we still dealing with 46% of New Yorkers living in poverty or have we seen a reduction of that number and how--has the private sector also been engage to be part of coming up with a solution so that we can review the level of poverty in our city?

DEAN FULEIHAN: So I'm--I'm going to start by your comment and what's that on Vision Zero first and then answer the question on the--on the poverty piece.

COUNCIL MEMBER RODRIGUEZ: Actually one minute to that.

DEAN FULEIHAN: [interposing] But--but I am allowed to talk. [laughter] Hopefully, the Chair will allow me to answer. On--on Vision Zero this budget contains as--as every budget the Mayor has put forward expansions of Vision Zero projects. So by no means are we in any way stepping back, or is the Mayor stepping back from his strong commitment that actually was in the very first, one of the very--there were hardly--there were very--a handful of initiatives--

COUNCIL MEMBER RODRIGUEZ: [interposing] Sorry, sorry, but this is about--

DEAN FULEIHAN: --in the very first Preliminary Budget.

COUNCIL MEMBER RODRIGUEZ: [interposing] Listen, I--I agree with you. I was very close to the DOT when you got in the Administration. I get the part on the capital infrastructure, redesigning a major, big intersection. This is about a particular education--Vision Zero education initiative. There's no money there.

DEAN FULEIHAN: [interposing] So we--we decided to pass--

COUNCIL MEMBER RODRIGUEZ: [interposing] Education is not there. (sic)

DEAN FULEIHAN: --pass two budgets, you're right. Not to continue that the advertising component of it. We--we did add it. We add it at adoption, additional funds to continue that. So we're happy to sit down with you and actually have a conversation of how effectively that can be implemented. So we actually know it's producing the results you want. So we're happy to have that conversation.

COUNCIL MEMBER RODRIGUEZ: On fighting poverty, do we still have 46% of New Yorkers living

in poverty today after three years where we've been investing, you know, in the Mayor's UPK, increasing the minimum wage--living wage?

DEAN FULEIHAN: So--so we are waiting for the updated data on that, but--but here we do know some things, right, we don't--we do know that there are several--there are two different things that we have worked on today, right. There are the long-term things, UPK long term having 68,000 children is going to make a huge difference. All those investments we're making in education are going to have a diff--difference.

COUNCIL MEMBER RODRIGUEZ: Yes.

DEAN FULEIHAN: What we're doing at CUNY is going to have a huge difference at the community college level. What we're doing quickly on the minimum wage, last year where we established together, where we did the \$11.50 ahead of anyone, and with both--both all city workers and our human service providers. This year in the Preliminary Budget at \$15.00 agreeing to go to \$15.00 for--for our city workers and our Human Service providers. Those--those--those issues, actions, those kinds of actions will have an effect on that poverty.

COUNCIL MEMBER RODRIGUEZ: My short question is about have the City or the State to authorize or to use the Design-Build, and how can we keep--how can we help the city to develop capital project on time and save money?

DEAN FULEIHAN: So we have asked repeatedly the State for Design-Build, thank you. We need to continue. We need your help on doing that. The State is doing it on more and more state agencies. They expanded it again. It's really hard to understand why that would not be expanded to New York City and all local governments. They have found it an extremely effective way to--to deal with this problem that we're constantly talking about at every--at every one of my hearings at least, which is the time period to get capital projects done. This is a proven means to get a capital project done. I--I--actually I'm not sure there's a state agency left that doesn't have disability, and it's really incomprehensible why the city would not have the same--the same benefit.

CHAIRPERSON FERRERAS-COPELAND: Thank you Council Member. We will now hear from Council Member

Chin followed by Council Member Johnson followed by Council Member Cumbo.

COUNCIL MEMBER CHIN: Thank you Madam Chair. Good morning--

DEAN FULEIHAN: Good morning.

COUNCIL MEMBER CHIN: --Director Fuleihan. It's great to see you. You know what I was going to ask because during the--the presentation of the Executive Budget, you know, with the Mayor--I was waiting, and I didn't see it in the summary, and then you guys were like we put it in there. So I heard that there was supposed to be \$7 million for increasing salaries of case management because I know that the Mayor and you agree with us that seniors should not be on any kind of waiting list. So in our Preliminary Budget in the hearing, in discussions with the Commissioner, we identified the issue of pay parity. That there is a lot of turnover of case workers because they were getting much less salaries than other caseworkers that works for other city agency contracts, that will contract with some other city agency. So, that was something that we were going to focus on this year, and in our Preliminary Budget request, we requested \$12 million. Now, I'm

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2 seeing here you're only putting \$4.8 this year, and
3 so can you explain to me--

4 DEAN FULEIHAN: [interposing] It's--it's
5 a two--

6 COUNCIL MEMBER CHIN: [interposing] It's
7 a big difference.

8 DEAN FULEIHAN: --it's two years, and I
9 believe we did address over the two years the wage
10 parity piece, but we'll make sure that our numbers--
11 I mean I'm happy to--to--

12 COUNCIL MEMBER CHIN: [interposing] But
13 even two years that didn't add up to 12 that we made.

14 DEAN FULEIHAN: [interposing] We--we
15 actually do believe we were addressing the wage
16 parity. I--we believe the total was \$7 million but,
17 you know, we're happy to make sure that that was the
18 correct number with you.

19 COUNCIL MEMBER CHIN: Because the number
20 that we got we--at the hearing it was closer to \$12
21 million--

22 DEAN FULEIHAN: [interposing] I'm--I'm--

23 COUNCIL MEMBER CHIN: --and they know,
24 and the Commissioner is also expecting the \$3 million
25

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2 that the Council put in. So altogether, that's \$15
3 million. So I really have to--

4 DEAN FULEIHAN: [interposing] So I--I
5 think that's more than wage parity, but--but the way
6 to address is we'll go--we'll sit down with you and
7 make sure that we're using the same numbers, and what
8 those results are.

9 COUNCIL MEMBER CHIN: Yes, because we
10 want to make sure that we have no waiting list.
11 Seniors should not be on any waiting list.

12 DEAN FULEIHAN: And--and part of the way
13 address the waiting list I think we both agree was to
14 address the wage parity issue. There has been too
15 much turnover and we under--we recognize that.

16 COUNCIL MEMBER CHIN: So that is our--our
17 main priority, and I'm also very happy to see that.
18 See Dean, I am happy--

19 DEAN FULEIHAN: Thank you.

20 COUNCIL MEMBER CHIN: --with certain
21 things. [laughs] I'm very happy to see that the
22 Administration put in \$3 million for the 15 NYCHA
23 centers, but it's only for one year. Come on.

24 DEAN FULEIHAN: I--
25

COUNCIL MEMBER CHIN: [interposing]

We've got to solve this problem, right. So baseline this funding so that we--DFTA can work with these centers, and maybe some of them can be turned into NORC programs, but we have to make sure that funding it's going to be stable and available.

DEAN FULEIHAN: [interposing] So--

COUNCIL MEMBER CHIN: So what is this one-year, one-year?

DEAN FULEIHAN: So--so that--that is why we did not wait to adoption. We put it in at Executive for that very reason. So we can actually and be--be part of this conversation. We can talk to both NYCHA and the DFTA Commissioner and understand okay how do--how do we deal with these community centers? How do we make a success out of them? What should be continued are there other sites? Are there other things we should be doing? That is exactly the reason why we did and said, okay, let's put--let's give certainty for the next year, but let's quickly start looking at this in how we move forward.

COUNCIL MEMBER CHIN: Yeah, I mean we've been working at this. So we got to--

DEAN FULEIHAN: [interposing] I--

2 COUNCIL MEMBER CHIN: --when we--

3 DEAN FULEIHAN: [interposing] I do.

4 COUNCIL MEMBER CHIN: --when we get to
5 that. I was also very surprised to see that under
6 the new needs category that DFTA made it to the list
7 and there's 6--\$6.9 million of new needs for DFTA,
8 and there's seven positions there. Can you let me
9 know what that is because I didn't hear about that?

10 DEAN FULEIHAN: [paused] It's enhanced
11 oversight that--for DFTA with their numerous
12 providers to just make sure that everything is--is
13 done appropriately and that they are taking proper
14 oversight measures and working with the providers.
15 So it's really enhancing DFTA's ability.

16 COUNCIL MEMBER CHIN: Now is that going
17 to be going forward and continue or is that going to
18 be one year?

19 DEAN FULEIHAN: That's baselined.

20 COUNCIL MEMBER CHIN: That's baselined.
21 Okay, now does that also mean that DFTA will have
22 resources to call it--to speed up the contracting
23 process so that--so that the provider will be able to
24 access the funding as quickly as possible? Does
25 that include that?

2 DEAN FULEIHAN: It doesn't directly
3 include that, but we're happy to have a conversation
4 with you and the Commissioner to see if--if there are
5 contracting issues we need to address.

6 COUNCIL MEMBER CHIN: Yeah, because that
7 is an important issue because we want to make sure
8 the provider gets the money as quickly as possible
9 because they have to provide the services our
10 seniors. So I look forward to continuing the
11 discussion with you.

12 DEAN FULEIHAN: Thank you.

13 COUNCIL MEMBER CHIN: See, Dean, we're
14 fine, right? Thank you.

15 DEAN FULEIHAN: That was very successful.
16 Thank you.

17 COUNCIL MEMBER CHIN: I have to find
18 less. (sic) [laughter]

19 CHAIRPERSON FERRERAS-COPELAND: Council--
20 Council Member Johnson followed by Council Member
21 Cumbo followed by Council Member Rosenthal.

22 COUNCIL MEMBER JOHNSON: It's never fun
23 to follow Council Member. I want to thank you Dean
24 for being here, and also thank the chair for her line
25 of questioning on our public hospital system. I want

to acknowledge the fact that the Preliminary Budget and the Executive Budget the city's made an enormous commitment I think to prop up our hospital system given all the challenges I think that you outlined in your testimony that we know about already with regards to what's happened through the Affordable Care Act, a lack of state and federal funding and some things that we need changed. So all of that is acknowledged. What I want to understand is how much cash on hand does HHC, does NYC H&H have right now?

DEAN FULEIHAN: Well, I'll have to get that. As of today--

COUNCIL MEMBER JOHNSON: [interposing]
Well.

DEAN FULEIHAN: --I mean they--no I'm not--I'm not concerned that they--

COUNCIL MEMBER JOHNSON: [interposing]
Those documents were not provided to the City Council. The City Council Finance Division requested documents related to understanding how much cash on hand there was, what the current revenues are so that we have an up-to-date picture on where things stand. Now, I'm really grateful that you've put in so much

money, but the Council Finance Division has not received what it has requested from OMB.

DEAN FULEIHAN: So we'll take care of that.

COUNCIL MEMBER JOHNSON: When will we get it?

DEAN FULEIHAN: Well, next we'll arrange a meeting and we'll--we'll sit down. I know you have Health and Hospitals on Tuesdays, and we'll make sure that that's provided.

COUNCIL MEMBER JOHNSON: Thank you. So there is I think a lot and the Chair really I think focused on this. There's a lot assumptions in the \$1.8 billion plan. \$700 million in expense savings, \$1.1 billion new dollars in new revenue generation. How much risk is there about that--that we're not going to actually be able to achieve some of those things with regard to federal and state funding?

DEAN FULEIHAN: I--I have a feeling you can answer this as well as I can actually. The--they're--of course, of course there's risk. This is--this is--it's exactly what it says. It's a plan. It has pieces in it that we know we can do, we know we can achieve. We know Health and Hospitals can

achieve. If it needs help, we know we can do that. We know we need to work in partnership with--with organized labor. We've done that. We've proven we can do that. We know that there are big chunks of that on the revenue side that can be addressed by cooperation and federal and state level, and we, you know, the 400--just the Affordable Care Act that one decision that is occurring in--in their Fiscal Year 18 is \$400 million.

COUNCIL MEMBER JOHNSON: [interposing]

Because of DISH payments.

DEAN FULEIHAN: Because of the DISH payment, and--and--and assuming--assuming the assumption that everyone is going to be ensured and there's no one providing charity care anywhere in the country for us to--to understand. They have postponed that three years. We need to work to make sure that gets postponed again. Are we hopeful that happens? Absolutely.

COUNCIL MEMBER JOHNSON: And that doesn't have to happen through act of Congress. That could happen through working with the Secretary of Health and Human Services in coming up with some type of

plan to put it off even further and to give some consideration to public hospitals.

DEAN FULEIHAN: There's some discretion with the secretary. I believe an actual postponement we'll need an act of Congress, but we should confer on that. There are--there are other places here though. There's easily between \$2 to \$300 million where the City has approached the state where we will use existing money that we provide to Health and Hospitals that can leverage--that can literally double those dollars, and leverage additional federal dollars, and we're in very positive conversations with that.

COUNCIL MEMBER JOHNSON: Should the state be asking for another Medicaid waiver?

DEAN FULEIHAN: I--

COUNCIL MEMBER JOHNSON: [interposing] We got \$8 billion last time. We asked for ten. Should we be asking for a further waiver to help our public hospitals?

DEAN FULEIHAN: I--we agree with you that one of the additional pieces we need to talk about is an--is the potential of an additional waiver.

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2 COUNCIL MEMBER JOHNSON: So, the--the
3 debt service that--

4 DEAN FULEIHAN: [interposing] And I--I
5 just want to add because it's a--it's not just Health
6 and Hospitals that will benefit from that. It's--
7 it's any hospital, any voluntary hospital in New York
8 City--

9 COUNCIL MEMBER JOHNSON: [interposing]
10 Look at Brookdale.

11 DEAN FULEIHAN: --and you're on that
12 side.

13 COUNCIL MEMBER JOHNSON: --look at all
14 the Brooklyn Hospitals--

15 DEAN FULEIHAN: [interposing] Right.

16 COUNCIL MEMBER JOHNSON: --that are
17 struggling right now.

18 DEAN FULEIHAN: Correct. All would be
19 benefitted.

20 COUNCIL MEMBER JOHNSON: Yes. I mean I
21 was going to ask about the debt service but, you
22 know, I know that 2017 there's relief of \$180
23 million--

24 DEAN FULEIHAN: [interposing] Yeah.
25

COUNCIL MEMBER JOHNSON: --a year, and it goes up to \$200 million a year by 2020. So I only have a few seconds left. I want to thank you. I've been hounding you for a long time on animal shelters, and to see it in the Executive Budget is great, but I want to caveat that with I don't where in New York City you're going to be able to find two sites for \$10 million and design those sites for land cost.

DEAN FULEIHAN: So, so--

COUNCIL MEMBER JOHNSON: [interposing] I mean it doesn't seem--I'm glad it's in there. I'm grateful. I appreciate it, but it does not seem like a real number to actually be able to pay for sites--

DEAN FULEIHAN: [interposing] So--

COUNCIL MEMBER JOHNSON: --especially given that we've had a really hard time finding a site in Queens. The Bronx is easier. Queens is more difficult. Let's go walk Queens together and you find me--

DEAN FULEIHAN: [interposing] Right.

COUNCIL MEMBER JOHNSON: --a site we're going to get for that amount of money.

DEAN FULEIHAN: I'm happy to walk Queens with you. The \$10 million was actually the Council

recommendation and it was wise recommendation because it was to put--to make sure that there was a commitment on the table to go and make sure design was occurring, and to make sure that we could start the acquisition process. Do I believe it's going to be more? Absolutely, and the person sitting next to me be--because of your--the number of conversations we're having is talking to DOHMH every week to see where we are in that process and that process is moved on.

COUNCIL MEMBER JOHNSON: When will the shelters be built?

DEAN FULEIHAN: I--once again, we have to find the site, which is why apparently we're going to walk Queens together, but we have to find the site. When we find that site, we will put this on as quick a process as we can.

COUNCIL MEMBER JOHNSON: Thank you, Madam Chair. Thank you Director.

CHAIRPERSON FERRERAS-COPELAND: Thank you. Council Member Cumbo, followed by Council Member Rosenthal followed by Council Member Gibson.

COUNCIL MEMBER CUMBO: Thank you, Chair Ferreras-Copeland. Thank you Director Fuleihan for

being here. I have a number of questions so I'm going to just list my questions out, and then if you could respond, that would be great. I'm going to see if that strategy works best for my five minutes. I first want to just start off by reiterating Council Member Majority Leaders Jimmy Van Bramer's sentiments around arts funding. Arts funding is certainly a major revenue generator for the city of New York and for them to have remained flat for a decade now is really unacceptable for a city that prides itself in being the cultural epicenter of the world. So I just want to stress that, and I also want to reiterate the IDNYC program yes has been a huge success, but to distribute that many memberships requires additional staff, requires additional resources, and that is a further drain on the institutions. I wanted to really start off by talking about the Administration for Children's Services the pay parity issues. A huge issue. Can the Administration describe where it is in the process of creating pay parity between ACS Early Learn system and DOE's Universal Pre--Pre-Kindergarten system, and I hope that the answer doesn't center around the minimum wage increase to \$15 in an hour, but I hope that there's something more

concrete that has been discussed since then. I also want to talk about the--what you mentioned \$2.3 million to increase special and discharge grants for foster youth. I wanted to know what that actually will look like, and how many youth that will actually assist, and where does that \$2.3 million go in terms of does that go into housing? Does that go into education? Does that go into their stipend, and how many additional young people will that actually be able to serve? You also talked about public safety, and there being a \$70 million increase to public safety. We've discussed this before in terms of the increase of crime against women. While we've discussed that, many aspects of crime have gone down in the city of New York. Crime continues to be on the rise as it pertains to women. We understand that rape is up by 5.8% in the city. We also understand and have seen first hand that slashings of women have been up, and we've also seen some domestic fatalities as--as well. And also wanted to discuss the--an issue that we brought up several times in terms of DYCD, and the SONYC and the SYEP program. So, the Black, Latino and Asian Caucus as well as the elected officials of Central Brooklyn have come around the

expansion of Summer Youth Employment for all young people throughout the city of New York. I don't understand or have clarity at this time where we stand with that particular issue, and we also have a huge issue as it pertains to the SONYC program. So increased funding of public programs from the city of New York youth has been a top priority. However, the Executive Budget only addresses one of our concerns in DYCD leaving another 20--251.6 million in additional needs with the department on that. Affected programs range from SYEP to SONYC Summer Programming, impacting hundreds of thousands of children and family. This is a major and serious issue for us that 34,000 young people will not have an opportunity to have a summer program, a summer camp experience that they experienced last year and reoccurred no viable solution. Parents are unclear what they're going to do with their 34,000 children in the city of New York for this summer. So I'll end right there--

DEAN FULEIHAN: [off mic] [interposing]

Thank you.

COUNCIL MEMBER CUMBO: --and save the rest of my questions for the next round.

2 DEAN FULEIHAN: Thank you. [pause] On
3 the pay parity--

4 COUNCIL MEMBER CUMBO: Yes.

5 DEAN FULEIHAN: --so I--I have to begin
6 by saying the minimum wage actually is a huge portion
7 of--and I'm not going to end there, though, so that
8 won't be--but--but what we did with the minimum wage
9 and now obviously the state has enacted it, but when
10 we did the Preliminary Budget and it was uncertain
11 what the state was going to do, the \$15 for this work
12 force was a very significant step, and certainly
13 affected a huge number of workers in that community.
14 We are in conversation--

15 COUNCIL MEMBER CUMBO: [interposing] If--

16 DEAN FULEIHAN: --I will continue.

17 COUNCIL MEMBER CUMBO: Okay.

18 DEAN FULEIHAN: I said we're--we are in
19 conversations with the--with the Early Learn, with
20 the Day Care providers. We are in conversations with
21 1707. Those are very active and positive
22 conversations. So we are in the midst of labor
23 negotiations with them right now to deal with what we
24 acknowledge and what we agree. It's a longstanding
25 issue. There are many issues, of course, when we

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2 have contracts and that cover more--well beyond
3 simply salaries. So those conversations are going
4 on. They're very positive.

5 COUNCIL MEMBER CUMBO: It would not--the
6 increase would not bring them up to par, and on equal
7 playing field with their counterparts in the UPK
8 system.

9 DEAN FULEIHAN: That's--so there are
10 different levels--

11 COUNCIL MEMBER CUMBO: [interposing] Uh-
12 huh.

13 DEAN FULEIHAN: --that we're talking
14 about. You're talking about the--but--but for that--
15 for the workers of those providers--

16 COUNCIL MEMBER CUMBO: [interposing] Uh-
17 huh.

18 DEAN FULEIHAN: --I wasn't referring to
19 the teachers--

20 COUNCIL MEMBER CUMBO: [interposing]
21 Okay.

22 DEAN FULEIHAN: --obviously who are not
23 below--

24 COUNCIL MEMBER CUMBO: [interposing]
25 That's where I want to start.

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2 DEAN FULEIHAN: --who are not the minimum
3 wage. So I'm addressing the teacher issue with you.
4 We're having very positive conversations with them.

5 COUNCIL MEMBER CUMBO: Do you think that
6 that will be resolve in--at--?

7 DEAN FULEIHAN: Yes, we--

8 COUNCIL MEMBER CUMBO: [interposing]
9 Okay.

10 DEAN FULEIHAN: --we are hopeful that
11 that will be resolved--

12 COUNCIL MEMBER CUMBO: In this budget
13 time

14 DEAN FULEIHAN: --and soon. We are
15 hopeful that will resolved soon. There are obviously
16 contract negotiations. I'm only--there's only so
17 much I'm actually going to go into the conversations
18 between--between in this case three parties, but
19 those are very positive conversations. My point was
20 the \$15 was very significant for a vast majority of
21 the workers in that community.

22 COUNCIL MEMBER CUMBO: Okay.

23 CHAIRPERSON FERRERAS-COPELAND: Thank
24 you.

25 COUNCIL MEMBER CUMBO: I--I--

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Cumbo. We will hear from Council Member Rosenthal--

DEAN FULEIHAN: [interposing] Come back.
(sic)

CHAIRPERSON FERRERAS-COPELAND: --Gibson followed by Council Member Kallos, and--

COUNCIL MEMBER CUMBO: [interposing] Okay.

CHAIRPERSON FERRERAS-COPELAND: --I just wanted to acknowledge that we've been joined by P.S. 24 from Council Member Cohen's district in--Hi--in--in the Bronx, and this is your budget. We're doing this for you. So I hope you are able to enjoy. Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Wow, that was--that's a little bit of pressure for my first question. Dean, it's so nice to see you.

DEAN FULEIHAN: Nice to see you.

COUNCIL MEMBER ROSENTHAL: How is City's bond rating doing? It feels like it's staying strong. So you guys are doing well in the markets?

DEAN FULEIHAN: We are doing extremely well, thank you. The--the bond rating, our bond rating has been, the City General Obligation Bond

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2 Rating has remained stable, and it's the strongest,
3 its highest level. Water has actually gone up. So
4 we have the public so. So we have the [background
5 comments]
6 COUNCIL MEMBER ROSENTHAL: [off mic]
7 Triple A?
8 MALE SPEAKER: Strong Double A and Triple
9 A
10 COUNCIL MEMBER ROSENTHAL: Double A is
11 strong?
12 DEAN FULEIHAN: Strong Double A and
13 Triple A.
14 COUNCIL MEMBER ROSENTHAL: Okay, so this
15 is for you guys--
16 DEAN FULEIHAN: [interposing] So that is
17 going up.
18 COUNCIL MEMBER ROSENTHAL: You're going
19 to be quizzed on this tomorrow.
20 DEAN FULEIHAN: In--in addition and Allen
21 and I do look at this, the other way to determine,
22 not just rating, but is actually to look at this
23 spread, is to actually look at--
24 COUNCIL MEMBER ROSENTHAL: [interposing]
25 Yes.

DEAN FULEIHAN: --how we're doing compared to a Triple A rated bond, and that spread since the beginning of this Administration is actually nearer. (sic)

COUNCIL MEMBER ROSENTHAL: That's great.

DEAN FULEIHAN: So that means the market is actually recognizing not just the rating agencies in the report and not just our monitors, but actually the market is recognizing the fiscal health and management, that together we have been able to institute.

COUNCIL MEMBER ROSENTHAL: Mazel Tov.

DEAN FULEIHAN: Thank you.

COUNCIL MEMBER ROSENTHAL: I wanted to ask you as you look at HHC, and this isn't really for you, but I--I don't know if you're thinking about this. Would you contemplate in your discussions with HHC down to the hospital level? Do you know if the hospitals would contemplate reallocating their funds within the hospital to emphasize services that they're good at and--and doing a lot of, and possibly reallocating funds from the wing where maybe you want to provide--they're underutilized or well start there.

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2 DEAN FULEIHAN: So a great question. The
3 answer is yet.

4 COUNCIL MEMBER ROSENTHAL: Great. Okay.
5 And then lastly on the Human Service contracts, which
6 we've had a couple of hearings about I'm wondering
7 for Fiscal Year 16 we notice, am I--am I right in
8 noticing that you've now allocated lump sums to
9 agencies that include both the 2.5% wage increase and
10 the--the increase to \$11.50 an hour?

11 DEAN FULEIHAN: Yes.

12 COUNCIL MEMBER ROSENTHAL: Okay, an again
13 this--this is more an agency specific question, but
14 you might know the answer. Are the agencies
15 expecting their social service providers to invoice
16 for the funding at which point they would have
17 already had to give the increase or are you allowing
18 the agencies to simply pass that money along to the
19 social service providers?

20 [background comments]

21 DEAN FULEIHAN: Where we can we will
22 actually advance the funds.

23 COUNCIL MEMBER ROSENTHAL: Do you have a
24 breakdown of that by agency?

25

DEAN FULEIHAN: No, I'll have to get--
well--

COUNCIL MEMBER ROSENTHAL: [interposing]
Is that a policy? Are you saying that's a policy of
the city that you would be willing to advance those
funds?

DEAN FULEIHAN: You know and--where we
can, we do advance and then follow up with the audit,
but I want to get you a more detailed list for it--

COUNCIL MEMBER ROSENTHAL: [interposing]
Thank you.

DEAN FULEIHAN: --and I mean including
the breakdown.

COUNCIL MEMBER ROSENTHAL: And will they
be given to the contractor workers as a lump sum
payment? Will there any--are there--forget that
question.

DEAN FULEIHAN: All right.

COUNCIL MEMBER ROSENTHAL: Are there--of
the--I forget the number you've put in as a lump sum.
I think it's \$45 million or \$50 million. Did you end
up allocating the same amount that you had estimated
for the Fiscal '16 budget, or a little more or little
less?

2 DEAN FULEIHAN: Well, it--it was very
3 close. We'll get you the exact number. COUNCIL

4 MEMBER ROSENTHAL:

5 COUNCIL MEMBER ROSENTHAL: Yeah, it's not
6 close.

7 DEAN FULEIHAN: Okay.

8 COUNCIL MEMBER ROSENTHAL: But I'm
9 wondering if you've done the analysis now because and
10 certainly you had not by the time we had had our
11 hearing in February--

12 DEAN FULEIHAN: [interposing] That's
13 right.

14 COUNCIL MEMBER ROSENTHAL: --where you
15 know what the allocations--when in this budget for
16 Fiscal Year 17, 18--

17 DEAN FULEIHAN: [interposing] Right.

18 COUNCIL MEMBER ROSENTHAL: --and 19, did
19 you put in the increases already by agencies for the
20 increase to \$15 an hour for the contract service
21 workers, or is it still sitting in a lump somewhere?

22 DEAN FULEIHAN: [pause] No, no that's--
23 that is still in the labor reserve. So we will need
24 to do that, but we have not done that yet.

COUNCIL MEMBER ROSENTHAL: But hypothetically, you would know the max--you have a formula now so you could hypothetically do it?

DEAN FULEIHAN: [pause] Yeah, we--I--I think we need a little--we need some more--some additional information to make sure we're doing that adequately, but I'll follow up with you on this. I mean it's a--

COUNCIL MEMBER ROSENTHAL: [interposing] Additional information--

DEAN FULEIHAN: --it's a good question.

COUNCIL MEMBER ROSENTHAL: --from the agencies.

DEAN FULEIHAN: At the agencies, yeah, our agency.

COUNCIL MEMBER ROSENTHAL: Hmm, all right, and then in the most recent hearing, and I brought this up with the Mayor in our--in our briefing, and this is the last question, too. You know in our hearings we were able to document and--and I think you guys would agree that basically on the Human Services contracts we're paying 80 cents on the dollar for overhead, for overhead for OTPS.

DEAN FULEIHAN: Uh-huh.

COUNCIL MEMBER ROSENTHAL: So, sorry--for OTPS. So in other words we're not paying overhead in direct costs, and it ends up being 80 cents on the dollar. The Human Service contract agencies have-- Sorry, the Human Services Council has estimated the cost that the--a--a good proxy for that cost to be \$25 million annually. You know, given the fact that we would never say to a contractor building a bridge I know the bridge costs \$45 million. We're going to give you \$35 and you can get the other \$5 million from overages on other jobs or philanthropy or out of your pocket or not paying your workers a couple of days. Are you contemplating paying social service providers who provide the services we are asking them to do, for seniors, for our children, are you contemplating paying them fully for those services?

DEAN FULEIHAN: So what we've been doing--I mean you--you know this as well as I know this, right. This has been a neglected sector for many years. When we came into office we immediately started to address the problems of this sector. You've cited two of them. The first time in years that they had an increase for their employees that we have now expanded on in the Executive Budget, the

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2 expansion on UPK now sitting with the Early Learn
3 community and negotiating with them, and talking
4 about what needs they have. We went back on Early
5 Learn and gave a--a--a effectively a retroactive
6 increase in their reimbursement rights because they
7 weren't being covered by expenses. I'm just saying
8 we--we are in--in the--in--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 There's no question.

11 DEAN FULEIHAN: Right.

12 COUNCIL MEMBER ROSENTHAL: I don't
13 disagree with you--

14 DEAN FULEIHAN: [interposing] And, and
15 in--

16 COUNCIL MEMBER ROSENTHAL: --but
17 respectfully, sir, given the fact that the bonds have
18 been doing so well, and you're refinancing and it's
19 helping the City's budget by so much. \$25 million is
20 a spit--

21 DEAN FULEIHAN: [interposing] So--

22 COUNCIL MEMBER ROSENTHAL: --in the water,
23 and it will make all the difference for these student
24 service providers.

25

DEAN FULEIHAN: So we should continue this conversation. What we've been doing is sector by sector. You know as part of the reorganization of DHS and HRA, one of the--one--and--and a significant amount of money was put in to raise the reimbursement rates for everyone who deals in the homeless services and actually rationalize it because they're all over the place. So I'm not sure it's just one answer, and maybe--and maybe it's a much more complicated answer because what we learned when we looked at that sector was the rates and reimbursements were not consistent, and part of that was to treat them fairly and to figure out--to give them a fair rate for their services.(sic)

CHAIRPERSON FERRERAS-COPELAND: Thank you, Director. We're going to hear from Council Member Gibson followed by Council Member Kallos and then we will begin our second round.

COUNCIL MEMBER GIBSON: Thank you. Good morning, Chair. Thank you so much. Good to see you, Dean--

DEAN FULEIHAN: [interposing] Good morning

COUNCIL MEMBER GIBSON: --and your staff, and I really appreciate all the work we have done under this new Administration. A lot of great investments we're making. Certainly, I am a little disappointed. A lot of the efforts that we continue to fight for were not included in the Executive Budget. So, I first want to align my comments with Minority Leader Steve Matteo, Chair of Public Safety. I can't emphasize how important it is that we consider all five district attorney budget requests totaling \$21 million. I also emphasize Bronx and Staten Island a lot of need, a lot of underfunding historically. Rikers Island on the Bronx in terms of prosecution of cases in Staten Island and what we both deal in both boroughs with opioid and prescription drug abuse. So I certainly want to continue having conversations with you and your team in that regard. I also want to make sure the TASC program in the Staten Island DA's office refunded every year at 250 and certainly baselining it would allow us to not have this conversation every year. So I certainly want you to consider that as well for the TASC program. I wanted to ask if--

DEAN FULEIHAN: [interposing] We are in--

2 COUNCIL MEMBER GIBSON: Sure

3 DEAN FULEIHAN: --actual conversations
4 with all the DA's. Certainly the two new DAs have
5 both come in. I've spent time with them. We're
6 happy to continue this conversation.

7 COUNCIL MEMBER GIBSON: Okay.

8 DEAN FULEIHAN: This has not been an
9 antagonistic conversation--

10 COUNCIL MEMBER GIBSON: [interposing]
11 Right.

12 DEAN FULEIHAN: --with the DA.

13 COUNCIL MEMBER GIBSON: Yeah.

14 DEAN FULEIHAN: It's been very
15 cooperative--

16 COUNCIL MEMBER GIBSON: Okay.

17 DEAN FULEIHAN: and--and all the DAs were
18 working forward on what--what kind of funding we
19 should be recommending.

20 COUNCIL MEMBER GIBSON: Right. Okay,
21 great. Great to hear. Yesterday, I joined with many
22 colleagues. We stood on the steps recognizing that
23 no New Yorkers should go to bed hungry. There are a
24 lot of hungry New Yorkers that go to bed sadly very
25 hungry. The EFAP program, the Emergency Food

Assistance Program, the Executive is proposing a cut, and I wanted to find out where we are in those conversations because food pantries and soup kitchens are running out of food. They're turning individuals away, and that simply is not the direction we should be going in.

DEAN FULEIHAN: So the--the baselined funding is consistent. The--I believe--

COUNCIL MEMBER GIBSON: [interposing]
From last year?

DEAN FULEIHAN: --\$11.5--\$11.5 million, right? It is.

COUNCIL MEMBER GIBSON: No, there's a cut.

DEAN FULEIHAN: No, it's consistent at \$11.5 million the baseline.

[background comments]

COUNCIL MEMBER GIBSON: Okay, that's the number--number we have.

DEAN FULEIHAN: I believe you're talking about the addition that was added to the one-year adoption.

CHAIRPERSON FERRERAS-COPELAND:
[interposing] From the account assumption.

COUNCIL MEMBER GIBSON: Okay, okay.

DEAN FULEIHAN: Which I believe is \$1.8.

CHAIRPERSON FERRERAS-COPELAND: So just as a follow up we're requesting or what we're saying is that that should have been baselined also.

COUNCIL MEMBER GIBSON: Right.

DEAN FULEIHAN: Understood.

COUNCIL MEMBER GIBSON: Thank you, Madam Chair. Okay, so I want to make sure that we can continue to have conversations about that--

DEAN FULEIHAN: [interposing] Absolutely.

COUNCIL MEMBER GIBSON: --so that our food pantries and soup kitchens can really serve the families that they need to serve. I also want to add my voice about summer camp and the COMPASS and SONYC programs and all of those slots. Obviously, very important to our families and children. SYEP and the all year round. I mean we'll continue, but I want to make sure you understand from my perspective in the Bronx those are what my constituents are talking about as well.

DEAN FULEIHAN: Right, I mean I--I will and this came up before. I mean you--we--we understand these are important programs. We do--

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2 COUNCIL MEMBER GIBSON: [interposing] Uh-
3 huh.

4 DEAN FULEIHAN: --what we did in the
5 Executive Budget was the priorities the Mayor
6 established and we were able to address many of the
7 Council priorities. The original emphasis, the
8 emphasis that we're very proud of where we've been
9 able to double the number of children in middle
10 school, after school was the focus of the SONYC
11 program--

12 COUNCIL MEMBER GIBSON: [interposing]
13 Right.

14 DEAN FULEIHAN: --and that's what we
15 together have been incredibly successful in
16 achieving, and that was the focus of the program and
17 that's where we put our attention.

18 COUNCIL MEMBER GIBSON: Okay, great. I
19 recognize that we had Trans Care file for bankruptcy
20 earlier this year. The private ambulance company.
21 So moving forward, I'm thankful for the additional 50
22 tours. As a result of that bankruptcy you had 81
23 tours displaced predominantly in Upper Manhattan and
24 the Bronx. So I represent Bronx Lebanon Hospital. I
25 know we have short-term contracts that we have

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2 embarked on now that will carry us through the fall.
3 But I really emphasize the need to not become
4 dependent on more private ambulance services. The
5 municipal workforce that always comes in during times
6 of emergency I want us to recognize that your
7 recruitment and our EMS classes training our
8 paramedics that we have to continue to invest in the
9 public workforce and not these private contracts
10 where there's no guarantee that this bankruptcy will
11 not happen again. So I want to just find out your
12 thoughts on that. In addition to the 50 tours that
13 we're getting, I--the long-term conversations we're
14 having around ambulance services.

15 DEAN FULEIHAN: So the immediate need was
16 in the Preliminary Budget we--we

17 COUNCIL MEMBER GIBSON: [interposing]
18 Right.

19 DEAN FULEIHAN: --we provided the funding
20 to take over half of the tours--

21 COUNCIL MEMBER GIBSON: [interposing] Uh-
22 huh, right.

23 DEAN FULEIHAN: --that had--and the--and
24 private carriers with the voluntary hospitals took
25 over the other half of it--

COUNCIL MEMBER GIBSON: Uh-huh.

DEAN FULEIHAN: --but for a very--what?

For a short period of time.

COUNCIL MEMBER GIBSON: Okay.

DEAN FULEIHAN: And then--and then they go back to the Bronx, which is your broader question. On top of that, we're adding the 50 to address both times in the Bronx and Queens. On the bigger question, you know, we're happy to have long-term discussions about how we--

COUNCIL MEMBER GIBSON: [interposing]

Okay.

DEAN FULEIHAN: --deal with this issue.

COUNCIL MEMBER GIBSON: Okay, okay. My final question I wanted to ask is on the--the delaying of hiring PAAs at the NYPD, the civilianization that we fought so hard for last year, 415 civilianized positions. From FY16 there's a delay in hiring these civilians. So I wanted to find out where we are on that?

DEAN FULEIHAN: So they're committed to it. Their--their focus and attention and because we had had conversations was on the uniform to--to make sure they got the uniform strength up to where they

2 have wanted to. They have done that. I'll add, by
3 the way, they're meeting their--their overtime cap as
4 well. It was part of the agreement from last year,
5 but they're committed to hiring those civilians this
6 fiscal year and next fiscal year.

7 COUNCIL MEMBER GIBSON: Okay, so we'll
8 continue to have conversations around it.

9 DEAN FULEIHAN: [interposing] Yeah, I
10 mean we'll--and we can give you a more detailed
11 timeline of exactly when we're going to do that--

12 COUNCIL MEMBER GIBSON: [interposing]
13 Okay, thank you.

14 DEAN FULEIHAN: --but we have had this
15 conversation. We knew it was part of the agreement
16 we made last year with you on the civilianization.
17 It's very important to us as well.

18 COUNCIL MEMBER GIBSON: Yes, and you know
19 I will always remind you.

20 DEAN FULEIHAN: Right, I know that.

21 COUNCIL MEMBER GIBSON: Thank you very
22 much. Thank you. Thank you, Madam Chair.

23 CHAIRPERSON FERRERAS-COPELAND: Thank
24 you, Council Member. We'll hear from Council Member
25 Levine followed by Council Member Kallos.

COUNCIL MEMBER LEVINE: Thank you, Madam Chair. Mr. Director, always great to see you.

DEAN FULEIHAN: Great to see you.

COUNCIL MEMBER LEVINE: I'm going to ask you about a topic you're used to hearing from me on, which is the anti-eviction legal services, which the Administration has been just an amazing partner for the Council on. As you well know, we have increased by tenfold the amount of funding we're allocating to this critical, critical effort, which prevents homelessness or saving affordable housing, and frankly it's a matter of justice to have fairness in Housing Court. The Mayor and the Administration have put forth the proposition that in the communities that we're going to be upzoning that that will be a particularly intense investment. I believe \$5 million per community in anti-eviction legal services on an annual basis. Am--am I right about that number?

DEAN FULEIHAN: I--I want to make sure on the--

COUNCIL MEMBER LEVINE: [interposing]
Okay.

DEAN FULEIHAN: --that number. I'll get back to you on that number.

COUNCIL MEMBER LEVINE: Great and I believe there's also a million dollars for outreach and organizing in those same districts, not for legal services, but

DEAN FULEIHAN: [interposing] Right.

COUNCIL MEMBER LEVINE: --it's a contract for local non-profits. So five of six million per neighborhood. Do you know how many neighborhoods that in effect on currently? I--I believe it's four or five, but--

DEAN FULEIHAN: So we'll get you an update on that. I mean you--you have the right numbers, right. It's \$36 million this year. I believe it goes to \$58 million legal services overall next year, and you mentioned the tenfold increase, The year after it's over \$60 million.

COUNCIL MEMBER LEVINE: Right.

DEAN FULEIHAN: So this is an amazing commitment we have jointly made with the Mayor, and-- and all the council members. So I--with the exact details of where we are in this we'll get that for you.

COUNCIL MEMBER LEVINE: Right. I'm trying to project where we'll be once all 50 neighborhoods--and I believe the Administration's goal is upzone 50 neighborhoods.

DEAN FULEIHAN: It is.

COUNCIL MEMBER LEVINE: Once they have legal services active in all 15, that alone would be--5 times 15 is \$75 million. So presumably we could project now when you count all the other streams of anti-eviction legal services targeted towards seniors or people who are at risk of homelessness, and their various different categories of funding. But we could be over \$100 million just with already announced commitments, which is amazing. But I'm trying to get a handle on just how big that total number would be and the timing of that.

DEAN FULEIHAN: All right, we will come back to you say here is how the distribution is occurring, and here is how--and give you our projection.

COUNCIL MEMBER LEVINE: Okay, great. If you--if you would, I would great--

DEAN FULEIHAN: [interposing] Okay.

COUNCIL MEMBER LEVINE: --grateful.

Since I have a little bit of time left, I'd like to switch gears. I also happen to have the pleasure of chairing the Parks Committee, and I've been advocating for major capital investments in the kind of midsize park sets, and an individual council member here and there can't fund with a million dollars of two dollars. And I know the Administration shares this--this passion and priority, and I'm really grateful of that. I often hear people say well, in this financial climate with uncertainty on the horizon maybe we shouldn't be investing in that kind of major capital project. My--my sense is that and I'd like your thoughts on this, is that the story on the expense side of our city's budget and the capital side, they really have to be taken separately. And on the capital side, the--the key question is how much is debt service relative to our total budget, and maybe that's not how you frame it. So tell me your view of this, but that you generally have a threshold. I think it might be 15% that if we can keep our debt service under that, then you feel like we're in a healthy--a healthy level of capital spending. Could you comment on what your

target would be and--and where we are relative to that?

DEAN FULEIHAN: So, we measure it and we are not alone in measuring it. There are many people out there in the financial community including rating agencies and the market itself that measures it. But there's been a longstanding standard in the city, which is to keep our debt service below 15% of total city tax revenues, and we are well below that. So we do maintain that, and we're always cognizant of that, and we actually made sure we run that, and are careful to run that against recession scenarios and what could happen because capital is actually not an easy thing to--to make adjustments on what you've made, the commitment. So we're very careful on that piece. On the other piece that--that I mentioned is we know that the spread between our rating and our Triple A rated has actually declined since the beginning of this Administration. That's a healthy sign that the market is taking in the--in the strength of our paper and our fiscal management, but we also have to be very careful about what that capital commitment is, and how much we--how much we use. So while there is a separation between--between

the two, it requires the same serious fiscal management in particular because you're making such long-term commitments.

COUNCIL MEMBER LEVINE: And what percent is debt service, our total now today. Is it 13, 14?

DEAN FULEIHAN: I'll get you the exact--

COUNCIL MEMBER LEVINE: [interposing]
Okay.

DEAN FULEIHAN: --number. It's--I believe it's below 14 at this point.

COUNCIL MEMBER LEVINE: Great. Well, I'll just make the case in closing that I think--

DEAN FULEIHAN: [interposing] And--and I should add, though, I--I--I thought you were leading me there, but we did add \$150 million for many parks in the--

COUNCIL MEMBER LEVINE: [interposing]
I'm--I'm not sure that was publicly announced yet. I was hoping to elicit such information. That's great news. You have my sincere gratitude for that incredible investment. Thank you.

DEAN FULEIHAN: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. Council Member Kallos and then we will begin the second round.

COUNCIL MEMBER KALLOS: Thank you, Chair Julissa Ferreras-Copeland, Latana--Latonia McKinney, Tanisha Edwards, Rebecca Chasen, John Russell and James Subudhi, and Director Dean Fuleihan for your partnership in a more progressive and transparent budget. Please get your pen and paper out for the list of questions. In previous conversations the City Council's Budget Response and legislation introduced yesterday requested an open budget, which I understand you have now posted in the City's Open Data Portal.

DEAN FULEIHAN: We--we did and--and I hate to interrupt, but I did--I--I did compliment both the chair and you before you had gotten here on--and that's a direct result of our conversations.

COUNCIL MEMBER KALLOS: Thank you and we're curious about how--which documents have been posted so far, which ones are planned to be posted, and whether or not you're open to having it added as an open format using federal standards from the Data Act of Extensible Business Reporting Language is what

they use at the SEC and in business. Also, over the past few years have been focused on transparency a lot of--

DEAN FULEIHAN: [interposing] I can't just stay with a thank you. [laughs]

COUNCIL MEMBER KALLOS: Have been focused on the Law Department's Judgment and Claims Budget, which is the amount the city pays out for lawsuits we settle or lose. Thank you for reducing next year's plan by \$56 million in the next five years by \$287 million with payments that appear to have flattened out with the increases per--perhaps inflation or something else. And then interested in learning how the City comes to this figure, how you came to the \$690 million if this is an area for reduction in payouts and savings? Leading up to and in the Preliminary Budget hearing and at previous hearings have requested that you meet charter mandates by time spending in the budget to performance targets. I'm curious where we are towards that for the MMR. Also, investigating and reporting on the approximately \$4 billion and potential contract overruns that were in the Local Law 18 report. You had indicated previously that there were some conflicting numbers

depending on how the overruns were being calculated and some numbers that were reported multiple times. You've been able to determine the definitive dollar amounts on overruns and how they can be corrected moving forward. In the last hearing you indicated that the RFP for capital projects Scope Development, the \$30 million had been awarded to Scope and estimated costs for outside architectural construction management and engineering. Where are we in the scoping. Have we realized savings, and as previously discussed where are on replacing these costly consultants with City employees. And along those same lines, where are we on trying to do cost benefit analysis so we can save on capital projects to see what types of projects work, and whether we should be planning to build and rebuild or if build and maintain. I have more questions, which I will probably save for second round unless there's more time after your responses, and I hope everyone has got their pens and papers, and with the Director--

[background comments]

DEAN FULEIHAN: Okay, so--so on the Open [laughs] on the Open Data Portal, we uploaded six data sets, which are now online, and they deal with

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2 capital commitments, financial point expenses, the
3 expense budget, staffing levels and revenue. So it's
4 clearly extensive, and on terms of improving the
5 reports and specifically other requirements, you
6 know, we're happy to continue that conversation with
7 you.

8 COUNCIL MEMBER KALLOS: Great.

9 DEAN FULEIHAN: This is part of that. I
10 should have expected [laughs] an additional step
11 today, but we're happy to continue that conversation.

12 COUNCIL MEMBER KALLOS: Thank you.

13 DEAN FULEIHAN: And are we good? (sic)

14 COUNCIL MEMBER KALLOS: One question I
15 just want to make sure I get in before I run out of
16 time is just at the last hearing I don't think we got
17 a chance. I went back and re-watched it. One of the
18 things I was concerned about is--is our debt, and so
19 if the City had a credit card currently as of last
20 year, our--our debt limit on our credit card is \$85.2
21 billion, and that's set by the Constitution. It's
22 not set by a credit reporting agency, thank heavens.
23 So we can borrow up to \$85.2 billion. That's based
24 on our land use and our income, and for Fiscal Year
25 17 you're planning to borrow \$72 billion, and by

Fiscal Year 20, you're planning to borrow \$85.2 billion, and yes things may continue to improve. We may continue to have a great economy and people will continue to generate income, and it will only grow hopefully, but if it doesn't it might be declining and you have been warning about such a thing, and I guess as I asked last time what happens if we borrow all the money that there is to borrow, and then what happens with the next administration. So those are all the questions for a first round.

DEAN FULEIHAN: Okay, judgment and claims [coughs] on judgment and claims thank you for noticing. It's a significant piece. It's actually a--a significant portion of this was in the savings plan in the Citywide Savings Plan. We--the Law Department ran a pilot with the NYPD on a different way of--a much more aggressive approach to all litigation. It is working and it includes actually having one attorney responsible, which would--which actually I believe law departments in this city have been trying to do for years and never been funded. We actually funded that pilot. The results were incredibly positive. We have now expanded that to two of the boroughs. The goal would be to continue

to expand, and we actually believe significant savings will come from this. So we are taking--there are actually no savings that I cited in the beginning of my testimony, or the Chair cited are included there, only there. Only the pilot is, but in the out years we actually believe those are permanent and long-term savings, and this is one area where we did want to finally--to stabilize the amount of judgment and claims going out. So that is directly related to an action by this administration.

COUNCIL MEMBER KALLOS: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We will now--

COUNCIL MEMBER KALLOS: If he can finish the rest of the questions if that is acceptable?

DEAN FULEIHAN: It's--I'm sorry. The--yes, the--let's make sure I get them all. On the-- [background comments] Oh, the--before the debt limit, though I apologize. After judgment and claims.

COUNCIL MEMBER KALLOS: The next was performance budgeting and where we're at?

DEAN FULEIHAN: Yes, we'll continue the conversation with you. You know, we'll just have to get together on performance budgeting. I know we

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2 have to follow up on both the performance budgeting
3 and on the--the contract overruns. So we'll come
4 back--

5 COUNCIL MEMBER KALLOS: [interposing]
6 Capital projects scoping--

7 DEAN FULEIHAN: [interposing] Right.

8 COUNCIL MEMBER KALLOS: --land build
9 costs.

10 DEAN FULEIHAN: So the capital project
11 scoping is ongoing. We can share with you a list of
12 projects that we're doing that may be helpful and
13 talk about the--this--why we feel that's an important
14 in the success. I know you share that. So, we're--
15 you know, what we'll do is put together for Council
16 Financing for you, here are the things we're looking
17 at specifically. On--on the debt limit, we--we feel
18 very comfortable with the growing revenue base that
19 we will continue and our strong rating and our
20 building up of reserves and how we monitor that that
21 we will continue to be very cautious about this make
22 sure that we have enough funds available to meet the--
23 -the very important capital infrastructure needs of
24 the city.

25

CHAIRPERSON FERRERAS-COPELAND: Thank you. As I said, we will begin now with the second round. I wanted to specifically talk about something relevant to the debt service. The Executive Budget anticipates the city will not need to issue new money debt using general obligation bonds in Fiscal 2016. The January Financial Plan has anticipated \$1.1 billion in new money issuance for GO Bonds, but the Executive Budget expects to see--to instead use available cash for earlier bond proceeds to finance its capital commitment. What changes from Prelim-- Prelim and Exec that made it no longer necessary to issue these bonds, and why did the City accumulate so much cash in the first place, and why is spending it down now

DEAN FULEIHAN: [pause] So we attempt to balance the debt issuance between our General Obligation Bonds and the--the TFA, the Transitional Finance Authority. Both are obligations.

[background comments]

DEAN FULEIHAN: So the TFA is--goes back in on these.

[background comments]

DEAN FULEIHAN: '90--it's a 1998, and it was--it allowed the city to issue backed specifically by--primarily the personal income tax. So what we try to do during the year is to have a balance between these. They are effectively 50/50 and we did significant deal (sic) refinancing, and that's actually the reason that we did more TFA new debt. So we're at a balance, and we will catch up with that, but traditionally I mean next year you'll see the reverse occur. I think you'll see more GO debt than TFA debt, and you'll see us come back to that balance.

CHAIRPERSON FERRERAS-COPELAND: And has the city ever chosen in the past to not as to these funds?

DEAN FULEIHAN: New GO Debts.
[background comments] I think it's unusual. It's unusual for that. That--it would be--it would be unusual. It wouldn't be--traditionally, it wouldn't be our preference. It's just, you know, we do this jointly with the Controller's Office, and the schedule that got worked out, just ended up that way. So we ended up using more--more transitional Finance Authority debt, which is backed--once again, it's

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2 city debt. It's backed by the personal income tax of
3 the city of New York. It's very strongly rate. It's
4 the same rate--it's the same rating as the GO debt.

5 CHAIRPERSON FERRERAS-COPELAND: So how
6 much cash is available for capital projects on--on
7 hand, and how much does it plan to spend down?

8 DEAN FULEIHAN: So I'll give you--I'll
9 come back to you with these cash figures. I don't
10 want to--I want to make sure I give you the exact
11 number.

12 CHAIRPERSON FERRERAS-COPELAND: Okay. I
13 have a final question, and then I'll just then do
14 questions that we'll have from the committee, but the
15 Administration recently announced according to the
16 school custodial system, which will begin this fall
17 with 2016-2017 school year. Under these reforms, all
18 schools will be managed by the DOE and staffed
19 through a single not-for-profit, affiliated with the
20 DOE called the New York City School Support Services,
21 which will effectively employ and oversee thousands
22 of cleaners, handy persons, fire persons and
23 stationary engineers. Please explain the logic
24 behind creating an offline non-profit agency and
25 giving it sole source contracts to operate all the

custodial services for New York City Schools. Why didn't the DOE handle this job?

DEAN FULEIHAN: Right, you--so this is a major reform of--of what has been a very troubling situation, and that in terms of actually having the Department of Education and even before that the Board of Education control custodial services in the school, and have the principals actually have some say in--in what happens in the schools. So this you're--you articulated it perfectly right. This is to get under the chancellor, under the department all custodial services. It was done in that way because over its 150-year history different pension systems have been done. There were different collective bargaining agreements. There were different obligations, and the only way to actually effectuate this and get everyone at the table was to create a--was to create this not-for-profit. It is under the chancellor. It is in no way intended to limit. Actually, it will enhance transparency. So--and we're happy to work on this. Any documentation we need, anything we need to make sure that this looks like it is under the operation of the department we're happy to provide. That is not the reason for--

for going through such a complicated process. That took a long time to establish, to actually make this reform to adjust the system that had been in place and no one had been able to correct, required this-- required this not-for-profit mechanism.

CHAIRPERSON FERRERAS-COPELAND: Now, has this not-for-profit mechanism been used within DOE to resolve any other issues, or in any other agency. This is the first thing--

DEAN FULEIHAN: [interposing] I--I don't believe there is any other place that we've ever seen a--an operation where the custodians were independent of the agency they were working for.

CHAIRPERSON FERRERAS-COPELAND: Well, okay, but is there any other area in the city in any city agency where there's been a nonprofit created to address--

DEAN FULEIHAN: [interposing] I--in fairness, I--I need to come back to you--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Okay.

DEAN FULEIHAN: --with more information.

(sic)

2 CHAIRPERSON FERRERAS-COPELAND: Okay, can
3 you--please explain to us how the transitional cost
4 of this reform could possibly be \$40 million in
5 Fiscal 2017 and almost \$23 million Fiscal 2018?

6 DEAN FULEIHAN: [pause] Right, there are
7 upfront costs, and once again we're happy to sit down
8 with the staff and delineate those, but they're
9 actually long-term savings. So in the end this
10 should not cause--this should not change what the
11 department is spending on custodial services. So
12 there were upfront costs that came through the
13 negotiations, but there are definitely long-term
14 savings.

15 CHAIRPERSON FERRERAS-COPELAND: Now, the
16 sole source is 12 years. Why did you decide that 12
17 years? Why 12? Why not three? Why--why 12?

18 DEAN FULEIHAN: [pause] I'm sorry. I
19 apologize. I looked. I just want to make sure I have
20 the right question. So would you mind just repeating
21 that?

22 CHAIRPERSON FERRERAS-COPELAND: So the--
23 the--the sole sourcing or why this non-profit will
24 have this oversight was given was 12 years.

25 DEAN FULEIHAN: Oh, all right.

1 COMMITTEE ON FINANCE 120

2 CHAIRPERSON FERRERAS-COPELAND: Why so
3 long?

4 DEAN FULEIHAN: [background comments,
5 pause] You know, we don't believe that the contract
6 runs--runs 12 years. We believe the 12-year
7 provision is not to do outsource.

8 CHAIRPERSON FERRERAS-COPELAND: Not
9 outsourcing? Is that an issue?

10 DEAN FULEIHAN: So the custodial
11 services.

12 CHAIRPERSON FERRERAS-COPELAND: Can we
13 just confirm and make sure--

14 DEAN FULEIHAN: [interposing] We will.
15 We're happy to do that.

16 CHAIRPERSON FERRERAS-COPELAND: --that we
17 have the right information, and so I know that in
18 the--the hopes of this--creating this non-profit, has
19 it been created yet, the non-profit?

20 DEAN FULEIHAN: Yes, yes.

21 CHAIRPERSON FERRERAS-COPELAND: When?

22 DEAN FULEIHAN: [background comments] It
23 was very recently. We'll get you--we'll get you
24 anything you need on this. We will document it.

25

1 COMMITTEE ON FINANCE 121

2 CHAIRPERSON FERRERAS-COPELAND: Okay, so
3 we would like to know when was the non-profit
4 created.

5 DEAN FULEIHAN: Fine.

6 CHAIRPERSON FERRERAS-COPELAND: Who are
7 the members of this--

8 DEAN FULEIHAN: [interposing] Under--

9 CHAIRPERSON FERRERAS-COPELAND: --the
10 board of this non-profit? Who will be, you know
11 what's the--the chain will be from DOE to who--who is
12 responsible at the end of the day, and how much do
13 you anticipate to save? Because I know that the
14 purpose of this is for efficiency, and in some cases
15 pay equity because everybody is on different--

16 DEAN FULEIHAN: [interposing] Correct.

17 CHAIRPERSON FERRERAS-COPELAND: --pay
18 scales, but do you--can you walk me through how you
19 were able to identify or believe that you will
20 identify efficiencies by doing this as opposed to
21 another--

22 DEAN FULEIHAN: [interposing] Okay. So
23 let me come back to you with the detail. It will be
24 part of our follow up to you. I understand the point
25 on the questions. We'll give you clearly what the

structure of the organization is, the relationship with DOE. How we'll achieve transparency, and--and accountability, and reporting to you, and we'll also come back to you on exactly the savings.

CHAIRPERSON FERRERAS-COPELAND: And also if you can circle back because I know agencies tend to have certain requirements at least when it comes to having some equity. Whether it's women being employed, MWBEs. You know, there--there is--and a different type of engagement and it seems that this is an industry where we could probably do better at getting more women to participate.

DEAN FULEIHAN: We're happy to do that with this.

CHAIRPERSON FERRERAS-COPELAND: So we would like to see how--how you would be able to--

DEAN FULEIHAN: [interposing] Okay.

CHAIRPERSON FERRERAS-COPELAND: --mandate or influence that in any way.

DEAN FULEIHAN: Happy--happy to do that.

CHAIRPERSON FERRERAS-COPELAND: Okay, great. So I have additional questions, but we will follow up with a letter to you, and now we will start the second round. We have Council Member or Minority

Leader Matte followed by Council Member Cumbo followed by Council Member Chin.

COUNCIL MEMBER MATTEO: Thank you, Madam Chair. Mr. Director, I just again--I know the Vanessa left. I just want to thank her for echoing comments, and especially about TASC baselining, and I look forward to those conversations with the DAs office. It would be remiss if I didn't--

DEAN FULEIHAN: [interposing] I note--I noticed you nodded your head. We--I mean, you know--

COUNCIL MEMBER MATTEO: [interposing] Yeah.

DEAN FULEIHAN: --we're having very good conversations with the district.

COUNCIL MEMBER MATTEO: Yep, and I appreciate that. It would be remiss if you and I didn't talk about property taxes in our conversations. I know we differ on property rebates, but it is an issue I'm championing, and a priority of this City Council as well. So, you know, I--I know you are. I--I'd like for us to sit down and--and discuss and the Administration and I get it. What I want to talk about with you right now aside from my strong position on that we deserve a property tax

rebate, and I think the Administration is even getting there with \$103 credit. So I think the Administration realizes the importance of giving money back to New York City residents, and--and I appreciate that, and I would like to discuss further property tax rebate. But I--I want to discuss the issue of the property tax revenue and parity, and I know it's such a complex issue, and it's one that my colleague Council Member Borelli and I we're talking about--about, you know, it seems someone who is owning a \$450,000 house is paying more in property taxes than someone who owns a \$2 million property. I know it's complex, and point today is to start the conversation. I know that we need state that we need all of us around the table. I'm just wondering where, you know, if you have an opinion on--on that, and--and how do we get to parity and, you know, it's a convoluted issue that we could probably talk about for hours. But, I just--I'd like to start the conversation with the Administration with the State folks, but I just was wondering, you know, your thoughts on the current system and where do we go to achieve better parity here with property tax?

DEAN FULEIHAN: So, first thank you for recognizing the credit on the rental payment for--on the water billings. The property tax, and you said it, it's a complicated--a very complicated system that goes--that was enacted I believe in 1982 out of a court challenge, which was the only way it ended up with that. It's the four-class system, and over the years, and the Mayor has acknowledged this, we've all acknowledged this, there have been inequities that have built up. Are we happy to have a conversation? Of course, we're happy to have that conversation, and we--we should sit down and talk about that. So we're happy to do that.

COUNCIL MEMBER MATTEO: [interposing]
Well, I appreciate that and, you know, I think it's important that we continue to have a conversation on the record of property taxes, and well know where I--like I said where I stand on property tax rebates and, you know, I think, you know, yesterday, and I congratulate Margaret Chin for passing the bill. I was obviously a staunch opponent, and we had obviously debate, but part of my comments was, you know, concern in tired of my constituents being nickled and dimed. I want to do everything I can to

put more money back in their pockets. So this is something that I want to sit down with--I want talk with the Administration, and keep--keep moving and especially with--

DEAN FULEIHAN: [interposing] So--so we're--we're happy to have the conversation. As--as we talked about in the Preliminary Budget hearing, you know, compared to all the surrounding communities that have a much higher property tax burden particularly on single-family homes and also in the-- compared to the rest of the state is a much lower burden. Nevertheless, it doesn't mean there aren't inequities in the system, and we should have that conversation.

COUNCIL MEMBER MATTEO: I appreciate that. Thank you, Madam Chair.

[pause]

COUNCIL MEMBER CHIN: Thank you. I wanted to follow up. In terms of the Department for the Aging, I mean the aging population is growing, and--but the budget is half a percent. So, how are we going to make sure that we have enough resources to address all the needs that seniors requires? But at the same time, seniors are making a lot of

contributions to the city. For example, our senior centers--most of our senior, you know, senior centers are run by senior volunteers. You go visit them and they--they do everything there from counting the meals to collecting the contributions to running classes. So going forward, are you helping us to see how we can increase this--this budget? Half a percent is like--

DEAN FULEIHAN: [interposing] So, we have added funds to DFTA budgets as you know probably better than was funded in the prior two or three years. [laughs]

COUNCIL MEMBER CHIN: [interposing] I--I am very happy this year so far. But I will be more happy if we--

DEAN FULEIHAN: I--we will continue that conversation with you. Once--we know it's a--it's a balancing act among priorities. We--we--we did what we thought in this in this budget, and then the Mayor articulated this are health and safety priorities that had to be addressed. Where we could we did targeted investments, and some of those targeted investments were very much we've seen.

COUNCIL MEMBER CHIN: Yeah and I think that--

DEAN FULEIHAN: [interposing] And--and we do that in broader areas as well, as you know.

COUNCIL MEMBER CHIN: Uh-huh.

DEAN FULEIHAN: I mean in housing and other areas where we're trying to do that same amount in mental health, which we're trying to do so--

COUNCIL MEMBER CHIN: [interposing] And I just want to make sure that seniors really become a priority that in the budget that is in the summer report and it's highlighted, you know. A lot of times that's not even highlighted. So that going forward we really need to make sure that seniors gets the respect, and gets the support. And the other point that I wanted to--to really emphasize is the investment in the Youth Programs, right. The Summer Youth Program is so important, and that's why the Council is supportive. But we really have to work towards universal summer youth jobs, and the middle school when you--the Mayor expanded the Middle School After School Program. Every after school programs has--includes a summer component. When I was an after school teacher 40 years ago, we had to work in

the summer. It's--it's--it's part of the program, and that's what the providers have been telling the Administration and the Mayor. So you cannot devoid-- break out the Summer Program and say only after school, but during the summer you're on your own. So I really want to emphasize that we have to put the resources that summer program is part of after school programs. It's after school. School is over.

[laughs]

DEAN FULEIHAN: So, that--when--when we developed the program, and we were very clear about this it was the--

COUNCIL MEMBER CHIN: [interposing] But the provider was there, too.

DEAN FULEIHAN: --it was a huge expansion. It was an enormous. It just bubbled over the--

COUNCIL MEMBER CHIN: [interposing] And it's a huge expansion, and we all appreciate that, and love it, but the summer part should have been there.

DEAN FULEIHAN: [interposing] They--

COUNCIL MEMBER CHIN: You left it out of the white paper that the providers were there and they told the Administration

DEAN FULEIHAN: [interposing] Sure.

COUNCIL MEMBER CHIN: --that the summer component is part of the After School Program.

DEAN FULEIHAN: We--we never said it was not a good or worthy program. What we did say on the priorities was to double the capacity of middle school after school programs to reach a different level than the programs had reached in--before to give them more ac--of an academic aspect to it to make sure at an age group where we saw serious problems that we could actually focus and concentrate so that every middle school child would have after school programming. That was always the intent.

COUNCIL MEMBER CHIN: Yes, and we don't want--

DEAN FULEIHAN: [interposing] And we don't want--

COUNCIL MEMBER CHIN: --to lose that game during the summer. So I think we really have to work towards making sure that the summer component stays.

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2 DEAN FULEIHAN: I--I have a feeling we'll
3 continue this.

4 COUNCIL MEMBER CHIN: Yes. Thank you
5 very much.

6 COUNCIL MEMBER KALLOS: Thank you very
7 much. I'd like to focus on education. The
8 Department of Education has identified a need for
9 82,811 new seats citywide. However, we're still only
10 planning for 44,348 new seats, which means we are
11 setting ourselves up for failure for 44--40,000
12 children. This is particularly concerning given the
13 Real Deals Annual Fact Book with county developments
14 by neighborhood. It lists 12,727 new units on the
15 market or in the pipeline covering District 2, but
16 only identified a need for 3,232 seats. Dev (sic)
17 NYC has given a report that as of 2014 that the Upper
18 East Side, Carnegie Hill, York or Atlantic some
19 residents found that our residents had 2,767 four-
20 year-olds and only 151 Pre-K seats. We've added
21 another 90 to what we had at the beginning of the
22 year. So we're now up to 515, and I'm grateful for
23 that. We remain 2,252 seats short just for Pre-K--
24 kindergarten. So what can we do around this? This
25 is something I've been asking the Mayor every single

year, every time we have a budget meeting. Along those same lines, we have an opportunity to make sure that none of those children are hungry. We can make sure 1.1 million children do not have to worry where their next meal is coming from, and social science research says that that is one of the best things we do to make sure that as an adult they have an amazing life. Where are we on making sure that we expand Breakfast After the Bell from the initial pilot, and making sure that lunch is available for free for all public students not just a pilot from middle schools but high school kids where that's where we see less uptake, and even younger kids. We're seeing thousands of children who now have access to food that didn't before, and then I just want to echo what my colleagues have said around pay parity between our Early Learn, Head Start and UPK. IBO has been a lot of reporting on the fact that we're seeing a lot of folks moving over, and if we don't have the staff, we can't do what we need there, and so, I just want to echo that for my colleagues. And last but not least on Roosevelt Island I have a Beacon, and thank God for that beacon because it keeps the kids out of trouble during the summer because they do not have

parental supervision because parents are working during the day. But without that, I will have 150 kids between all ages and teenagers, and we have had the gang violence on the island before. We have had shootings on the island, and the thing that has stopped it is having kids with school programming and we cannot cut that, unless the City is prepared to deploy battalions of police to make sure that the kids have somebody to take care of them, but, I have to be honest. It's a bad idea to have police doing childcare. We have childcare professionals who can do that instead. But as--as a--a former child myself [laughter] children--children get in trouble. That's what they do. They test boundaries.

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Well, thank God you didn't skip that then that stage that you were able to enjoy that childhood.

DEAN FULEIHAN: [interposing] So let's-- let's--let's go the reverse order. On--on Beacons I-- I think you should be pleased. It is the first increase in the reimbursement rate in 21 years. There has been nothing but declining in the reimbursement rates of Beacon. The increase was--

COUNCIL MEMBER KALLOS: [interposing]
Roosevelt Island and Beacon is--their summer program
is slated for being cut.

DEAN FULEIHAN: Let me--I'll still go
back and argue that the increase of this
Administration to reverse a 21-year decline, almost a
continuous decline in Beacons. To actually go back
and reverse that completely over two years, a 20%
increase and 60% increase is pretty significant and
that should actually please you about the success of
the Beacons going forward. On the--on--on the--let's
go to DOE. So on the capital plan. So the reason we
know, of course about the--about the--the 82,000
seats is because we went back, the Administration,
and said let's actually understand what the real--
what the real level--level is and what the real
capacity problems are because that had never been
properly reported. As you know, once we got that, we
submitted a modified Department of Education School
Construction Authority Plan that added a billion
dollars to the Five-Year Capital Plan to add 11,800
new seats, new capacity to address that. It is
actually the limit of what we could possibly do in
this current Five-Year Capital Plan, and it is the

largest School Construction capital plan in the history of the city of New York. So we are address that at the same time that we're being concerned about all your debt concerns. That has to be part of the balancing. So we are committed. We are making an enormous investment. We're asking you to participate in that enormous investment to address those issues. I'm--I'm always missing one of your questions. Oh, breakfast.

COUNCIL MEMBER KALLOS: [interposing] We--we have--

DEAN FULEIHAN: So breakfast for--

COUNCIL MEMBER KALLOS: [interposing] \$56 million in savings from judgment claims. Let's spend that on fighting hunger and taking care of kids over the summer.

DEAN FULEIHAN: So, on breakfast I mean we're on schedule. It's--it's a--we're on schedule through the--through Fiscal 19 to have all elementary schools. So we will have--we will have 530 schools that will all be part of this break--breakfast in--in the classroom. So we're on schedule. If there's some concern about that, I'm happy to have that conversation and follow up.

COUNCIL MEMBER KALLOS: And just free lunch for all kids. 1.1 million kids didn't haven't to worry about breakfast and lunch, it has to be all school levels.

DEAN FULEIHAN: I'm quite sure we can continue--

COUNCIL MEMBER KALLOS: [interposing]
Thank you, Chair Ferreras.

CHAIRPERSON FERRERAS-COPELAND:
[background comments] I have one additional question. The Office of Gun Violence. There was a PS adjustment of five positions totaling \$525,000 added to the Department of Probation's budget in Fiscal 2017 and the out years. Where are the titles of these five positions, and will technical adjustment support the Council's call to create the Office of Gun Violence.

DEAN FULEIHAN: [interposing] Yes.

CHAIRPERSON FERRERAS-COPELAND: And how many staff who work in the Mayor's Office and Office of Budget and groups in the Mayor's Office as MOCJ and MOIA are funded in the budget of a different agency such as Probation.

DEAN FULEIHAN: So I'll get back to you on the exact titles, and--and was it intended to meet the Council's objective? Yes, it was.

CHAIRPERSON FERRERAS-COPELAND: Okay, well that's good news. And have the--do you--the titles of the five positions do you have those?

DEAN FULEIHAN: I--I'm sorry?

CHAIRPERSON FERRERAS-COPELAND: The titles of the five positions--

DEAN FULEIHAN: [interposing] No, I'll-- I'll have to come back.

CHAIRPERSON FERRERAS-COPELAND: Okay, okay, very good. Okay, well, thank you. We have some additional questions that are part of the committee request. I'm hoping that you can get back to us expeditiously so we can continue to use them for negotiating.

DEAN FULEIHAN: We will. Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: This concludes our hearing for today. The Finance Committee will resume Executive Budget hearings for Fiscal 2017 on May 9, 20--at 10:00 a.m. in this room. Can you give me one second everyone so we can close

this out? [background comments] Thank you. On Monday, the Finance Committee will hear from the Fire Department and Emergency Medical Service, the Department of Correction, the Board of Corrections, and the Department of Aging and the Department of Environmental Protection. As a reminder, the public will be invited to testify on Tuesday, May 24th, the last day of the budget hearings at approximately 3:00 p.m. in this room. For any member of the public who wishes to testify, but cannot make it to the hearing, you can email your testimony to the Finance Division at financetestimony@council.nyc.gov and the staff will make it a part of the official record. Thank you and this hearing is now adjourned. [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date May 24, 2016