

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

Jointly with

COMMITTEE ON ECONOMIC DEVELOPMENT,

COMMITTEE ON SMALL BUSINESS,

COMMITTEE ON HEALTH, &

COMMITTEE ON MENTAL HEALTH,  
DEVELOPMENTAL DISABILITY, ALCOHOLISM,  
SUBSTANCE ABUSE, AND DISABILITY  
SERVICES

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May 9, 2017  
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HELD AT: Council Chambers - City Hall

B E F O R E: Julissa Ferreras-Copeland  
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Chairperson

Robert E. Cornegy, Jr.  
Chairperson

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James G. Van Bramer  
Rafael Espinal, Jr.  
Elizabeth S. Crowley  
Barry S. Grodenchik

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

Gregg Bishop  
SBS Commissioner

James Patchett  
President of NYCEDC

Jackie Mallon  
First Deputy Commissioner at NYCEDC

Stanley Brezenoff  
Interim President of NYC Health + Hospitals

P.V. Anatharam  
Chief Financial Officer at NYC H+H

Machelle Allen  
Chief Medical Officer at NYC H+H

Mary T. Bassett  
NYC Department of Health and Mental Hygiene  
Commissioner

Sandy Rozza  
Deputy Commissioner for Finance at DOHMH

Hillary Kunins  
Assistant Commissioner for Bureau of Alcohol and  
Drug Use



2 CHAIRPERSON FERRERAS-COPELAND: Good  
3 morning and welcome to today's Finance Committee  
4 hearing. My name is Julissa Ferreras-Copeland. I'm  
5 the Chair of the Committee. I want to begin by  
6 thanking my Co-Chairs, Council Member Robert Cornegy  
7 and Dan Garodnick, and the members of the Small  
8 Business and Economic Development Communities for  
9 joining us. I also want to acknowledge the members  
10 of the Finance Committee and actually all of our  
11 committees who are here today, Minority Leader  
12 Matteo, Council Member Richards, Council Member  
13 Vallone, Koslowitz, Borelli, and Wills. This  
14 morning, the Committee continues its look at the  
15 Mayor's Fiscal 2018 Executive Budget with the  
16 Department of Small Business Services, SBS, and the  
17 Economic Development Corporation, EDC. We will hear  
18 from SBS Commissioner Gregg Bishop and EDC President  
19 and CEO James Patchett. I'll begin with a brief  
20 overview of the agency's budget. The Fiscal 2018  
21 Executive Budget for SBS totals 191.7 million dollars  
22 or approximately 44.7 million, or 19 percent less  
23 than the Department's Fiscal 2017 Adopted Budget.  
24 This is largely due to a decrease in city and federal  
25 funds for the business development and neighborhood

2 development in contract services program areas, funds  
3 that are not yet reflected in the agency's budget.

4 SBS budget includes 41.2 million for EDC. EDC also  
5 receives 3.2 billion as a part of the City's 10-Year  
6 Capital Strategy. The majority of this is for

7 neighborhood revitalization, infrastructure,

8 investments to support economic development, and

9 affordable housing efforts. I want to highlight two

10 items that despite the Council's call to baseline in  
11 our budget response were not included by the

12 Administration in this budget. The first was the

13 843,000 in fees that SBS receives to support the work

14 of the Council's small business and workforce

15 development initiative. Aside from SBS, no other

16 city agencies charges for those types of costs. I'm

17 going to read that again. Aside from SBS, no other

18 city agencies charges for these types of cost. We

19 hope that the Administration will create parity

20 between SBS and all other agencies when it comes to

21 these funding. Second, the Administration failed to

22 baseline funding for the Council's Small Business Job

23 Development Financial Literacy Initiative. Since

24 Fiscal 2007, this initiative has provided individuals

25 across the City a vital assistance in developing and

2 expanding their business. However, ensuring that  
3 these services will be available of New Yorkers in  
4 the coming fiscal year continues to fall on the  
5 Council. As we move towards budget adoption, I look  
6 forward to continuing the conversation on these  
7 Council Priorities. Additionally, I hope to receive  
8 more detail today on the Mayor's goal of creating  
9 100,000 permanent jobs in the city over the next 10  
10 years, an initiative announced in his State of the  
11 City speech this year and an important component of  
12 this includes in SBS' budget is 12.8 million for  
13 Green Jobs Corps Program that promises to retain  
14 3,000 workers over the next three years. Today, I  
15 want to explore agency's vision for this program  
16 whether SBS believes it could serve as a model for  
17 other job training programs and how it will measure  
18 progress coming years. And while the broader goal  
19 of creating 100,000 well-paying jobs is certainly one  
20 that ti think all of us can get behind, we need to  
21 hear from both SBS and EDC about concrete steps the  
22 Mayor is taking to achieve it. I look forward to  
23 hearing about these issues and many more at today's  
24 hearing. I will now turn it over to my Co-Chairs for

2 their opening remarks. We'll have Council Member  
3 Cornegy followed by Council Member Garodnick.

4 CHAIRPERSON CORNEGY: Thank you, Madam  
5 Chair, and good morning, Co-Chairs. Good morning,  
6 Commissioner. So, I want to start by thanking my  
7 awesome staff, Keegan Sheehan [sp?], for while I ask  
8 for larger font, this is what he gave me. So, this  
9 is borderline embarrassing that I need font to be  
10 this big. I just want-- for the record, I need to  
11 state that I don't need my font to be this big.

12 Thank you, though, Keegan. Good morning. I'm  
13 Council Member Robert Cornegy, Chair of the Committee  
14 on Small Business. Today, the committee will be  
15 presiding over the Fiscal 2018 Executive Budget for  
16 the Department of Small Business Services. This  
17 hearing is being held jointly with the Committees on  
18 Finance and Economic Development. We've been joined  
19 today by Commissioner of the Department of Small  
20 Business Services. So, thank you so much,  
21 Commissioner Bishop, for coming. Before we begin, I  
22 think-- it's already been acknowledge the members of  
23 the committees that are here. The Fiscal 2018  
24 Executive Budget for the Department of Small Business  
25 Services is 191.7 million. That's a little

2 disappointing because this represents less than half  
3 a percent of the City's proposed Fiscal 2018 budget  
4 and its 44 million or 19 percent less than the Fiscal  
5 2017 Adopted Budget of 236.4 million. The Executive  
6 Budget supports an overall headcount of 371 full-time  
7 and full-time equivalent positions. This committee is  
8 interested in learning more about how the agency  
9 intends to utilize funding from the proposed budget  
10 for the benefit of the City's-- of city small  
11 businesses and for-- and especially for workforce  
12 development. In particular we're hoping the  
13 Commissioner will give us details about the Green Job  
14 Corps Program which is being funded for close to 13  
15 million over the next three fiscal years. We'd like  
16 to learn more about the trainings that will be  
17 provided through the program and how they will  
18 translate to jobs for residents of the City. Also,  
19 the Executive Plan included a total of 32.6 million  
20 in Fiscal 2017 and Fiscal 2018 to fund the School Bus  
21 Grant Program, a program that supports the employment  
22 of experienced school bus drivers who were impacted  
23 by the changes in the Department of Education  
24 contracts. I'm sure that my colleague Dan Garodnick  
25 will have plenty of questions about that. This

2 committee is hoping to get specifics on how this  
3 funding will be utilized. I'm hopeful that the  
4 Commissioner is prepared to answer most if not all of  
5 our questions today. After we hear from the  
6 Department of Small Business Services members of the  
7 public will have the opportunity to provide  
8 testimony. As always, I'd like to thank my staff and  
9 the committee staff for working hard to put this  
10 hearing together. Thank you, and I just thought I  
11 could say, "Let's get ready to rumble," but it's not  
12 that kind of morning. So, thank you.

13 CHAIRPERSON GARODNICK: Thank you very  
14 much, Chair Ferreras-Copeland and Chair Cornegy. I'm  
15 very pleased to be here, a Co-Chair in this hearing  
16 today with you, and as you've heard, we're going to  
17 be hearing from among others the Economic Development  
18 Corporation today. I have the privilege of chairing  
19 of the Committee on Economic Development for the  
20 Council, and at our Preliminary hearing in March we  
21 discussed a handful of the City's capital project  
22 including the now launched Citywide Ferry Service,  
23 the Made in New York Center, the Life Sciences  
24 initiative, and activity going on at HUB such as the  
25 Brooklyn Army Terminal. We were also able to discuss

2 EDC's and the Mayo's plan to create 100,000 good  
3 paying jobs over the next 10 years. While we had  
4 productive preliminary hearing in March we continue  
5 to have little clarity on the sources of jobs and the  
6 Mayor's job plan. It is clear that the plan was not  
7 developed at the time of the Mayor's State of the  
8 City speech, and now that two months have passed  
9 since the preliminary hearing, we hope to get more  
10 answers. We also want to dive deeper into the  
11 Mayor's plan for the Garment Center which has grown  
12 entirely complicated in recent months. The plan  
13 includes 142.4 million dollars for a Made in New York  
14 campus at Bush Terminal as the City looks to shift  
15 the industry from Midtown Manhattan to Brooklyn.  
16 This plan would allow for more modernized  
17 manufacturing facilities for the garment industry and  
18 would help property owners in the Garment District  
19 get their buildings up to code. A rezoning of the  
20 Garment District, however, may uproot an economic  
21 ecosystem that has thrived for nearly a century,  
22 potentially displacing thousands of workers. It will  
23 require middle class employees, many of them older  
24 adults to commute to the far away Brooklyn waterfront  
25 rather than the transit-rich heart of midtown

2 Manhattan. With so many livelihoods in-- at one of  
3 Manhattan's iconic industries hanging in the balance,  
4 it has raised concerns for a number of people  
5 including local representatives on both sides of the  
6 river, and we need to make sure that we get this  
7 right. All in all, the Fiscal 2018 Executive Capital  
8 Commitment Plan for EDC includes more than four  
9 billion dollars through Fiscal Year 2021. That's  
10 over 450 million dollars more than what was in the  
11 Preliminary Plan and represents approximately 5.2  
12 percent of the City's total 78 billion dollars  
13 Executive Plan for Fiscal Years 2017 to 2021. There  
14 are also hundreds of millions of dollars set out for  
15 the housing fund, the neighborhood fund, 442 million  
16 and 400 million dollars respectively. These are  
17 extremely large figures with nearly unlimited  
18 discretion for the mayor. We need a clearer idea of  
19 how the City intends to spend this money, project by  
20 project, community by community. Right now, there is  
21 little transparency as to how these funds intend to  
22 be used. We also have questions for the Department  
23 of Small Business Services which Chair Cornegy will  
24 take the lead on. As he noted, I am still concerned  
25 with SBS' school bus driver program, particularly as

1 it is set to receive additional funding in this  
2  
3 Executive Plan. Let us not forget this was meant to  
4 be only a one-time appropriation. Yet, here we are  
5 about to make our third appropriation, one in my view  
6 violates the Constitution of the State of New York.  
7 I did not believe that SBS had the authority in  
8 November 2015 to perpetuate the program without the  
9 consent of the Council, and I don't believe that it  
10 has the authority to do so again this year. By  
11 extending the grant program that supplements the wages  
12 of school bus drivers outside of any existing  
13 contract or local law, the de Blasio Administration  
14 has turned the procurement process on its head. The  
15 action is an affront to tax payers, to the  
16 competitive bidding system and to the independent  
17 law-making powers of the City Council. We intend to  
18 explore with SBS the status of this program and its  
19 continuing budgetary implications. I want to thank  
20 President James Patchett who is by now a seasoned  
21 veteran and Commissioner Gregg Bishop for being here  
22 today and testifying. I also want to thank both my  
23 staff and the staff of the Finance Division for their  
24 help in preparing for this hearing. I know that I  
25 have many questions for EDC, and I'm sure that many

2 of my colleagues do, and with that, I turn the  
3 microphone back to the Finance Chair Ferreras-  
4 Copeland. Thank you.

5 CHAIRPERSON FERRERAS-COPELAND: Thank  
6 you, Chairs. I also want to acknowledge the Finance  
7 Staff that helped prepare this hearing, Crillean  
8 Francisco [sp?], William Charimatine [sp?], Davis  
9 Winslow, and Eric Bernstein. Before we begin, I'd  
10 like to remind my colleagues that each Council Member  
11 will get five minutes for their first round of  
12 questions and three minutes for the second. We will  
13 now hear from Commissioner Bishop and President  
14 Patchett after my counsel swears you in.

15 COMMITTEE COUNSEL: Do you affirm to tell  
16 the truth, the whole truth and nothing but the truth  
17 in your testimony before the committee today and to  
18 respond honestly to Council Member questions?

19 JAMES PATCHETT: Seasoned veteran,  
20 indeed. Thanks, Dan. Good afternoon, Chairs  
21 Ferreras-Copeland, Garodnick and Cornegy, and members  
22 of the Committees on Finance, Economic Development  
23 and Small Business. My name is James Patchett, and  
24 I serve as President of the New York City Economic  
25 Development Corporation. I am pleased to join

2 Department of Small Business Services Commissioner

3 Gregg Bishop in testifying before you today as well

4 as my incredible staff who will join me shortly to

5 answer any questions you might have. I would like to

6 take this opportunity to speak briefly about some of

7 the larger capital allocations in EDC's FY18

8 Executive Budget with a focus on a few items that are

9 new since we last met. But first, I would like to

10 give updates on some of the items I discussed in my

11 Preliminary Budget hearing earlier this year. After

12 two years of planning and imagining, last week EDC

13 launched the first phase of our new ferry service.

14 The roll-out included a new route from the Rockaways

15 to Pier 11 Wall Street and officially integrated the

16 existing East River route into our new ferry system

17 now, for just \$2.75 per ride. So far the public

18 response has been incredible with more than 49,000

19 riders in the first week. In June, we will debut our

20 South Brooklyn route and later this summer the

21 Astoria Route. In 2018 we will launch the Lower East

22 Side and the Sound View [sic] routes. When complete,

23 the full NYC ferry network will consist of 20 vessels

24 and landings as well as a homeport facility at the

25 Brooklyn Navy Yard. In order to execute this

1 ambitious project, we set a Capital Budget at 59  
2 million dollars for the construction of barges and  
3 other capital infrastructure needs. We also budgeted  
4 96 million dollars for the purchase of new vessels  
5 and maintenance and upgrades to the existing East  
6 River ferry vessels. Finally, we have allotted 41  
7 million dollars for our homeport facility at the  
8 Brooklyn Navy Yard. Last week's successful launch is  
9 a testament to the work our team has done in so many  
10 communities across the City over the past few years.  
11 We hosted over 250 outreach meetings with elected  
12 officials, federal, city, and state agencies,  
13 Community Boards and civic organizations. We engaged  
14 second graders across the City to source creative  
15 names for our brand new ferry boats with our vessel  
16 naming contest. At this point I'm sure you've all  
17 heard about my personal favorite, "The Lunchbox." In  
18 my testimony in March, I spent some time discussing  
19 the tools and industries the City will focus on to  
20 create 100,000 good-paying jobs over the next decade.  
21 Our team has been hard at work on a detailed plan and  
22 the methodology we will need to ensure job quality.  
23 As I have said before, we are evaluating several  
24 different strategies to create these jobs. We will  
25

2 continue to activate city-owned sites like the  
3 Brooklyn Army Terminal and Bush Terminal to grow  
4 industrial and manufacturing jobs. We are also  
5 looking for ways to invest in the jobs of the future  
6 through incentive programs that catalyze business  
7 growth and sector-based investments in promising  
8 industries like tech and life sciences. In addition  
9 to these updates, there are few new Executive Budget  
10 items that I would like to discuss. One of our  
11 longstanding priorities at EDC is improving access to  
12 our City's waterfront. We firmly believe that this  
13 mission is a critical part of our work to strengthen  
14 neighborhoods and improve New Yorker's quality of  
15 life. That is why projects like Inwood NYC are so  
16 critical. We are ensuring the neighborhood remains  
17 affordable for working families by creating new  
18 affordable housing and reconnecting the community to  
19 the waterfront. As you know, last month, the Mayor  
20 announced inclusion of 100 million dollars in the  
21 Capital Budget for a section of the Manhattan  
22 Waterfront Greenway which will connect 53<sup>rd</sup> to 61<sup>st</sup>  
23 Street. As part of that allocation, EDC will  
24 undertake an additional five million dollar study to  
25 identify opportunities to complete the entire

1 greenway. This investment will help close the  
2  
3 funding gap for a critical portion of the long-  
4  
5 imagined contiguous 32-mile waterfront pedestrian  
6  
7 esplanade. We anticipate the design phase of this  
8  
9 project will begin this year. Construction will  
10  
11 follow by 2019, and completion in 2022. We are also  
12  
13 making significant investments in our creative  
14  
15 economy, including a brand new Made in New York  
16  
17 Campus at Bush Terminal that will provide state-of-  
18  
19 the-art facilities for garment manufacturing, film  
20  
21 and media production. We have identified 142 million  
22  
23 dollars in our Executive Budget for necessary upgrade  
24  
25 to the campus including major renovations to existing  
and underutilized facilities, new construction and  
investments in utilities and circulation. We expect  
that these investments will revitalize the campus and  
make it an effective location for fashion  
manufacturers struggling with high rent in other  
parts of the City. After decades of decline, we are  
seeing the industrial and manufacturing sector  
stabilize, and we're even seeing growth in some  
subsectors. To help spur that growth, this  
Administration has invested over 150 million dollars  
to renovate the Brooklyn Army Terminal. To date,

2 renovations at BAT have included public realm [sic]  
3 improvements, capital improvements such as boilers,  
4 elevators and resiliency improvements, and a newly  
5 outfitted annex building built specifically for food  
6 manufacturing. That is an important source of  
7 industrial employment for the City. As a result of  
8 our investments in the facility, we have reached 93  
9 percent occupancy for the more than 3.1 million  
10 square feet of affordable, leasable space currently  
11 online. That has over 100 tenants that range from a  
12 chocolate factory to jewelry and furniture  
13 manufacturers, all of which employ a total of more  
14 than 3,700 New Yorkers. To build on this success, we  
15 have 8.5 million dollars in our FY18 budget for  
16 elevator and boiler upgrades to continue our efforts  
17 to turn BAT into a world-class industrial campus.  
18 Finally, we've included 1.8 million dollars in our  
19 FY18 budget for our Clean NYC program. This  
20 initiative removes blight from sidewalks in city's--  
21 in the City's commercial corridors and industrial  
22 business zones through New York City's five boroughs.  
23 To date, the program has successfully completed power  
24 washing nearly 1.6 million square feet of sidewalk.  
25 In order to ensure Clean NYC has access to the most

2 efficient equipment with the most up-to-date  
3 environmentally-friendly technology, EDC is moving  
4 forward with a public RFP to source specially  
5 designed truck. Our FY18 allotment will allow for  
6 the purchase of 14 customized truck-mounted high  
7 pressure cleaning systems for concrete services that  
8 include a water recovery and recycling system. Once  
9 all 14 trucks are on the road, we anticipate cleaning  
10 half a million square feet per day, allowing us to  
11 beautify NYC's commercial corridors and encourage  
12 even more business activity. To conclude, in all of  
13 our efforts, we at EDC remain committed to supporting  
14 equitable growth across all corners of the City. I  
15 look forward to continuing to work with all of you  
16 and keep you updated as these exciting projects  
17 evolve. Thank you for your attention. I am happy to  
18 take any questions. Thank you.

19 COMMISSIONER BISHOP: Good morning, Chair  
20 Garodnick, Chair Cornegy and Chair Ferreras-Copeland  
21 and the members of the Committees on Finance,  
22 Economic Development and Small Business. My name is  
23 Gregg Bishop and I'm the Commissioner of the New York  
24 City Department of Small Business Services. I'm  
25 pleased to join President James Patchett and my

2 colleagues at the New York City Economic Development  
3 Corporation to testify today. I'm joined by SBS  
4 First Deputy Commissioner Jackie Mallon and my Senior  
5 Leadership Team. At SBS we aim to unlock economic  
6 potential and create economic security for all New  
7 Yorkers by connecting New Yorkers to quality jobs,  
8 building stronger businesses and fostering vibrant  
9 neighborhoods across the five boroughs. Today, I  
10 want to share an update on our efforts over the last  
11 year to strengthen the City's support for job  
12 seekers, small businesses and commercial corridors in  
13 neighborhoods around the City. After my testimony  
14 I'm happy to take your questions. I will start by  
15 providing an overview of our agency budget. From  
16 there we'll outline the services made possible by  
17 this funding. SBS FY18 Executive Budget is 191.7  
18 million with a headcount of 332 employees. The  
19 Executive Budget includes pass-through funding for  
20 other financial needs within city government  
21 including 41.2 million for EDC, 21.2 million for New  
22 York City and Company and 17.5 million for Governor's  
23 Island. The remaining 110.4 million of the FY18  
24 Executive Budget is allocated for SBS's program. Now  
25 I'm going to focus on how this funding supports SBS's

2 mission. At SBS we help New Yorkers to find jobs by  
3 training local residents and connecting job seekers  
4 to employers in need of talent. Through our network  
5 of 20 Workforce One Career Centers, SBS provides  
6 recruitment expertise, industry knowledge, and skill-  
7 building workshops to match candidates to jobs.  
8 Annually, we successfully connect more than 25,000  
9 New Yorkers with quality employment and 4,000 New  
10 Yorkers with the training needed to advance their  
11 careers. As part of our efforts to connect New  
12 Yorkers to quality jobs, SBS will administer the  
13 Mayor's Green Job Corps program in partnership with  
14 the Mayor's Office of Sustainability and Climate  
15 Policy. This three-year initiative aims to train  
16 3,000 individuals through a variety of trainings  
17 including pre-apprenticeships. We will recruit for  
18 the program through our Workforce One Career Centers  
19 beginning in June, and welcome your help with raising  
20 awareness about this opportunity. SBS is leveraging  
21 the City's industry partnerships in key economic  
22 sectors to design training programs that meet  
23 employers' needs and help New Yorkers to enter and  
24 advance in sectors that are driving New York City's  
25 economy. Training programs have launched in the

1 construction, healthcare, food service and  
2  
3 hospitality, and technology sectors. SBS is working  
4 to create better jobs for New Yorkers through our  
5 healthcare industry partnerships. New York Alliance  
6 for Careers in Healthcare, NYACH, recently-- recently  
7 NYACH input [sic] informed the certified recovery  
8 peer advocate training program, a first of its kind  
9 program that will fill the growing need for peer  
10 support services, its substance use treatment in  
11 alignment with the City's Thrive NYC initiative. The  
12 program will train 200 peer support workers with  
13 experience in substance use per year, with the first  
14 cohort graduating this June. The bilingual medical  
15 Assistant Training program is another NYACH-informed  
16 initiative that provides tailored training to  
17 immigrant New Yorkers with limited English  
18 proficiency, supporting access to higher wages and a  
19 career path as a medical assistant. Small businesses  
20 provide opportunities for individuals to strengthen  
21 their own economic security and provide jobs for  
22 members of their communities. We have seven NYC  
23 Business Solution Centers across the five boroughs  
24 that provide free accessible services to local  
25 businesses including securing financing and access in

2 City benefits. Over the last year, SBS served over  
3 15,000 small businesses. To serve industrial and  
4 manufacturing businesses, SBS also operates eight  
5 industrial business services providers. To ensure  
6 that small businesses remain an essential part of the  
7 character of New York City neighborhoods, we recently  
8 launched Love Your Local, a public engagement  
9 campaign and business operational support program.  
10 This new initiative celebrates and promotes a diverse  
11 independent small businesses that enrich  
12 neighborhoods across New York City and encourages New  
13 Yorkers to share their favorite businesses on an  
14 interactive online map. Eligible businesses will be  
15 able to apply for business advisory services and a  
16 share of 1.8 million in business assistance support.  
17 Since the launch on Valentine's Day, we have seen  
18 over 1,700 businesses added to the map, and I would  
19 encourage you all to visit [nyc.gov/loveyourlocal](http://nyc.gov/loveyourlocal).  
20 SBS offers commercial lease education workshops to  
21 help business owners better understand the components  
22 and implications of signing a commercial lease.  
23 After developing an understanding of lease  
24 negotiations, businesses in the process of signing a  
25 lease and utilize this SBS Legal Assistant Services.

2 This initiative connects business owners with pro-  
3 bono attorneys who will review the lease and point  
4 out any concerns that should be addressed. SBS has  
5 released an RFP to expand our commercial legal  
6 services to support Chairman Cornegy's commercial  
7 tenant harassment law which gave essential legal  
8 protections to commercial tenants who previously  
9 lacked these protections. To ensure that the city's  
10 procurement reflects the diversity of our city and  
11 business owners, SBS plays a key role in the City's  
12 minority and women-owned business enterprise program.  
13 Mayor de Blasio has made a significant commitment to  
14 the City's MWBE firms, creating the Mayor's Office of  
15 MWBEs and announcing a bold new vision for the City's  
16 MWBE program which includes a goal of awarding at  
17 least 30 percent of the dollar amount of city  
18 contracts to MWBEs by 2021, and a goal of doubling  
19 the number of certified MWBEs to 9,000 by 2019. SBS  
20 is working with the Mayor's Office to support the  
21 City's commitment hitting a record high of more than  
22 4,500 city-certified MWBEs in FY16, a 23 percent  
23 increase since the start of Mayor de Blasio's  
24 Administration. The Mayor's investments have allowed  
25 SBS to add additional staff capacity to our

2 certification outreach and capacity building teams.

3 We will also use these investments to increase and  
4 deepen our capacity building programs. Out of the  
5 MWBEs who have won contracts nearly two-third have  
6 used our services and we hope to increase that number  
7 this year. We are proud to have recently announced  
8 the contract financing loan fund which allows MWBEs  
9 to apply for low interest contract financing loans of  
10 up to half a million dollars. The loans from this  
11 revolving fund are capped at a three percent interest  
12 rate. Simultaneously, SBS has made the MWBE  
13 certification application more user-friendly and  
14 created an application for sole proprietors. We are  
15 also launching a 10 million dollar bond fund this  
16 summer to help MWBEs secure bonding or increase their  
17 bond capacity. Every year, SBS brings together  
18 MWBE's firms and city agencies with contracting  
19 opportunities for our MWBE procurement fair. Our  
20 upcoming 11<sup>th</sup> annual citywide procurement fair is an  
21 excellent opportunity to see our efforts and connect  
22 with MWBEs with procurement opportunities with the  
23 city, state and federal agencies. We encourage you  
24 to invite the MWBEs in your district to join us at  
25 this event on June 21<sup>st</sup> at BNY Mellon for another

2 great fair. Immigrant-owned businesses make up half  
3 of the City's small businesses and paly an essential  
4 role in strengthening our economy, uplifting  
5 communities, and defining the unique business  
6 character of New York City. Our immigrant business  
7 initiative offers targeted support to immigrant  
8 entrepreneurs through free business courses in  
9 Spanish, Chinese, Haitian Creole, Russian, Korean,  
10 and Bengali. The program recently published a step-  
11 by-step guide for immigrant entrepreneurs. The  
12 guide, *Building Your Business in New York, a Guide*  
13 *for Immigrant Entrepreneurs*, covers topics such as  
14 signing a commercial lease, navigating government and  
15 understanding the rights of immigrant New Yorkers.  
16 Developed by SBS in partnership with city community  
17 development, the guide will be available in six  
18 languages. We also partner with the New York Public  
19 Library, Brooklyn Public Library and Queens Public  
20 Library systems to better reach entrepreneurs in  
21 immigrant communities. Since the start of the de  
22 Blasio Administration, SBS has provided more than  
23 12,000 services to foreign-born New Yorkers. Another  
24 initiative to expand the reach of our services to  
25 more New Yorkers the Childcare Business Pathways

2 Program, developed in partnership with NYCHA and City  
3 Community Development. The program works directly  
4 with NYCHA entrepreneurs to launch and grow their  
5 homebased childcare business. In April the first  
6 quarter of 18 entrepreneurs completed 42 hours of  
7 business education programming and 13 hours of  
8 specialized childcare training to become licensed  
9 childcare providers. SBS offers a number of service-  
10 - of programs to address critical business compliance  
11 and regulatory needs. Through Small Business First,  
12 a multi-agency initiative to reduce the regulatory  
13 burden of small businesses and increase compliance,  
14 compliance advisors guide business owners through  
15 government processes such as inspections and  
16 violations, helping these owners avoid costly fines  
17 and penalties. Since the programs launched a year  
18 ago. We have provided more than 1,500 compliance  
19 services helping businesses to correct violations  
20 that could have resulted in fines of more than 1.2  
21 million dollars. Compliance consultations are  
22 available free of charge and allows small business  
23 owners to receive direct onsite guidance from the  
24 City. Finally, SBS works with community-based  
25 organizations to build vibrant neighborhoods where

1 New Yorkers can work, shop and live. Through  
2  
3 Neighborhood 360, SBS invests in community-based  
4 organizations to support revitalization projects in  
5 our City's commercial corridors. SBS published six  
6 commercial district needs assessments of Downtown  
7 Flushing, Downtown Staten Island, East Harlem, East  
8 New York, Inwood, and Jerome Avenue. These reports  
9 identified the needs and opportunities for local  
10 neighborhood revitalization with recommendations from  
11 merchant organizing, public programming and other  
12 quality of life improvements. The next round of  
13 CDNA's is currently being conducted in partnership  
14 with community organizations in Bushwick, Coney  
15 Island, Corona, and Long Wood Crotona Park East.  
16 Community-based organizations have paramount  
17 expertise about their neighborhoods, but can struggle  
18 with capacity issues when implementing projects. The  
19 Neighborhood 360 Fellows program pairs neighborhood  
20 development professionals with community-based  
21 organization to provide full-time support. The first  
22 cohort graduated this March and the second cohort of  
23 10 fellows was just selected and will begin their  
24 placements in June. The Neighborhood 360 grants  
25 allow organizations to tap into approximately three

1 million in annual program grants to develop-- develop  
2 and staff revitalization projects that address needs  
3 identified in the CDNA's. Eleven community-based  
4 organizations representing six neighborhoods across  
5 every borough were awarded nearly nine million  
6 dollars over three years to fund Catali [sic]  
7 economic development projects. The Avenue NYC Grant  
8 Program funded through federal CDBG investments  
9 supports organizations in low to moderate income  
10 areas to implement commercial varietization [sic]  
11 activities that benefit businesses and local  
12 residents. In April, one million dollars in grants  
13 were awarded to fund 34 unique neighborhood  
14 development projects across the City. SBS recently  
15 relaunched our Neighborhood Challenge Program in  
16 partnership with EDC to bring tech companies and  
17 nonprofits together to enhance commercial districts.  
18 Neighborhood Challenge will make awards of up to  
19 100,000 dollars to fund innovative ideas that use  
20 data-driven capacity building solutions to improve  
21 operations, target services, or address local public  
22 policy changes. Since launching, Neighborhood  
23 Challenge has awarded 26 organizations, nearly 1.7  
24 million, and SBS looks forward to seeing the  
25

2 inventive solutions that will be created through the  
3 program's new partnership structure. In addition to  
4 supporting new initiatives to improve commercial  
5 corridors, SBS oversees the largest network of  
6 business improvement districts in the country with 74  
7 bids that deliver more than a 134 million in services  
8 this year alone. Each day, our network of bids  
9 delivers services that support more than 85,000 small  
10 business. In the past year we've guided several bid  
11 expansions and new bid formations through local  
12 organizing and the legislative process such as the  
13 Greater JFK industrial bid in Queens and a Newdorp  
14 bid in Staten Island. Our annual bid trends report  
15 illustrates the contributions bids make to local  
16 businesses and our communities including holding over  
17 4,000 public event that are tracked 10.5 million  
18 attendees and log in 1.4 million hours of  
19 supplemental sanitation services. We look forward to  
20 working with Council in the year ahead. Thank you,  
21 and I would be happy to take your questions.

22 CHAIRPERSON FERRERAS-COPELAND: Thank you  
23 very much but to the Commissioner and the President.  
24 Commissioner, you read that rather quickly. So we  
25 had to-- thank God we have your note, your

2 presentation to follow. So, we are going to go back  
3 and forth, EDC/SBS questions. I'm sure you are  
4 already used to this. So whoever thinks it more  
5 appropriate to answer, you can. So I wanted to talk  
6 about specifically job growth. OMB as well as Council  
7 Finance forecast a stalling of job growth over the  
8 course of this financial plan. How does EDC see its  
9 role in generating stronger job growth, and what  
10 indicators does EDC use internally to measure the  
11 impact on the City's broader economy, and how might  
12 that look different in periods of strong versus weak  
13 growth?

14 JAMES PATCHETT: Thanks for the question,  
15 Council Member. So, right now the City has a four  
16 percent unemployment rate which is the lowest in  
17 recorded history and we've created over 300,00 jobs  
18 in the last three years. So, broadly speaking that's  
19 fantastic news. We're very focused on our tremendous  
20 success and we're thrilled with where we are. But I  
21 would say two things. The first is that it's still  
22 not good enough, and the reason it's still not good  
23 enough is because there are still many New Yorkers  
24 who are being left behind, and if we look across our  
25 neighborhoods and you look at the unemployment rates

2 by neighborhood, there's still significant areas, the  
3 patient low-income areas that have higher  
4 unemployment rates, significantly higher unemployment  
5 rates which suggests to us no matter what you read in  
6 the paper that we are not at full employment, at  
7 least as far as I am concerned. And the second thing  
8 that it requires is it requires us continue to focus  
9 on being thoughtful about the way that our economy is  
10 going to grow and change. In particular, I'm very  
11 focused on changes in automation and the way the  
12 technology is changing. It is going to change our  
13 workforce. Think actually the two reasons that I've  
14 identified are why were' so focused on our 100,000  
15 jobs plan. I think some people would say it's crazy  
16 to talk about jobs right now when you're at the  
17 lowest unemployment rate and you're reading in the  
18 newspaper that we're at full employment, but what I  
19 say to that is clearly we have issues in our city as  
20 it relates to inequality and we need to continue to  
21 focus on that and get more and more New Yorkers into  
22 career pathways for jobs. And secondly, I would say  
23 we have to focus on being ahead of the curve so that  
24 as we deal with issues like automation, we have more  
25 and more people who are getting put out of work by

2 things like self-checkout at grocery stores,  
3 artificial intelligence, way that robotics are going  
4 to replace humans in terms of actual manufacturing.  
5 We need to make sure that those machines are built  
6 and operated here in New York City so it's not just  
7 that people are losing jobs, but that rather there  
8 are opportunities for New Yorkers to build and  
9 operate those machines which could even be higher  
10 paying jobs. So that is my focus area. To your  
11 question about the next 10 years, I remain very  
12 focused on our overall tax revenue so that we have a  
13 sufficient amount to fund the government. That's  
14 something we're closely with OMB, and obviously on  
15 the issues as it relates to inequality income growth  
16 and this particular experience in different  
17 neighborhoods.

18 CHAIRPERSON FERRERAS-COPELAND: So, as we  
19 talk about, and you know, this is something that as  
20 colleagues we all, you know, we hear the one-- the  
21 four percent, and we understand that it's the lowest,  
22 you know, the percentage is very low for many of our  
23 communities that you stated. It's not necessarily  
24 reflected in that way. So, while we see the-- you  
25 know, I acknowledge that you say about automation and

2 the challenges that we'll be facing moving forward.

3 How do you see ED-- what is EDC's role in preparing  
4 our constituents that are currently one, either  
5 unemployed, or under-skilled for the jobs that you're  
6 planning to build in the future?

7 COMMISSIONER BISHOP: So, if you don't  
8 mind if I jump into that. I think we work very  
9 closely with EDC in terms of identifying the sectors  
10 that are growing, and we have switched. Since the  
11 Mayor came into office he announced the Career  
12 Pathways Program which identified the sectors that  
13 are growing, and as President Patchett indicated,  
14 some of those sectors like technology, healthcare,  
15 food and beverage, construction are all sectors that  
16 are fast-growing in the City and have not only, you  
17 know, quality jobs, but jobs that we think we can  
18 actually connect some of the constituents you were  
19 talking about, some of those constituents who are out  
20 of school, out of work, youth and certainly  
21 underemployed individuals. So, through our industry  
22 partnerships we work with the sector. We identify  
23 their forecast in terms of the type of skillsets that  
24 they're looking for, and that information is then  
25 shared not only to influence our training programs,

2 but also the sectors that we work with. So we have a  
3 lot of partners that also provide workforce training  
4 programs that we share that information with. They  
5 have agreed to change their curriculum. We also work  
6 with academic institutions. A perfect example is  
7 that, you know, the tech sector has sat down with  
8 academic, the academic institutions, and indicated  
9 that curriculum needs to change and that was through  
10 our initiative through tech, tile and pipeline. So  
11 we have a number of ways, and of course, using our  
12 infrastructure, the Workforce One system, we are  
13 embedded in those communities that have, you know,  
14 either a high concentration of out of school/out of  
15 work youth or have a high concentration of  
16 underemployed immigrants. For example, to really  
17 connect them into, you know, quality jobs that we are  
18 focused on.

19 CHAIRPERSON FERRERAS-COPELAND: Okay.  
20 We're going to follow up as a committee because we'd  
21 like to see the numbers on, you know, how you're  
22 measuring this, because--

23 COMMISSIONER BISHOP: [interposing]  
24 Absolutely.

25

2 CHAIRPERSON FERRERAS-COPELAND: often  
3 times, and I've been through two Administrations now.  
4 We've proposed great programming, but at the end of  
5 the day is who was able to get the training, get a  
6 job and still has the job, right? So those are like  
7 the three stages. We don't want people to be trained  
8 for a job that they can't get at the end of the day  
9 or that they can't keep.

10 COMMISSIONER BISHOP: And that's our  
11 goal.

12 CHAIRPERSON FERRERAS-COPELAND: Right.  
13 Wanted to talk about SBS and the administrative fees  
14 to oversee the Council's initiative. No other agency  
15 does this. We always feel that our Council  
16 initiatives are to enhance or to support, and in some  
17 cases, unfortunately, to fund core programming, and  
18 the reality is that you are the only ones that charge  
19 us an administrative fee at 840,000 dollars.

20 COMMISSIONER BISHOP: So, thank-- so,  
21 thank you for that question.

22 CHAIRPERSON FERRERAS-COPELAND: Oh, you're  
23 welcome.

24 COMMISSIONER BISHOP: And I--

25 [laughter]

2 COMMISSIONER BISHOP: You know, I think  
3 the fact that we are a small agency reflects the need  
4 for additional support from Council. We have a  
5 number of-- the reason why I was leaning over, we  
6 have a number of contracts that we have to administer  
7 through Council across all divisions, and I think we  
8 were one of the smallest. It's over 100  
9 discretionary contracts, and this funding actually  
10 helps us with capacity. I think without this funding  
11 we would not be able to do an effective job, and  
12 certainly I appreciate you working with us to help us  
13 not only manage those contracts efficiently but also  
14 deliver the work that you expect out of the  
15 organizations that you're funding. Frankly, without  
16 this funding I don't think we'll be able to do that.

17 CHAIRPERSON FERRERAS-COPELAND: Yeah, I  
18 mean, like I said, the funding is for a lot of  
19 initiatives that help support the outreach that you--  
20 you know, it helps you be a better agency essentially  
21 at 14.6 million dollars. But we will be pushing,  
22 because we just believe that the administrative cost  
23 that we give you to fund core programming should be  
24 covered and should be baselined. So that's something  
25 that we find very important because essentially we

2 could be giving you an additional support as opposed  
3 to just covering the administrative costs. So, I  
4 think we kind of agree. We're just trying to push  
5 OMB to be able to baseline this administrative costs.

6 COMMISSIONER BISHOP: I think the  
7 challenge is on the baseline. Every given year that  
8 number fluctuates. So I'm happy to discuss with you,  
9 you know, a strategy moving forward.

10 CHAIRPERSON FERRERAS-COPELAND: Okay, very  
11 good. EDC and the Department of Design and  
12 Construction, this is something that's been very  
13 important to us, in particular in this fiscal year as  
14 we talk about capital, the cost of building things in  
15 our city, but more challenging that the cost is often  
16 ballooned by the lag or the time that it takes with  
17 DDC to complete projects. So, you know, building a  
18 library, they give you a quote at four million.  
19 Thirteen years later the library is 16 million  
20 dollars, and that's, you know, I'm giving you an  
21 example in my district. And I think everyone can  
22 speak to something similar or even more egregious.  
23 So can you give me some background on how their role,  
24 projects they manage differs from EDC? Because there  
25 are those that would believe that you just do it more

2 efficiently. And I don't want to put one agency  
3 against another. You're not an agency, but I don't  
4 want to pin you against each other, but clearly, as  
5 we're studying how to make this agency more  
6 efficient, there are things or mechanisms that you  
7 have that you're able to move projects a lot quicker  
8 than the-- than DDC. So, can you tell me what the  
9 differing points are?

10 JAMES PATCHETT: Absolutely. Thank you.  
11 No, thank you for the praise. Efficient and quick is  
12 something we pride ourselves on. So, thank you.

13 CHAIRPERSON FERRERAS-COPELAND: We  
14 probably won't say that after this question.

15 JAMES PATCHETT: No? Okay, alright.  
16 Okay. So, I think very quickly the-- you know, I  
17 don't want to cast any dispersions on DDC because  
18 they obvi-- I think one major distinction between DDC  
19 and EDC is EDC has a very focused capital  
20 construction effort, specifically on economic  
21 development projects. And I think the obvious reason  
22 for them being economically developed, economic  
23 development projects, is because that's what's  
24 provided for under our bylaws in the City Charter  
25 when we were initially created because DDC really is

2 intended to be the capital construction agency for  
3 the City. And as a result, I think frankly part of  
4 it is just that we have a smaller capital  
5 construction portfolio. DDC is building sewers and  
6 roads across the entire city. Whereas we have this  
7 focused portfolio only on economic development. And  
8 a second thing that I would say is there are some  
9 structural reasons that benefit EDC in terms of our  
10 part not being an actually city agencies that allow  
11 us to move more quickly in terms of procurement that  
12 DDC does not benefit from, and you know, we'd be  
13 happy to discuss those with you in more detail, you  
14 know, as a follow-up.

15 CHAIRPERSON FERRERAS-COPELAND: Okay. I  
16 mean, I guess someone can say we're building economic  
17 development and we're building a community which is  
18 essentially a lot of what you do when you think about  
19 future and visioning that building a library or, you  
20 know, enhancing a hospital, a library, a school--  
21 well, School Construction Authority is separate, but  
22 that that could potentially be considered economic  
23 development. So, what would keep-- if-- what would  
24 keep you from being able to do a construction of a  
25 library, let's say?

2 JAMES PATCHETT: Well, we're not  
3 precluded from doing construction of a library. I  
4 just think-- I think my broader point is just that I  
5 think one of our greatest advantages that we have is  
6 much significantly smaller capital portfolio. Just  
7 to be honest, it's much easier to do a focused  
8 limited set of things than it is to provide capital  
9 construction--

10 CHAIRPERSON FERRERAS-COPELAND:

11 [interposing] Right.

12 JAMES PATCHETT: for the entire city.  
13 So, I'm not saying there's anything, you know, any  
14 given library if there's an economic development  
15 nexus it is conceivable that EDC could participate  
16 and we'd be happy to talk about that with you.

17 CHAIRPERSON FERRERAS-COPELAND: I just  
18 feel like you're going to get a lot of libraries with  
19 economic nexuses.

20 JAMES PATCHETT: I-- no, I see that.

21 CHAIRPERSON FERRERAS-COPELAND: And we  
22 just state that because--

23 JAMES PATCHETT: [interposing] Yeah, but I  
24 think--

25

2 CHAIRPERSON FERRERAS-COPELAND: of the  
3 timeline issue for members.

4 JAMES PATCHETT: No, I understand. I  
5 think again my point is just to the-- is your run the  
6 significant risk of deluding the benefits that you  
7 see for the specific projects to the extent that our  
8 portfolio expands. As it is, our capital budget has  
9 already increased significantly, and I think we're  
10 concerned to the extent it continues to increase  
11 meaningfully that it could put real-- we could really  
12 hamper our ability to continue to provide the kind of  
13 efficient and quick construction progress that you  
14 had noted earlier.

15 CHAIRPERSON FERRERAS-COPELAND: Okay.  
16 Well, we'll continue the conversation and seeing  
17 potential opportunities, because on the other side,  
18 because the-- you know, you do smaller projects and  
19 less of them or different types of projects, right?

20 JAMES PATCHETT: Yes.

21 CHAIRPERSON FERRERAS-COPELAND: EDC has  
22 these huge projects, so then the Council funded  
23 projects are tiny to them.

24 JAMES PATCHETT: Yeah.  
25

2 CHAIRPERSON FERRERAS-COPELAND: And they  
3 end up getting-- or what we're trying to figure out.  
4 They almost get lost between the sewer mains and the  
5 street, you know, repaving and so on and so forth,  
6 but we'll follow up. You talked about the sidewalk  
7 in cluck [sic]-- sorry-- and cleaning trucks.

8 JAMES PATCHETT: Clean like [sic].

9 CHAIRPERSON FERRERAS-COPELAND: Executive  
10 Capital Commitment Plan includes 1.8 million for 14  
11 new sidewalk cleaning trucks. Why is EDC in charge  
12 of this program rather than Sanitation, right?  
13 Because we would think if you're cleaning the City of  
14 New York, why wouldn't sanitation be responsible for  
15 that?

16 JAMES PATCHETT: Sure. There's two  
17 reasons for that. The first is that EDC has for years  
18 managed the Graffiti Free NYC program which is about--  
19 - a similar concept about cleaning areas of the City.  
20 So, this was very natural for us to do. It was a  
21 good fit with that program. We had existing  
22 infrastructure, and frankly, it's an extension of the  
23 same team that does that work. So there was a lot of  
24 reason for it. And the second is that it is  
25 specifically focused on cleaning commercial

2 corridors, and specifically business improvement  
3 districts which are an area of commercial growth and  
4 economic development which is why it makes sense for  
5 EDC to do.

6 CHAIRPERSON FERRERAS-COPELAND: So, but  
7 in the-- are these commercial corridors-- sanitation  
8 picks up garbage in these commercial corridors or are  
9 they all bids where they have private--

10 JAMES PATCHETT: [interposing] They are  
11 all bids.

12 CHAIRPERSON FERRERAS-COPELAND: They are  
13 all bids, okay.

14 COMMISSIONER BISHOP: But I also want to  
15 jump in, that bids provide supplemental sanitation  
16 service. Sanitation--

17 CHAIRPERSON FERRERAS-COPELAND:  
18 [interposing] Right, well that's what I was trying to  
19 see if it would--

20 COMMISSIONER BISHOP: [interposing]  
21 Sanitation still picks up a bid.

22 CHAIRPERSON FERRERAS-COPELAND: Okay.

23 COMMISSIONER BISHOP: So, I just want to  
24 make sure I clarify that.

2 CHAIRPERSON FERRERAS-COPELAND: Okay.

3 Oh. And I'm going to ask one last question before we  
4 come back in a second round. The Trump  
5 Administration released its Preliminary 2018 budget  
6 proposals in March. Among various things, the  
7 Administration is proposing a complete elimination of  
8 the community development block grants. In the  
9 current Fiscal 2017's budget, 86 million or 25  
10 percent of SBS total funding comes from CDBG funding.  
11 Of that amount, only 9.5 million or 11 percent goes  
12 to fund SBS program. The remaining 89 percent goes  
13 to EDC. If the program is eliminated, how would the  
14 impact-- how would this impact both the agency and  
15 EDC in terms of programming and headcount, and what  
16 is your agency or Administration as a whole doing to  
17 prepare for these potential cuts.

18 COMMISSIONER BISHOP: So, our exposure to  
19 CDBG is actually pretty limited in terms of it funds  
20 our Avenue NYC program which I talked about in our  
21 testimony. That program provides grants to local  
22 organizations to provide opportunities to revitalize  
23 a commercial corridor. Certainly we are monitoring  
24 the progress of the budget, the federal budget. We  
25 have-- you know, we just recently awarded a million

2 dollars to organizations. We want to highlight the  
3 work that this funding actually has accomplished  
4 over, you know, the past decades that we've been  
5 awarding organizations. And certainly, you know, the  
6 Mayor and our budget dean has said that the City will  
7 not sort of allow cuts to happen without a fight. So  
8 we are monitoring, but certainly we have not made any  
9 sort of drastic changes until we actually see a  
10 budget from the Federal Government.

11 CHAIRPERSON FERRERAS-COPELAND: So, have  
12 you planned-- and I'm going-- I'd like for you to  
13 answer, but have either one of you planned for--  
14 begun to do contingency planning in the event? Have  
15 you been asked to do that?

16 COMMISSIONER BISHOP: So, I think it's  
17 too early for us. you know, certainly as you can--  
18 as you saw with the recent budget that was passed,  
19 the budget continuation, a lot of the programs that  
20 the President said would be cut wasn't, and actually  
21 some was actually funded more. So, again, it is a  
22 lot of talk that's happening right now, and we are  
23 just progressing with implementing our programs, and  
24 I think when we actually see a budget that will come-

2 - a final budget, we will start making plans at that  
3 point.

4 JAMES PATCHETT: So from EDC's  
5 perspective, we-- almost exclusively the CDBG funding  
6 we receive is disaster recovery funding which is not  
7 as I understand have been proposed to be cut as part  
8 of the Trump Administration's budget. So, it's-- as  
9 far as that concern that you articulated, fortunately  
10 EDC is not at risk right now. That being said, as a  
11 city, and I know the Council shares these concerns,  
12 we are extremely concerned about the proposals across  
13 the City. I mean, as far as economic development is  
14 concerned, the two things I would highlight are CDBG  
15 and other funds for affordable housing. Without  
16 affordable housing funding in our city the ability to  
17 continue to have a diverse workforce and people  
18 continue to live in the city is really at risk, and  
19 we're very concerned about that. And secondly, I'm  
20 extremely concerned about the terrorism funding that  
21 the Trump Administration proposed to cut, over 100  
22 million dollars from the City's NYPD for bomb-  
23 sniffing dogs, anti-biological terror attacks. It's  
24 stunning to me that an Administration who says that

2 they care about business and security would even  
3 suggest cutting programs like that.

4 CHAIRPERSON FERRERAS-COPELAND: Thank  
5 you. We will now hear-- We hear from Chair  
6 Garodnick followed by Chair Cornegy. We've been  
7 joined by Council Members Menchaca, Gentile, Eugene,  
8 and Rodriguez, and then we will hear after the Chairs  
9 for Minority Leader Matteo followed by Richards.

10 CHAIRPERSON GARODNICK: Thank you very  
11 much, Madam Chair.

12 CHAIRPERSON FERRERAS-COPELAND: Oh, and  
13 Council Member Perkins.

14 CHAIRPERSON GARODNICK: I'm going to  
15 focus my questions to EDC for the moment, and I know  
16 that colleagues have questions for everybody, but I  
17 wanted to start on the various funds, these  
18 significant funds, industrial fund at 320 million  
19 dollars, neighborhood fund at 400 million dollars,  
20 and housing funds at 442 million dollars through  
21 Fiscal Year 2021, much of which appears to be  
22 dedicated for neighborhood revitalization. I wanted  
23 to see if you could give us a little more clarity as  
24 to the point of these funds and what they have to-  
25 date been used for and to the extent that you have

2 known projects that you intend to allocate these  
3 monies toward what they are.

4 JAMES PATCHETT: Sure. So, I'll start  
5 with the Neighborhood Development Fund. So the  
6 Neighborhood Development Fund is approximately 700  
7 million dollar fund, and this was a-- out over the  
8 next 10 years, and the real goal of this was at the  
9 outset of the Administration I think the Council had  
10 been concerned about and the Administration shared  
11 the Council's concern that there had been a series of  
12 commitments made in the previous Administration  
13 attached to rezonings, but there had been no capital  
14 commitment associated with those. So, for example,  
15 the Bushwick Inwood Park commitment that was made as  
16 a part of the Greenpoint Williamsburg transa--  
17 rezoning in the 2000's, never came to fruition, and  
18 it was a result of the fact that there was not an  
19 adequate capital allocation associated with it. And  
20 so looking-- which this Administration later came  
21 through on because we thought it was important to  
22 keep our commitment to the communities even if it was  
23 made by a previous Administration. So, taking that  
24 into account, we decided to establish the  
25 Neighborhood Development Fund associated with our

2 efforts to rezone across the City, and the way that  
3 it functions is that as we go through each rezoning,  
4 we work closely with the Council to develop community  
5 priorities and identify specific funds that can be  
6 used as a part of that. In the case of the East New  
7 York rezoning, which was the first rezoning to pass,  
8 there was approximately 70 million dollars allocated  
9 out of the 700 million for specific projects that  
10 were worked through with the local Council Member.  
11 In addition to that, we continue to work through a  
12 series of additional rezonings including Inwood MIC  
13 which I alluded to earlier, Downtown Far Rockaway  
14 which I'm sure Council Member Richards will ask about  
15 later, as well as in Bay Street Staten Island. All  
16 three of those are, you know, moving forward at this  
17 time and anticipate to see the Neighborhood  
18 Development Fund supporting those as well. As it  
19 relates to the Industrial Development Fund, that  
20 includes about 41 million dollars in city capital,  
21 and I'm pleased to report that we have announced the  
22 first project, the Greenpoint Manu-- sorry-- GMDC  
23 project, Greenpoint Manufacturing Design Center?

24 UNIDENTIFIED: Design Center.

2 JAMES PATCHETT: Design Center. GMDC is  
3 how I know it, I'm sorry. So we announced it as a  
4 first project. That is a 41 million dollar project,  
5 and it includes approximately 24 million dollars of  
6 total funding from EDC, and the Industrial  
7 Development Fund was really critical in closing the  
8 gap on this project. and finally, the Housing  
9 Infrastructure Fund which includes approximately 500  
10 million dollars, this was the part of the City's  
11 efforts around the housing plan and was focused on  
12 unlocking sites that are primarily private-- public  
13 sites that otherwise would not be available to be  
14 used for housing construction. So, in particular  
15 right now, we have focused on the Seaview [sic]  
16 project in Staten Island which is a large project  
17 that is intended to be mixed-wellness community and  
18 include housing as a part of it. There are  
19 significant infrastructure needs that were a part of  
20 that. And then more sp-- it has literally no  
21 infrastructure at this time, and so we need to make  
22 the infrastructure available in order to provide that  
23 site for housing and other things that that campus is  
24 going to provide to the community.

2 CHAIRPERSON GARODNICK: Thank you.

3 There's a rezoning that is coming down the pike in  
4 ULURP now in East Midtown for which there's been some  
5 concern raised about lack of specific investment for  
6 public realm improvements. So you have a rezoning  
7 plan with a need for public improvements. Would we  
8 be looking at presumably the Neighborhood Development  
9 Fund as opposed to either of the other funds for  
10 support for that rezoning?

11 JAMES PATCHETT: So, it's an interesting  
12 question. The Neighborhood Development Fund was  
13 specifically targeted towards housing rezonings, not  
14 commercial rezonings. You know, as-- I'm not-- easy  
15 [sic] is not especially involved at this moment in  
16 the day-to-day on the East Midtown Rezoning, but I  
17 will say it obviously important to us from a  
18 commercial perspective. We think it's a fantastic  
19 effort, and your leadership there has been extremely  
20 important. Obviously, the City recognizes the need  
21 for infrastructure investment as a part of that  
22 rezoning. In particular, you know, that's obviously  
23 why I know you worked with the community and so  
24 closely with the City to advocate for an adequate  
25 level of pricing associated with the sale of air

2 rights as part of the district. More broadly, I now  
3 that the City would be happy to discuss, you know,  
4 the ways to ensure that that project-- that that is  
5 adequately funded in order to ensure that  
6 infrastructure projects are provided to the  
7 community.

8 CHAIRPERSON GARODNICK: Thank you. Let's  
9 talk about the jobs plan for a second. At our last  
10 hearing we spent some time talking about the  
11 announcement of 100,000 jobs over 10 years. You  
12 know, we went and identified some what we thought was  
13 23,000 or so of the jobs that had been heretofore  
14 identified. We got a letter from EDC today which  
15 said that you're working on a plan that will dive  
16 deeper into the industries that you intend to focus  
17 on. In your testimony today you said that your team  
18 is hard at work on a detailed plan. So, the question  
19 here is when should we expect to see the more  
20 detailed plan that will fill out the rest of this  
21 proposal?

22 JAMES PATCHETT: We expect to have the  
23 plan very shortly.

2 CHAIRPERSON GARODNICK: So, can you put  
3 a-- can you put up a little finer point on that? Is  
4 very shortly two months, or is it six months?

5 JAMES PATCHETT: I think it's definitely  
6 less than six months, hopefully significantly sooner.  
7 I do expect to have it very shortly.

8 CHAIRPERSON GARODNICK: Okay. Are you  
9 targeting less than three months for this plan to be  
10 finished?

11 JAMES PATCHETT: I would be very happy to  
12 have it come out in less than three months for sure.  
13 Certainly, I would love to see it come by the end of  
14 the summer, hopefully sooner.

15 CHAIRPERSON GARODNICK: The absence of  
16 detail on the plan has raised the question about the  
17 number itself as to whether you know as a concept,  
18 obviously, 100,000 is a nice round number to target.  
19 It could have been 150,000 or 200,000 or 50,000. How  
20 should we feel comfortable that this is the right  
21 aspirational number for you to be moving toward?

22 JAMES PATCHETT: Right. Well, I mean, I  
23 think-- I think you're right to ask for the plan. I  
24 think when you see it it'll be-- you'll be able to  
25 better judge that. Broadly speaking, the 100,000

2 jobs target, this is focused on specific ways that  
3 the City is actually encouraging job growth as  
4 opposed to more broadly in the economy. As I  
5 mentioned, you know, we created-- the economy created  
6 almost 300,000 jobs over the last three years. So,  
7 but we're not talking about that. We're talking  
8 about narrow ways in which the City is investing  
9 specifically around the two issues I outlined in my  
10 response to Council Member Ferreras-Copeland's  
11 question which is how can we make sure that more New  
12 Yorkers are connected to these jobs especially  
13 dealing with the inequality crisis, and more broadly,  
14 how can we ensure that we're thinking about the  
15 future? So with those two in mind, we looked at the  
16 pipeline of jobs that we already knew we had coming  
17 and just thought it was a realistic stretch goal for  
18 the City to achieve across the 10 years, targeting  
19 those two goals.

20 CHAIRPERSON GARODNICK: Is the plan that  
21 you put out, is it going to total 100,000, or is it--

22 JAMES PATCHETT: [interposing] Yes.

23 CHAIRPERSON GARODNICK: I mean, when you  
24 come out it's going to say-- it's going to actually  
25 hit with that's the number. You're going to-- it's

2 going to say we have the following initiatives that  
3 the City will take, and with this initiative we're  
4 going to create 7,200 jobs, with this initiative  
5 we're going to create 15,700 jobs. What should we  
6 expect? I hear your point that you're working as  
7 quickly as possible and that you're looking to do it  
8 sometimes in the next several months, although we  
9 won't hold you to a precise date here, but what is it  
10 going to look like?

11 JAMES PATCHETT: And I think what-- we're  
12 not-- we're not going to identify every sub-  
13 initiative of like 17 jobs here and 14 jobs there,  
14 because it's over the next 10 years, and I think as I  
15 alluded to earlier, we need to be aware of the fact  
16 that the plan will change and the economy will change  
17 over time. But we are going to go sector by sector  
18 and talk about specific job targets and a series of  
19 specific initiatives that we can announce right away  
20 that will make up a significant portion of those  
21 jobs.

22 CHAIRPERSON GARODNICK: Okay. We'll look  
23 forward to seeing that. Let me move on to the  
24 Garment Center. We talked last time about the future  
25 of the garment industry in New York City. Since that

2 time, EDC has announced a 51.3 million dollar package  
3 to support the sector. Can you give us a little more  
4 sense of how that money is going to be spent?

5 JAMES PATCHETT: Absolutely. So, the 51  
6 million dollars specifically includes a relocation--  
7 funds for relocation, funds for training, funds for  
8 new investments in technology, and it is a joint  
9 effort between the City and the local business  
10 improvement district. Broadly speaking, obviously,  
11 we are concern-- we are focused on two things. One  
12 is rethinking the way that the garment has been  
13 experienced in Manhattan in spite of the zoning  
14 restrictions there. We have lost almost 60 percent  
15 employment over the last 10 to 15 years in garment  
16 manufacturing, and the City considers that  
17 unacceptable, and at the same time we are investing  
18 in Sunset Park to ensure that we have a place where  
19 we know we can guarantee long-term affordable rents  
20 because those will be in city-owned assets, the only  
21 place where we can guarantee that there will be a  
22 long-term affordable lease.

23 CHAIRPERSON GARODNICK: Of the 51 million  
24 dollars, how much of that goes toward relocation?

2 JAMES PATCHETT: It's not-- it hasn't  
3 been specifically laid out, right? We're working  
4 with the, you know, the local community to determine  
5 how to best allocate it. And that-- you know, we're  
6 having a conversation with them. We understand there  
7 have been some concerns about the speed of the  
8 process, so we want to make sure we're working  
9 closely with the local community to ensure that we  
10 have a thoughtful plan that addresses the needs of  
11 Manhattan as well as Brooklyn.

12 CHAIRPERSON GARODNICK: Well, I think  
13 that's right. I mean, I think one of the issues has  
14 been the fact that the initial effort it appeared was  
15 to change the rules in the garment sector center even  
16 before the Made in New York Campus was complete and  
17 not necessarily ready to receive the garment  
18 businesses. Is it your hope and expectation now that  
19 the Made in New York Campus would be open before the  
20 rezoning actually takes place?

21 JAMES PATCHETT: I wouldn't say that. I  
22 mean, I think the short answer is we can't afford to  
23 wait to find a solution for the Garment Center,  
24 because as I said, every day that goes by we're  
25 losing more garment manufacturing jobs in the Garment

1 Center. So we want to work quickly to find a  
2  
3 solution, and I would also add, you know, the Made in  
4 New York Campus will not be available for a few  
5 years, but EDC is delivering half a million square  
6 feet of available space at the Brooklyn Army  
7 Terminal, which is absolutely targeted to  
8 manufacturing uses this fall. So we do-- we'll have  
9 half a million square feet of space available this  
10 fall, and there are millions of square feet available  
11 otherwise in Sunset Park today. So, I don't think  
12 the Made in New York Campus is an essential precursor  
13 to efforts in the Garment Center, but obviously it's  
14 an important piece of a broader plan.

15 CHAIRPERSON GARODNICK: So, is the  
16 thought to move businesses on an interim basis to BAT  
17 in that 500,000 square feet, or is it that you view  
18 Sunset Park as a whole as the development of a brand  
19 new potential ecosystem over there?

20 JAMES PATCHETT: Sure. So, I guess I'd  
21 say first of all, the-- our goal is not to just "move  
22 the Garment Center from Manhattan to Sunset Park." I  
23 would say our goals are two-fold, to look hard at  
24 Manhattan with the community and the memb-- the  
25 ecosystem there to determine what are the tools that

2 we can use in the Garment Center to ensure that it  
3 works, because it's clearly not working today, and  
4 separately acknowledging that the best tools we have  
5 are in city-owned assets that therefore to also  
6 invest in Sunset Park simultaneously. That we  
7 wouldn't-- if we moved folks to the Brooklyn Army  
8 Terminal, they would be for long-term leases and for  
9 affordable rents. It's not as though we intend the  
10 Made in New York Campus to be the only answer in  
11 Sunset Park. And the other thing I would say is that  
12 Sunset Park is already naturally the second largest  
13 occurring garment manufacturing area in the City. So  
14 really, this is just building on the investments  
15 there with our own assets to ensure that it can  
16 continue to grow and also be sustainable in the long  
17 run.

18 CHAIRPERSON GARODNICK: Did EDC consider  
19 any possibility of both upgrading the zoning rules in  
20 the Garment District today while also taking steps to  
21 allow manufacturers who are there already in  
22 Manhattan to either buy or lease their own space and  
23 stay put?

24 JAMES PATCHETT: Yeah, those are some of  
25 the ideas that we're talking with the community about

2 right now, and we're, you know, obviously we're very  
3 concerned about what we're hearing from them, and we  
4 just want to make sure that we have the best tools  
5 available, but also to be realistic about the effect  
6 the zoning regulations have had which are quite  
7 limited.

8 CHAIRPERSON GARODNICK: I think there's no  
9 question about that from any source.

10 JAMES PATCHETT: Yeah.

11 CHAIRPERSON GARODNICK: So, is it fair to  
12 say that you're going to slow this down a little bit  
13 and, you know, develop a plan for a little more  
14 community input before moving forward?

15 JAMES PATCHETT: I wouldn't say that we're  
16 going to slow it down, but we are going to  
17 acknowledge-- we're acknowledging the community's  
18 concerns and want to make sure we have a fulsome  
19 conversation with them before we certify into ULURP.

20 CHAIRPERSON GARODNICK: Well, I look  
21 forward to a--

22 JAMES PATCHETT: [interposing] Yep.

23 CHAIRPERSON GARODNICK: useful helping  
24 participating--

25 JAMES PATCHETT: [interposing] Thank you.

2 CHAIRPERSON GARODNICK: if appropriate.

3 Citywide Ferry Service, and then I'm going to-- I  
4 have more but I want to be-- consider my colleagues  
5 here, but on Citywide Ferry Service, congratulations  
6 on the roll-out. There is a 30 million dollar  
7 commitment the city has made per year over six years.

8 JAMES PATCHETT: Yeah.

9 CHAIRPERSON GARODNICK: Jut lay this out  
10 for us in terms of the cost per year versus what our  
11 commitment is per year and how you expect that to  
12 proceed over six years and whether in year seven we  
13 will be making continued subsidizing commitments and  
14 at what level. So, just if you could take a minute  
15 and break that out for us to the extent that you have  
16 that.

17 JAMES PATCHETT: Sure. I'll do my best.  
18 Let me know if I do a good enough job. So, yeah, our  
19 expectation based on our contract with Hornblower is  
20 that we will provide approximately 30 million dollars  
21 a year to subsidize the service, and based on our  
22 annual ridership estimate of four and a half million  
23 passengers, that breaks down to about six dollars and  
24 60 cents per ride. That is less than the cost of an  
25 express bus or commuter rail, but more than the cost

2 of subsidizing the subway system. So we think that,  
3 you know, that's just the reality of the amount that  
4 it costs these days to subsidize new public transit,  
5 and we think it's a great investment, and we think  
6 it'll be realized, and that will be demonstrated. As  
7 I mentioned, we've had 49,000 riders in the first  
8 week, which is well in excess of what we projected.  
9 On the Rockaway route alone we were projecting 1,500  
10 passengers per week, and we had almost 2,000 on the  
11 first day. So, obviously it's been successful. So,  
12 but I think it's obviously, at that being said, too  
13 early to tell where ridership will shake out overall.  
14 Our \$6.60 is based on the four and a half million  
15 dollars-- our four and a half million passengers per  
16 year.

17 CHAIRPERSON GARODNICK: So, does the  
18 City-- I'm sorry. The City's total commitment per  
19 year here is 30 million dollars. If we ended up at  
20 a higher level of the number of passengers, so  
21 instead of four and a half million we end up at five  
22 million. The subsidy-- the six dollars and 60 cents  
23 is then paid--

2 JAMES PATCHETT: [interposing] Well,  
3 there's then more riders. So the subsidy for ride is  
4 lower.

5 CHAIRPERSON GARODNICK: The subsidy per  
6 ride is lower.

7 JAMES PATCHETT: Lower because you have  
8 more riders. Numerator/denominator.

9 CHAIRPERSON GARODNICK: Okay. And the  
10 goal here after six, after six years.

11 JAMES PATCHETT: Yeah, the goal here  
12 after six years, I mean, you know, the Mayor has said  
13 that he intends this service to be permanent.  
14 Obviously, you know, the Mayor won't be in office six  
15 years from now unless there's a third term, but you  
16 know, it's our intent to make sure this service is  
17 successful so that it's something that the City  
18 continues to fund. But I think if the ridership is  
19 obviously extremely high, we would be, you know,-- it  
20 would bring down the cost per ride significantly, and  
21 that's what we're going to wait to see. It's  
22 obviously too early to tell.

23 CHAIRPERSON GARODNICK: But what is the  
24 goal and expectation? Is the expectation that in  
25

2 seven years the city will continue to be spending 30  
3 million dollars a year? What is the--

4 JAMES PATCHETT: [interposing] I think--  
5 well, I mean, the-- I think it's our hope that it  
6 would be, I mean, on an inflation adjusted basis  
7 lower than that, because I think we hope that  
8 ridership will be higher, and then over time we'll  
9 build ridership. Certainly from what we've seen  
10 today-- what we've seen so far, again, I don't want  
11 to overstate because we're so early, but if ridership  
12 continues along the trends that we're currently on,  
13 it's reasonable to assume that it could be lower.  
14 The other thing I would say is just the fact that the  
15 service will have been up and running will likely  
16 make the cost continue to operate lower because we'll  
17 have more certainty around it. And so when our  
18 initial round of bidding, we were partially bidding  
19 into a system that was uncertain. No one knew what  
20 it would be like to operate this service. So we  
21 should have less risk, more certainty, and therefore  
22 it should cost less going forward.

23 CHAIRPERSON GARODNICK: Okay. Last  
24 question relates to the BQX. Since our last hearing  
25 there was a memo that surfaced in the press

2 describing some of the challenges of the BQX project,  
3 specific concern included uncertainty over budget and  
4 timelines of the project and the potential that the  
5 value capture model that had been conceived might not  
6 provide sufficient revenue. The memo described three  
7 approaches to the project depending on timing and  
8 implementation. There was one approach. That was  
9 the "go fast" approach, which would have-- was  
10 described as requiring city funds in Fiscal Year 2018  
11 of 30 to 35 million dollars, but there's no funding  
12 in this budget for the BQX at this point. So, can we  
13 assume that you have decided against the "go fast"  
14 approach on the BQX, or are you planning on adding  
15 funds here somewhere in this process before adoption?

16 JAMES PATCHETT: So, I mean, I think the  
17 memo that I saw was a draft, and so it wasn't  
18 complete. I think that was an over-simplification of  
19 the way that the analysis was being completed. I  
20 don't-- I mean, I wouldn't say that that framework is  
21 one that necessarily stood up. I think that the--  
22 where we are right now is that we recognize that we  
23 really need a better sense of the cost and a better  
24 sense of the potential value capture before we, you  
25 know, begin spending significant monies on design.

2 That was always the intent, and the work we're doing  
3 right now is to ensure that we know what the route  
4 is, and we also have a good sense of what is in the  
5 ground, because one of the greatest uncertainties  
6 associated with the cost is the level of the  
7 utilities under the ground, and so that has impacted-  
8 - impacts the route, because if you go over sections  
9 of street that have substantial utilities that might  
10 need to be relocated, then that could be extremely  
11 expensive. However if you route it in different  
12 places you can avoid those costs to a large extent.  
13 So we literally right now we have as we are going  
14 around the City evaluating every potential route  
15 location and doing LIDR [sic] test of what is  
16 actually under the test, because although we have  
17 maps of utilities, they're often quite outdated, and  
18 we just need to make sure we know what is under the  
19 streets before we have a better sense of the cost.

20 CHAIRPERSON GARODNICK: So, the memo,  
21 while perhaps in draft form or not, I don't know, it  
22 had noted that there was going to be a report maybe  
23 to answer some of the questions that you're  
24 describing now. That was going to be completed by  
25

2 the end of March. Do you know where that report is  
3 or when we might expect to see it?

4 JAMES PATCHETT: Yeah, we will definitely  
5 have another report this year, for sure.

6 CHAIRPERSON GARODNICK: In the calendar  
7 year--

8 JAMES PATCHETT: [interposing] In Calendar  
9 Year 2017.

10 CHAIRPERSON GARODNICK: 2017?

11 JAMES PATCHETT: Yes.

12 CHAIRPERSON GARODNICK: But we are not  
13 allocating the 30 to 35 million dollars in this  
14 fiscal year 2018 budget for this project, is that  
15 accurate?

16 JAMES PATCHETT: That is accurate.

17 CHAIRPERSON GARODNICK: Okay. Thank you.  
18 We'll go to Chair Cornegy.

19 CHAIRPERSON CORNEGY: Thank you, Chair  
20 Garodnick. So, I am going to limit my questions so  
21 that my colleagues can get in before they have to go  
22 to other hearings, but what I'd like to ask primarily  
23 about is the MWBE Bond Surety and Loan Program which  
24 you referenced in your testimony. Well, my first  
25 question would be, I understand that the launch was

2 scheduled initially for the summer and you moved it  
3 up to spring. I'm sorry. It was scheduled for  
4 spring and you moved it to summer. What was the  
5 reason for the change?

6 COMMISSIONER BISHOP: So, there's two  
7 funds that we have, and I think that there may be a  
8 conflation between our contract financing which we  
9 did launch in March, and I believe you were there at  
10 the Brooklyn Historical Society where the First Lady  
11 and Deputy Mayor Richard Buery announced the  
12 applications were available. We did say that the  
13 bond fund was-- we had a RFP on the street at that  
14 time. We have selected a vendor, and we expect to  
15 have that program up and running early summer. So,  
16 and we have utilization with our contract financing  
17 fund already. So, we're pretty excited about that  
18 program.

19 CHAIRPERSON CORNEGY: So, my initial  
20 question actually was for you to-- before I heard  
21 that in your testimony, it was to get a quick update  
22 on the MWBE Bond Fund and MWBE loan programs,  
23 respectively, for which the Administration added a  
24 total of 20 million. So a lot of the advocates and  
25 people who work in the MWBE sphere were very excited

2 about, about that. If you can just give me an  
3 update.

4 COMMISSIONER BISHOP: Sure. We've had a  
5 terrific response as you could imagine. These  
6 programs were built based on the feedback that we had  
7 not only from the advocates but also from MWBE's in  
8 terms of the barriers that were impacting their  
9 ability to not only grow their capacity but compete  
10 on city contracts. Since launching in March we've  
11 actually awarded over half a million dollars, about  
12 687,000 dollars to MWBEs working on city contracts.  
13 This money, as you know, is at a three percent  
14 interest rate which the community recognized as one  
15 of the lowest in terms of financing products, and  
16 this funding helps them actually either mobilize on  
17 an early part of their contract, either with supplies  
18 or people, and certainly allows them if they are  
19 bidding, and we constantly and would love the help of  
20 Council to help build awareness of the program. If  
21 MWBEs are even thinking about bidding, this, the pre-  
22 approval for this fund will actually help them in  
23 terms of the responsibility determination. So we  
24 want to make sure that we work with as many  
25 individuals as possible, Council, etcetera to bring

2 awareness of this program. Our Bond Fund, we expect-  
3 - we have a seasoned operator for this program. The  
4 organization has a tremendous history in the bond  
5 field, and we expect to have, and we expect to have  
6 the same utilization in terms of once we have  
7 applications available, we'll see an uptick in terms  
8 of individuals actually applying for that because we  
9 know bonding is also another area where MWBEs have a  
10 barrier in terms of having the financial capability  
11 to actually get that bond.

12 CHAIRPERSON CORNEGY: Do you-- do you  
13 know to date how much of the Bond Fund, how much of  
14 the 10 million has been utilized?

15 COMMISSIONER BISHOP: So, the Bond Fund,  
16 the application will be opened. We're still-- so we  
17 just selected the company that's going to manage the  
18 program. The program is not open yet, so  
19 applications are not available until we're pushing  
20 for early summer, and once applications are opened  
21 then we'll, you know, we'll have to see what  
22 utilization. With contract financing we were  
23 actually pretty impressed with the fact that as soon  
24 as the applications were opened, we had individuals  
25

2 applying, and so far the utilization for the contract  
3 financing is 687,000 dollars.

4 CHAIRPERSON CORNEGY: Thank you. So, I'm  
5 going to save the remainder of my questions for--  
6 well before I do that, I'm sticking with that theme.  
7 You mentioned support from the Council in and around  
8 those programs. What type of outreach has been done  
9 to MWBEs to make them aware of both programs?

10 COMMISSIONER BISHOP: So, we continue--  
11 as you know, one of the things that I have said with  
12 the agency is that we had a lot of great services and  
13 a lot of businesses, especially MWBEs, may not have  
14 been aware of our services, and of course, thank you  
15 for your continued support with Chamber on the Go.  
16 That has been tremendously helpful, and it actually  
17 contributed to our ability to serve over 15,000  
18 businesses. So, we continue to do the outreach in  
19 terms of-- for this program, we have additional  
20 resources from the Mayor's Office of MWBE and the  
21 Mayor in terms of running an aggressive marketing  
22 campaign. Those campaigns we've showed you at the  
23 last hearing. We ran some in not only on digital,  
24 email and also subways, etcetera, and ethnic press.  
25 We plan to do another round again, and of course-- so

2 that is the traditional marketing, but we also are  
3 doing grassroots marketing. So we're working with  
4 all the advocates and leadership associations to  
5 ensure that they also let their MWBEs know. We are  
6 working with the agencies. So when MWBEs are  
7 submitting or are actually appear for a pre-bid  
8 meeting. Agencies are letting MWBEs know about this  
9 program. We're also working with private  
10 contractors, because if you are a subcontractor with  
11 a prime on a city contract, you're eligible for this  
12 program as well. So we're working with prime  
13 contractors. So we're hitting all bases in terms of  
14 trying to make sure that we do everything possible to  
15 get the word out. And certainly, if we could do  
16 anything more, I'm happy to work with you on that.

17 CHAIRPERSON CORNEGY: I would just like  
18 to probably go offline and speak to you about the use  
19 of ethnic media in outreach. The City has made a  
20 commitment to do that. We just want to make sure  
21 that all the agencies are utilizing the ethnic media,  
22 and especially obviously in this circumstance it  
23 would be probably essential.

24 COMMISSIONER BISHOP: We agree.

2 CHAIRPERSON CORNEGY: Essential pipeline  
3 [sic].

4 COMMISSIONER BISHOP: Yep.

5 CHAIRPERSON CORNEGY: Thank you.

6 CHAIRPERSON FERRERAS-COPELAND: Thank  
7 you, Chairs, and now we'll begin with our colleagues.  
8 We've been joined by Council Members Barron and  
9 Ulrich. Minority Leader Matteo followed by Council  
10 Member Richards followed by Council Member Wills.

11 COUNCIL MEMBER MATTEO: Thank you, Madam  
12 Chair. Commissioner Bishop, I want to thank you for  
13 your work and your staff's work on the creation of  
14 the Newdorp bid, and the one quick question I have  
15 for you, just my concern going forward with bids. I  
16 have another corridor that's we're going to be  
17 looking to create on Victory [sic] Boulevard [sic]--  
18 I know my colleague Joe Borelli in the Southshore has  
19 some. So, I just want to make sure that we're not  
20 concerned that diminished budget is going to reduce  
21 our ability to push forward the bid, and you know,  
22 your staff does a lot of ground work and going, so I  
23 know it's involved. I just want to make sure that as  
24 we move forward that the budget's not going to hurt  
25 our ability to create bids.

2 COMMISSIONER BISHOP: Yeah, and we are  
3 certainly looking at, you know, our staff capacity  
4 and assure you that we want to make sure that we  
5 continue delivering the services, and you know, thank  
6 you for, you know, working with you, and happy to  
7 continue working with you on other areas. You know,  
8 and thank you for your support of Business  
9 Improvement Districts.

10 COUNCIL MEMBER MATTEO: I appreciate that,  
11 because, you know, getting the community behind it is  
12 one thing, but it helps when we have the adequate SBS  
13 staff to go around to actually explain the bid and  
14 it's all the good things that come with it. So, it's  
15 important. I just wanted to make sure we were--

16 COMMISSIONER BISHOP: [interposing] Sure.

17 COUNCIL MEMBER MATTEO: [cross-talk]

18 COMMISSIONER BISHOP: And of course that  
19 process works best when we have a strong steering  
20 committee as well, because they obviously will become  
21 the engine that gets the process through.

22 COUNCIL MEMBER MATTEO: I agree. Thank  
23 you. President Patchett, I want to talk about the 14  
24 trucks that you mentioned in your testimony.

25 JAMES PATCHETT: Sure.

2 COUNCIL MEMBER MATTEO: How many trucks do  
3 you have now? Do you have any for the Clean NYC  
4 program?

5 JAMES PATCHETT: We don't have any  
6 specific trucks for the Clean NYC program.

7 COUNCIL MEMBER MATTEO: Okay, so these  
8 are--

9 JAMES PATCHETT: [interposing] We have  
10 trucks for-- we have graffiti trucks, but we don't  
11 have any trucks specific for the graffiti program.  
12 The system we've been using to-date has been  
13 primarily power washing, so going around with power  
14 washers and actually having people clean the  
15 commercial districts. We found that that was not as  
16 effective as we had wanted it to be.

17 COUNCIL MEMBER MATTEO: Right.

18 JAMES PATCHETT: It took sometimes quite a  
19 while to get a piece of gum off the street. So we  
20 actually are looking for new technology that will--  
21 the truck itself will clean the street as opposed to  
22 it being manual.

23 COUNCIL MEMBER MATTEO: So, you put out  
24 an RFP? That's--

25

2 JAMES PATCHETT: [interposing] We will be  
3 putting out an RFP with this budget allocation, yes.

4 COUNCIL MEMBER MATTEO: So, when do you--  
5 what's the procurement process? Will it be-- what,  
6 do you think you will have it within a year if it we  
7 get--

8 JAMES PATCHETT: [interposing] We will put  
9 out the procurement, absolutely, this summer.

10 COUNCIL MEMBER MATTEO: Okay. And how do  
11 you expect to use the 14 trucks throughout the City?  
12 You plan on putting some in each borough? Are they  
13 coming out of a central location? I mean, for us in  
14 Staten Island, a truck has to come from somewhere  
15 far. It takes away time and doesn't get to as many  
16 of the corridors as we need. So, I'd like to know  
17 if, you know, where you're going to-- where you're  
18 going to actually have the trucks, and will each  
19 borough have a certain amount?

20 JAMES PATCHETT: Right. I mean, I don't  
21 know that we're at that level of detail yet, but we  
22 should get together to talk about how we can make  
23 sure that your borough is being adequately served  
24 [sic].

2 COUNCIL MEMBER MATTEO: No, I appreciate  
3 that, because we-- our Clean Team that we use through  
4 the Council initiative has been very successful.

5 JAMES PATCHETT: Great.

6 COUNCIL MEMBER MATTEO: But getting a  
7 truck that could-- helps us through the graffiti and  
8 the cleaning would be extremely beneficial. I had  
9 some questions on the Citywide Ferry. I'm going to  
10 defer them to my colleague Council Member Borelli. I  
11 know he has some specific questions. I'm just going  
12 to say that the Citywide Ferry is not-- service is  
13 not citywide ferry service if it doesn't include  
14 Staten Island. I'm going to end it at that and let  
15 my colleague ask his specific questions when he's up.

16 CHAIRPERSON FERRERAS-COPELAND: Thank  
17 you, Minority Leader. Council Member Richards  
18 followed by Council Member Wills followed by Council  
19 Member Menchaca.

20 COUNCIL MEMBER RICHARDS: Thank you,  
21 Chairs, and greetings to both of you. So, I had a  
22 question on, I guess more directed to SBS, on  
23 training and jobs. So, can you speak to job  
24 retention? So, I know you mentioned a specific  
25 number of I think 25,000 people hired through the SBS

2 centers. Can you speak to what job retention looks  
3 like at these sites? And also on the question of  
4 training, so you've trained 4,000 people. I'm  
5 interested in knowing what are your plans to ensure  
6 that that training is reaching low-income New Yorkers  
7 more so than anything, and we always have this  
8 conversation on what training looks like, how do we  
9 bring training to local neighborhoods. So, has the  
10 strategy adjusted a little bit differently this year  
11 than in past years to bring that training directly  
12 into local communities that are in need of it the  
13 most?

14 COMMISSIONER BISHOP: Sure. So, let me  
15 take your last question first. And certainly, you  
16 know, for those, you know, the training is important  
17 to me because, you know, my background. I actually  
18 started off in technology without a college degree  
19 and actually developed a career there. So, I  
20 understand the importance of actually training  
21 individuals in careers that are in-demand and  
22 developing a skillset which is why the industry  
23 partnership is so important to us as a city, and  
24 certainly we have leverage. The relationship that  
25 we've had with the private sector to understand what

2 skillsets that they're looking for to ensure that not  
3 only our training programs, but you know, the  
4 community-based organizations that are training  
5 individuals that speak to your question about making  
6 sure that, you know, individuals from low-income  
7 areas actually have the right training. Those  
8 organizations along with us, we do a lot of  
9 recruitment in certain neighborhoods to make sure  
10 that they also are training individuals in their  
11 skills that are in-demand. So, we have built out a  
12 network of organizations that we work with. We have  
13 readjusted our training. We've done a lot of  
14 outreach. So, for example, Tech Talent Pipeline, we  
15 had a huge campaign in subways, etcetera, to really  
16 reach, and we targeted specific lines that run  
17 through low to moderate income areas to ensure that  
18 we had the outreach that's there.

19 COUNCIL MEMBER RICHARDS: So, coding and  
20 emerging industries, how are we-- so we're  
21 connecting?

22 COMMISSIONER BISHOP: Right. So, it's web  
23 development. It's coding. It's what the industry is  
24 looking for, and they-- and we've brought them to the  
25 table with academic institutions as well. But

2 healthcare is also a big sector that's growing. You  
3 know, the food and beverage industry employs over  
4 250,000 New Yorkers, and I'm not talking about fast  
5 food. I'm talking about, you know, restaurants that-  
6 - fine dining restaurants that are looking for lien  
7 cooks, etcetera, and those careers, those jobs lead  
8 to careers where you end up being, you know, the  
9 actual executive chef. So those are the careers that  
10 we want people to actually know about, and in  
11 industrial manufacturing we have a whole maritime  
12 industry that we want to activate and let people know  
13 that, you know, there's a maritime career that could  
14 be possible in New York City.

15 COUNCIL MEMBER RICHARDS: And then on job  
16 retention, how are you tracking that? And if you can  
17 be very quick because I have one-thirty left.

18 COMMISSIONER BISHOP: Sorry, I get  
19 passionate about that.

20 COUNCIL MEMBER RICHARDS: So very clear  
21 and concise would be great.

22 DEPUTY COMMISSIONER MALLON: Super quick.  
23 We do not-- we do not really have a systematic way of  
24 tracking retention person by person. We rely on the  
25 state who's our partner on that to do an aggregate.

2 COUNCIL MEMBER RICHARDS: You said you  
3 rely on the state?

4 DEPUTY COMMISSIONER MALLON: We have to.  
5 We're-- they're our oversight for the majority of our  
6 funds which are WEO [sic] funds, federal funds, and  
7 we just don't have an ability--

8 COUNCIL MEMBER RICHARDS: [interposing] So  
9 when I go to Workforce One Center and I get hired,  
10 you don't track in the long term whether--

11 DEPUTY COMMISSIONER MALLON: We have no  
12 systematic way of tracking that. The state does  
13 because they get wage reporting data, and they can do  
14 it at an aggregate level, but we never know person by  
15 person, and it's part of our joint metrics for the  
16 federal funding for people to stay in jobs a certain  
17 amount of time.

18 COUNCIL MEMBER RICHARDS: Okay I'll speak  
19 to you on that a different day. Made in New York,  
20 how much is being spent on movies versus fashion and  
21 other industries, and I wanted to know how does the  
22 program measure its impacts? And is the data  
23 available to indicate that the program is truly  
24 incentivizing a movie production?

2 COMMISSIONER BISHOP: You're-- so you're  
3 asking SBS or EDC?

4 COUNCIL MEMBER RICHARDS: EDC.

5 JAMES PATCHETT: You're not talking about  
6 the--

7 COUNCIL MEMBER RICHARDS: [interposing]  
8 And then lastly, last question because I have 11  
9 seconds left. On small business solutions,  
10 especially in rapidly gentrifying areas where a lot  
11 of small businesses are being pushed out, I know we  
12 have Small Business Solutions. Are there plans to  
13 expand it? How are you really ensuring that in these  
14 areas outreach is happening as neighborhoods changed  
15 and--

16 COMMISSIONER BISHOP: [interposing] Right,  
17 so--

18 COUNCIL MEMBER RICHARDS: the pressure has  
19 come in?

20 COMMISSIONER BISHOP: [interposing]  
21 Right. So, it's not just neighborhoods. You know,  
22 consumer spending is changing. You know, if you ask  
23 anyone in this room when last you actually bought  
24 something off of Amazon, I'm sure somebody will say  
25 recently, and that is affecting our local mom and

2 pops. So we want to make sure that our local mom and  
3 pops remain competitive. One of the campaigns that  
4 we're running right now, Love Your Local speaks to  
5 that. You know, what we want to test is really what  
6 interventions we can make to really help mom and pops  
7 adjust to the changing environment.

8 COUNCIL MEMBER RICHARDS: And are you  
9 setting up shop in these neighborhoods, more  
10 importantly, and what is the strategy to make sure  
11 that you are?

12 COMMISSIONER BISHOP: So, in terms of  
13 actual location, I mean, we have a team at the  
14 different centers that actually work with, for  
15 example, local libraries, etcetera to actually  
16 penetrate those neighborhoods. So, and one of the  
17 biggest I think boosts for us was our support and he  
18 entire Council's support of Chamber on the Go which  
19 actually delivers services to businesses. So we  
20 actually go to those businesses. We just launched  
21 our Compliance Advisor. So we are going to different  
22 corridors, you know, ensuring that we target specific  
23 necessary that we know that are changing to make  
24 those business owners aware of our services, and we  
25 actually, you know, follow up with those business

2 owners to ensure that they actually take advantage of  
3 our services.

4 COUNCIL MEMBER RICHARDS: So, no answer  
5 on Made in New York?

6 JAMES PATCHETT: Oh, sorry. Well, the  
7 Made in-- are you talking about the Made in New York  
8 Campus or campaign?

9 COUNCIL MEMBER RICHARDS: Campaign.

10 JAMES PATCHETT: Campaign, the campaign is  
11 run by the Mayor's Office of Media Entertainment, so  
12 I don't think we can speak to that.

13 COUNCIL MEMBER RICHARDS: Okay, if we can  
14 have them reach out.

15 JAMES PATCHETT: Yeah, thanks, we'll make  
16 sure they follow up.

17 COUNCIL MEMBER RICHARDS: Okay.

18 CHAIRPERSON FERRERAS-COPELAND: Thank  
19 you, Council Member. Council Member Wills followed  
20 by Council Member Menchaca followed by Council Member  
21 Rodriguez, and we've been joined by Council Member  
22 Koo.

23 COUNCIL MEMBER WILLS: Good morning. I  
24 have a couple of questions. So, Chair Ferreras has  
25 already gone into the fact that our communities, or

2 minority communities, or low-income communities are  
3 not enjoying this historically low unemployment  
4 rates, and Council Member Richards just asked about  
5 the drill-down on making sure those jobs are going  
6 into it, but a couple of things that I wanted to ask  
7 about was the 100,000 well-paying jobs over the next  
8 decade. What is the pay scale that we're looking at  
9 to define those as well-paying jobs?

10 JAMES PATCHETT: Well, the Mayor  
11 essentially has said in his State of the City Address  
12 announced the focus on jobs that pay more than 50,000  
13 dollars per year, but it's not just jobs at [sic]  
14 30,000 dollars more per year. It's primarily that,  
15 but it's also jobs that put you on a career path to  
16 achieving that a minimum.

17 COUNCIL MEMBER WILLS: And the money that  
18 was used to renovate the Brooklyn Army Terminal, the  
19 money that's identified in the 142 million and the  
20 other things that you have spoken about, who is  
21 actually facilitating those jobs? Are those  
22 companies that you're hiring contracting companies or  
23 are they high-- are they doing work through agencies?

24 JAMES PATCHETT: So, for the Brooklyn  
25 Army Terminal it's 100 million for the renovation of

2 500,000 square feet, and the Bush Terminal is the 142  
3 million that you referenced.

4 COUNCIL MEMBER WILLIS: Alright.

5 JAMES PATCHETT: So, for both of those  
6 there are circumstances where EDC has long-- provided  
7 long-term leases for tenants at affordable rents, but  
8 we--

9 COUNCIL MEMBER WILLIS: [interposing] I'm  
10 not asking about that. I'm asking about the actual  
11 construction and renovation--

12 JAMES PATCHETT: [interposing] Oh, sorry,  
13 the construction work. Oh, alright, absolutely. So,  
14 eyes, we hire contractors who in turn hire workers.

15 COUNCIL MEMBER WILLIS: And how much of  
16 that contracting or that, those dollars went to  
17 minority firms?

18 JAMES PATCHETT: Well, across the board I  
19 can't speak to those specific projects, but I can  
20 tell you across the board. So we have a-- the City  
21 just set a goal of 30 percent MWBE participation.

22 COUNCIL MEMBER WILLIS: Yeah, I'm not  
23 interested in the aspirational goals--

24 JAMES PATCHETT: [interposing] No, I know,  
25 but I can tell you specifically where EDC is.

2 COUNCIL MEMBER WILLS: Right.

3 JAMES PATCHETT: So, City just set a goal  
4 for five years from now hitting 30 percent. EDC has  
5 today at approximately 29 percent. So, the goal for  
6 five years from now across all of our projects, EDC  
7 is essentially hitting today.

8 COUNCIL MEMBER WILLS: So, what I'm  
9 asking is specifically about these monies?

10 JAMES PATCHETT: Yeah, I just don't have--

11 COUNCIL MEMBER WILLS: The contracts that  
12 you have already done since we've set those goals.  
13 How much of that money is actually going to MWBEs,  
14 what percentage of it?

15

16 JAMES PATCHETT: At EDC, approximately 30  
17 percent.

18 COUNCIL MEMBER WILLS: Approximately 30  
19 percent.

20 JAMES PATCHETT: Yes.

21 COUNCIL MEMBER WILLS: Okay. SBS, just to  
22 ask a couple of questions. We're dealing mostly with  
23 small businesses. What are we doing with the other  
24 3,000-- well, the 100,000 jobs but the 3,000 jobs?  
25 We spoke to the Mayor in the Preliminary Budget, and

2 I wanted to know, he said that a lot of those jobs  
3 would be going into labor or different areas like  
4 that, but what are we doing to complement a or to add  
5 a small business section to that to make sure that  
6 these jobs are not just going into organized labor,  
7 but also the small businesses that could join  
8 organized labor, but small business and middle market  
9 are the--

10 COMMISSIONER BISHOP: [interposing] Sure.

11 COUNCIL MEMBER WILLIS: industries that are  
12 adding more jobs than anybody else, really middle  
13 market.

14 COMMISSIONER BISHOP: Sure.

15 COUNCIL MEMBER WILLIS: So what are we  
16 doing for that?

17 COMMISSIONER BISHOP: Yeah, so and we at  
18 SBS even though our name says "small business  
19 services" we actually help all businesses in terms of  
20 helping find a workforce through our Workforce One  
21 system. So, the Green Jobs initiative, Green Jobs  
22 Corps is going to have a mix of that. We are  
23 training individuals in a number of things including  
24 pre-apprenticeship, but certainly not only organized  
25 labor, but other entities could take advantage of the

2 trained workforce that we are developing, and happy  
3 to talk to you a little bit more about that to figure  
4 out if there's a strategy you have in mind.

5 COUNCIL MEMBER WILLIS: I really don't  
6 believe that you have enough in your budget to  
7 achieve the things that we're going to be needing.  
8 The President spoke of some people think it's crazy  
9 right now to go into job creation when we have such  
10 historically unemployment rates, but I think that we  
11 would be negligent if we didn't actually drill down  
12 as Council Member Richards spoke to minority and low-  
13 income communities now while we have the opportunity.  
14 But in doing that, what I want to know is how can  
15 with the budget that you have put forward, how can  
16 you actually go into the things that these new  
17 companies are going to need not just to become small  
18 business successful, but middle market successful?  
19 They have to deal with social media. They have to  
20 deal with online commerce and different things like  
21 that. I don't believe that your budget is strong  
22 enough or large enough for you to actually drill down  
23 on what we actually need to create an economy going  
24 forward on these things. We've had these record  
25 growth numbers with net revenue of private companies

2 for the last five years only because of certain  
3 factors like low energy costs or lower healthcare  
4 costs and different things like that. These things  
5 are not actually going to go forward as they have  
6 robustly as they've had for the next five years. So,  
7 I think that you really need more money in your  
8 budget to work with small businesses to make sure  
9 that they can take advantage of the things that they  
10 need to go in-- that they're going to need to do.  
11 Model disruption [sic], right? That's a big thing  
12 right now, Uber, Airbnb, all of these different model  
13 disruption, market disruption models. We need to  
14 prepare the small businesses to do that and the  
15 become middle market businesses. So, I would like to  
16 sit down with you guys to see where you plan is to do  
17 that and how much money you're going to allocate  
18 towards it.

19 COMMISSIONER BISHOP: Sure.

20 COUNCIL MEMBER WILLS: Thank you, Madam  
21 Chair.

22 CHAIRPERSON FERRERAS-COPELAND: Thank  
23 you, Council Member. Council Member Menchaca  
24 followed by Council Member Rodriguez followed by  
25 Council Member Borelli.

2 COUNCIL MEMBER MENCHACA: Thank you to  
3 the Chairs, and I want to follow up on Chair  
4 Garodnick's questions on the Made in NYC and the new  
5 campus in Sunset Park. My first question is really  
6 try and understand the-- or further understanding the  
7 separation of the movies investment versus the  
8 fashion, if you could give us a little bit more about  
9 how maybe through dollars or how you're thinking  
10 about that investment, how that's being split, and  
11 then the other question is-- well, and actually we're  
12 going to want that paper on the 136 on how it breaks  
13 down to facility versus infrastructure outside. And  
14 so we just want to make sure that we're going to--  
15 we'll get that in writing as soon as possible. Or  
16 you can answer the kind of movie versus fashion.

17 JAMES PATCHETT: Sure. So, as it relates  
18 to your civic [sic] question, you know we still have  
19 to work with you to scope, to determine the specific  
20 improvements that get made there, but broadly  
21 speaking we're envisioning the two-thirds of the jobs  
22 and space will be provided for manufacturing garment,  
23 and about one-third of the space will be in film.  
24 So, that's-- or at least one-third of the jobs will  
25 be in film. So, broadly speaking that is our overall

2 breakdown. I don't have a specific breakdown in  
3 terms of how that allocates the capital cost, but  
4 that's the broad objective of the project.

5 COUNCIL MEMBER MENCHACA: Got it. That's  
6 helpful, and know we're going to want to come in with  
7 some--

8 JAMES PATCHETT: [interposing] Yes.

9 COUNCIL MEMBER MENCHACA: real concepts  
10 from the community, which leads me to my second  
11 question about the-- your testimony kind of spoke to  
12 a kind of larger citywide impact that this hub will  
13 have, and so how do you-- and maybe I won't leave it  
14 as a question. I'm going to make it a statement.

15 JAMES PATCHETT: Okay.

16 COUNCIL MEMBER MENCHACA: We want our  
17 local garment industry providers on the pri-- not  
18 only the private, but also nonprofits that are  
19 helping support, be part of the conversation. That's  
20 something that we talked about before, but we want to  
21 make sure that we kind of take home, take care of  
22 home first before we think about the larger impact,  
23 and then make sure that we have enough investment so  
24 that we are able to help anything else outside of the  
25

2 Sunset Park Garment Center. And I'll leave it at--  
3 because I don't have too much time.

4 JAMES PATCHETT: Thank you.

5 COUNCIL MEMBER MENCHACA: The second  
6 question is, this is one of the first times EDC went  
7 out and said we need more money for our Bush Terminal  
8 Park. So we want to say thank you for that. And if  
9 there's any updates right now from your conversations  
10 internally about where we are in that. Know that the  
11 Council's going to be pushing for this, but where--  
12 how do you feel you are in your internal  
13 conversations about the extra 20 million dollars that  
14 should come to our park facility right next to this  
15 hub that we just spoke about?

16 JAMES PATCHETT: Well, you know,  
17 obviously any budget conversation is a broader  
18 conversation about city priorities. In addition to,  
19 you know, making sure the park has all of the  
20 investment that it needs. We're also very focused on  
21 getting the southern entrance open as quickly as  
22 possible. I was meeting with my team about that  
23 yesterday, and I can tell you the southern entrance  
24 will open in June, and I'd like to find a time to get

2 a specific date so we can go out there and open it  
3 together.

4 COUNCIL MEMBER MENCHACA: Great. Thank  
5 you. So know that 20 million, we need that as part  
6 of the park. That second entrance is going to be a  
7 great beginning to a longer investment--

8 JAMES PATCHETT: [interposing] Yes.

9 COUNCIL MEMBER MENCHACA: from the city  
10 for that park. It's not done yet, and so we're  
11 thankful that we are now in real partnership both  
12 kind of publicly, but with asks as well.

13 JAMES PATCHETT: Yes.

14 COUNCIL MEMBER MENCHACA: So, again, we  
15 just can't say that enough. Thank you for that.

16 JAMES PATCHETT: Thank you.

17 COUNCIL MEMBER MENCHACA: Next is,  
18 there's a thirty-some million dollars for SBMT up  
19 here. Can you talk to us a little bit more about  
20 what that investment is and how that kind of connects  
21 to the larger vision for SBMT?

22 JAMES PATCHETT: Right. SO I think the  
23 critical thing about this is is it is primarily for a  
24 little bit of build-out of the pier and for come  
25 cranes that will operate on the pier, and that will

2 be to remove containers coming on barges, and the  
3 reason that we think that that is valuable is because  
4 we anticipate that these investments alone can take  
5 over 50,000 trucks off the street, and obviously  
6 that's a big concern of our I that community, and to  
7 the extent we can also utilize the rail link [sic] as  
8 a part of that. It'll be even more successful.

9 COUNCIL MEMBER MENCHACA: So, just to  
10 clarify, this is pure focus with a kind of container  
11 support for cranes--

12 JAMES PATCHETT: [interposing] Cranes for  
13 supporting containers, yes.

14 COUNCIL MEMBER MENCHACA: Cranes, and so  
15 what prevented this? I only have 30 seconds. If you  
16 can just fill that out a little bit more about--

17 JAMES PATCHETT: [interposing] Sure.

18 COUNCIL MEMBER MENCHACA: why now, why  
19 not before? What changed?

20 JAMES PATCHETT: Sure.

21 COUNCIL MEMBER MENCHACA: And then the  
22 second question, this is kind of SBS, EDC combo.  
23 With all this investment going to BAT, Bush, SBMT,  
24 there's spur in job growth. How is SBS going to take  
25 that and say we're going to meet you and not wait

2 until we ask for it, because we've created all this  
3 job opportunity, and we want local-- a real focus on  
4 local engagement, which is an immigrant community,  
5 walk to work, working families, and so that'll be my  
6 last question.

7 JAMES PATCHETT: So, as relates to the  
8 containers, I think what we're finding is that, you  
9 know, the focus traditionally has been on large  
10 container ships coming in to the harbor, and what we  
11 believe is there's a new technology. In fact-- I  
12 mean, not a new technology, but it's a new trend that  
13 actually works which is barging in containers. So  
14 with smaller ships that aren't full container ships  
15 and barging them in and there's an-- we believe that  
16 we can capture the goods that are currently coming in  
17 on truck from the New Jersey side of the port, coming  
18 across on these barges on cranes. They're no longer  
19 being delivered on trucks, and it's-- again, it is a  
20 trend of the industry that is relatively new and we  
21 think we want to capture it so we can reduce truck  
22 travel.

23 COMMISSIONER BISHOP: And I totally agree  
24 with you in terms of ensuring that the workforce is  
25 available. That is one of the industry partnerships

2 that we have, industrial manufacturing. We, in  
3 partnership with EDC, actually EDC funded the  
4 creation of that center. We have a very specific  
5 industrial manufacturing center located in the  
6 Brooklyn Army Terminal, and that center is really to  
7 connect with all the industrial businesses in South  
8 Brooklyn to understand their needs, the skillsets  
9 that they're looking for and not only connect local  
10 job seekers to those jobs, but also influence the  
11 training that we either will create or working with  
12 our partners in the nonprofit sector.

13 CHAIRPERSON FERRERAS-COPELAND: Thank  
14 you, Council Member. Council Member Borelli followed  
15 by Council Member Barron followed by Council Member  
16 Koo.

17 COUNCIL MEMBER BORELLI: Good morning and  
18 thanks for coming. I guess my question is to EDC.  
19 What is the total subsidy per rider for the Rockaway  
20 ferry system, for a person boarding at Rockaway?

21 JAMES PATCHETT: I don't have the per  
22 rider break-out for Rockaway specifically, but I can  
23 tell you across the system it's six dollars and 66  
24 per-- six dollars and 60 cents per rider

2 COUNCIL MEMBER BORELLI: Okay. What was  
3 the cost per rider when you guys operated it after  
4 Sandy?

5 JAMES PATCHETT: I don't have that in  
6 front of me, but I can get it to you.

7 COUNCIL MEMBER BORELLI: It was, according  
8 to your agency spokesperson, it was between 25 and 30  
9 dollars per person. How did you guys manage to get  
10 the subsidy from 25 dollars or 30 dollars per person  
11 down to the city average of six?

12 JAMES PATCHETT: Was-- it was by making  
13 it a part of a broader network with additional stops,  
14 just not solely focused on the Rockaways.

15 COUNCIL MEMBER BORELLI: So, additional  
16 stops are part of the reason why it helped?

17 JAMES PATCHETT: The st-- yes, we focused  
18 on additional stops that our studies demonstrated  
19 would have the highest ridership and make it the most  
20 affordable system overall.

21 COUNCIL MEMBER BORELLI: Okay. So then  
22 I'm looking at the 2013 citywide ferry thing [sic],  
23 and again, you just said that more stops make it more  
24 competitive.

25 JAMES PATCHETT: More certain stops, yes.

2 COUNCIL MEMBER BORELLI: Oh, certain  
3 stops. Because the only-- of the six routes, some of  
4 them have sub-routes, A versions, B versions. So I  
5 guess there's how many total, one, two three, four,  
6 five, six, seven, eight, nine, ten, eleven. Out of  
7 11, only one of the routes you modeled has a two-stop  
8 route, and only one of the models you have has a Pier  
9 79 route, and that's Staten Island. Why would you  
10 single out Staten Island in that respect? It was the  
11 route five, St. George to Pier 79.

12 JAMES PATCHETT: Well, the study you're  
13 referring to from 2013, I can't speak to that, why  
14 the analysis was done the way it was because I wasn't  
15 here in 2013.

16 COUNCIL MEMBER BORELLI: Okay. Do you  
17 think having just two stops as opposed to having-- in  
18 this case, route two, for example, has one, two,  
19 three, four stops-- so, based on what you said  
20 earlier, is having four stops, does that make it more  
21 marketable for people?

22 JAMES PATCHETT: It really depends on the  
23 particular circumstances. Weighted [sic] broadly  
24 like all transportation systems, you have to balance  
25 stops with the amount of-- with speed. So, the

2 further out you are, you need to have fewer stops in  
3 order to make it competitive with alternative forms  
4 of transportation. For instance, the Rockaway's  
5 route only has two stops because what we've  
6 determined was that if it had more than one stop  
7 along the way getting into Manhattan, that it would  
8 be-- that it would take so long that it would make it  
9 not competitive with other forms of transportation.  
10 So, the key is to make sure that you can have enough  
11 stops to ensure adequate ridership, but at the same  
12 time balance that with not making so many stops that  
13 it causes the time that it takes to get to work or to  
14 home so long that it makes the service not  
15 competitive with alternative forms.

16 COUNCIL MEMBER BORELLI: So, by my Google  
17 Earth calculation, the Rockaway stop is 20 miles from  
18 its first Manhattan Central Business District stop in  
19 Wall Street. Previous locations on Staten Island  
20 included Great Kills Harbor, and there was a study  
21 done of Stapleton. Rockaway is 20 miles. Great  
22 Kills is 16, and Stapleton is six miles away from  
23 Wall Street. Is that less distance than 20 miles?

24 JAMES PATCHETT: Yes.

2 COUNCIL MEMBER BORELLI: So then why  
3 wouldn't a south shore ferry been studied with  
4 respect to the 2013 citywide study or any subsequent  
5 studies after that?

6 JAMES PATCHETT: Well, you know, I can't  
7 speak to why it wasn't studied in 2013. What I can  
8 tell you is that, you know, we're obviously aware of  
9 the concerns about transportation in Staten Island.  
10 We recognize, you know, that it is a borough that has  
11 a lot of challenges with traffic and congestion and  
12 needs for more transportation, and we have met with  
13 the potential ferry service providers subsequent to  
14 that study to try and encourage possible service on  
15 the south shore. Met with them. We met with the  
16 Borough President. You know, I know you've been a  
17 big advocate as well on this, and we appreciate your  
18 advocacy there. I think it is our broad intent once  
19 we complete-- get with the-- what the Mayor has said  
20 and what we intend to do is get the service up and  
21 running, get it successfully up and running and then  
22 evaluate the possibility of more stops including in  
23 Staten Island to add to the routes after these are  
24 completed.

2 COUNCIL MEMBER BORELLI: Alright. I'll  
3 ask another. So, Rockaway is 130,000 people. The  
4 south shore has 165,000 people. Do you know what  
5 population has more commuters to Manhattan?

6 JAMES PATCHETT: I don't at this moment.

7 COUNCIL MEMBER BORELLI: That would be a  
8 good study. Why was there a decision to not include  
9 the south shore as part of the 2013 or any subsequent  
10 studies?

11 JAMES PATCHETT: Well, you know, again, I  
12 can't talk to the 2013 study. We haven't done a  
13 comprehensive analysis since then. The 2013 study  
14 was the basis for determining the initial routes, and  
15 we will conduct an additional study upon the  
16 successful roll-out of the first phase of the ferry  
17 service.

18 COUNCIL MEMBER BORELLI: Is there a  
19 conversation about a second Rockaway stop?

20 JAMES PATCHETT: There's not an active  
21 conversation about a second Rockaway stop any more  
22 than there is an active conversation about stops  
23 across the entire City. We are focused on delivering  
24 the routes that we have discussed, and then for  
25 additional stops, you know, there's additional stop

2 in the Rockaways or in Staten Island or in other  
3 places. We'll have to wait until, you know, we get  
4 the service up and running successfully.

5 COUNCIL MEMBER BORELLI: Thanks.

6 CHAIRPERSON FERRERAS-COPELAND: Thank  
7 you, Council Member. Council Member Barron followed  
8 by Council Member Koo followed by Council Member  
9 Perkins.

10 COUNCIL MEMBER BARRON: Thank you, Madam  
11 Chair. Thank you to the Chairs for this hearing.  
12 Thank you to the panel for coming. I do want to  
13 acknowledge that my intern Janice Pollot [sp?] is  
14 here, and she's taking this session in. I just have  
15 a few questions. You talked about 30 percent of the  
16 EDC contracts are presently being awarded to the  
17 MWBE's?

18 JAMES PATCHETT: Approximately 30  
19 percent, just under, yes.

20 COUNCIL MEMBER BARRON: Okay, and so how  
21 long-- what is the requirement to qualify to be an  
22 MWBE?

23 COMMISSIONER BISHOP: So, similar to--  
24 because EDC, we work closely with EDC, they pull  
25 certified firms off of our list, the city list. So,

2 Small Business Services, we certify for entire city  
3 and we work closely not only with EDC but also School  
4 Construction Authority and other quasi city agencies.  
5 They recognize our certification. And to be eligible  
6 for a city's certification, you have to be 51  
7 percent, in 51 the percent owned and controlled from  
8 one of the eligible groups, which is either you're a  
9 woman, a black, Hispanic and Asian.

10 COUNCIL MEMBER BARRON: And is there a  
11 certain income or assets that you must have in order  
12 to apply?

13 COMMISSIONER BISHOP: No. We are often  
14 confused with the state which has a net worth  
15 requirement to certify. We just look for ownership  
16 and control.

17 COUNCIL MEMBER BARRON: And how long  
18 would that-- there's a certain length of time that  
19 you have been in business before you can apply?

20 COMMISSIONER BISHOP: You have to be in  
21 business for one year. There are certain exceptions  
22 with professional services. For example, if you're a  
23 lawyer, you are a lawyer. So we look at in  
24 professional services what field you're coming from,  
25 but in most cases you have to be in business for one

2 year, because we have to make sure that you're a  
3 going concern.

4 COMMISSIONER BANKS: And so how long does  
5 the process take from the time that a person submits  
6 their application to the vetting and all of the--

7 COMMISSIONER BISHOP: [interposing] We  
8 publicly say six to eight weeks. We actually  
9 recently re-did our application. So we have a new  
10 streamline application. We pulled out sole  
11 proprietors, because we recognize that that group did  
12 not need to submit as many documentation as  
13 necessary. So we're doing everything possible to  
14 streamline the process, but while maintaining the  
15 integrity of the program.

16 COUNCIL MEMBER BARRON: Thank you. Now,  
17 there's a program in your testimony that says,  
18 "Building your business, a guide for immigrant  
19 entrepreneurs."

20 COMMISSIONER BISHOP: That would be us,  
21 yes.

22 COUNCIL MEMBER BARRON: So that is  
23 applicable only to those who are an immigrant  
24 community, or is that for everyone or the generic  
25 parts that would be?

2 COMMISSIONER BISHOP: So we have programs  
3 for all small business owners. This guide was  
4 specifically targeted to immigrant entrepreneurs for  
5 a number of reasons. One, you know, immigrant  
6 entrepreneurs, foreign-born New Yorkers make up one-  
7 third of the city's population, but over half-- they  
8 own over half of small business, and that population  
9 tend to be a vulnerable population in terms of not  
10 necessarily knowing, you know, their rights in terms  
11 of signing a lease, getting access to capital, even  
12 navigating government. So we wanted to make sure  
13 that we provided information for that particular  
14 population. Now, there's some information in that  
15 guide that certainly any small business owners can  
16 take advantage of.

17 COUNCIL MEMBER BARRON: You mentioned the  
18 11<sup>th</sup> Annual Citywide Procurement Fair, is that open  
19 to anyone who would be interested, and how-- do they  
20 need to register?

21 COMMISSIONER BISHOP: Membership has it's  
22 privileges. It's only open to city certified firms.  
23 So, if you know of any firm that has not been  
24 certified, they should submit their application as  
25

2 quickly as possible so we can get them certified so  
3 they can participate in the procurement.

4 COUNCIL MEMBER BARRON: How long would it  
5 take for someone who has not already done it, because  
6 the fair is June 11<sup>th</sup>, I think?

7 COMMISSIONER BISHOP: We will certainly  
8 work to expedite the application process, and  
9 certainly if they have a contract we will to expedite  
10 that process as well.

11 COUNCIL MEMBER BARRON: For EDC you talk  
12 about your capital commitment, I think you have it  
13 four billion dollars?

14 JAMES PATCHETT: Uh-hm.

15 COUNCIL MEMBER BARRON: How are  
16 communities reflected? Can you give us a report on  
17 how that money has been allocated in the past,  
18 particularly by zip code or community district,  
19 Community Boards or neighborhoods?

20 JAMES PATCHETT: We'd be happy to follow  
21 up with you on a breakdown by-- I don't know if we  
22 have it by neighborhood, but we certainly provide it  
23 by borough.

24 COUNCIL MEMBER BARRON: Okay. Because  
25 there's one of the advocate groups that has a table

2 that they printed out, and I couldn't locate it and  
3 bring it, but certainly some communities are much  
4 more represented in terms of receiving those funds  
5 than others, and I represent East New York, and we're  
6 at the bottom in terms of getting support from EDC to  
7 have businesses expand and grow and improve. And  
8 lastly, I think it's the SBS that talked about a  
9 community district needs assessment, and you indicate  
10 that East New York was one of the areas that you  
11 studied. So now that you've done the study, what are  
12 you going to be able to do? You know the commercial  
13 that said, "Okay, you monitor it. Now what are you  
14 going to do?"

15 COMMISSIONER BISHOP: So, you'd be happy  
16 to know that the Administration actually put forward,  
17 not only the Administration, but we also work through  
18 the private sector, about nine million dollars and  
19 organizations that actually worked with us on that  
20 CDNA were awarded 1.5 million. There are  
21 organizations that we work closely with, Cypress  
22 Hill, LDC, and I believe, East New York, East New  
23 York LDC, also were recipients of those grants, and  
24 again, you are correct. We highlighted the  
25 opportunities in East New York, and now we are

1 putting the money into these organizations to  
2  
3 actually take advantage of those to actually deliver  
4 on some of the recommendations in that group. I just  
5 wanted to point out really quickly, I would love to  
6 work with you in terms of figuring out ways to  
7 increase the Mayor's-- set a target of 9,000  
8 certified firms for us. we certainly want to make  
9 sure that we have a certified base that's reflective  
10 of New York City, and I've been working closely with  
11 a lot of sororities to really-- fraternities and  
12 sororities to really increase the amount of not only  
13 black-owned certified firms, but black-owned firms in  
14 areas where, for example, engineering where we see  
15 some of the work that where EDC would actually need,  
16 you know, engineering companies, for example, to do a  
17 lot of their projects. So we'd love to work with you  
18 on that.

19 COUNCIL MEMBER BARRON: Thank you very  
20 much. Thank you, Madam Chair.

21 CHAIRPERSON FERRERAS-COPELAND: Thank  
22 you, Council Member. Council Member Koo followed by  
23 Council Member Perkins.

24 COUNCIL MEMBER KOO: Thank you. One more  
25 time. Thank you. Thank you all the commissioners

2 here. Small business is, you know, a critical  
3 juncture in the home [sic] because of rents, or for  
4 the technology, and internet, and all these other  
5 robots [sic], all these things, self-driving cars.  
6 So, I really appreciate your leadership in small  
7 business and EDC. But meanwhile, and I suppose more  
8 business complaining about the difficulty in doing  
9 business, small business, big business. Even big  
10 business have [inaudible] Rena Bolo [sic] closed  
11 their headquarter someone in the 5<sup>th</sup> Avenue which is  
12 a big corporation. They closed their store there.  
13 Small business suffer the same thing because of the  
14 competition from Amazon and all those big developers,  
15 big box places. So, my question is, how does SBS  
16 help small business to be more effective in  
17 management, manage their resources? Because right  
18 now small business are an even playing field, right?  
19 Small business, they always get fines, right? They  
20 get inspections. Meanwhile, at the same time, the  
21 vendors on the streets, they don't fines. They don't  
22 get inspections. They can do-- anyone can put a  
23 vendor-- any vendor can put some business in front of  
24 a business, and meanwhile very little enforcement.  
25 So, I know this is not your role. I mean, this is

2 police work, but I want you like to be more  
3 promoting, more advocating on a even-- I'm not saying  
4 even inspections. If you want to inspect a store,  
5 you inspect the guy on the streets, too, right? Make  
6 sure they have license. Make sure they're in the  
7 right location. But usually police, they don't want  
8 to do those things. They want to go chase crimes and  
9 murders, no? Homicides, those things. When you  
10 report on the quality of life issues to them, it's  
11 their last priority. So, I want small business  
12 [inaudible] I mean, small business, you to be an  
13 advocacy for small business owners in terms of  
14 fighting for even enforcement issues. That's number  
15 one. Number two, we all know that in New York there  
16 are some streets that cost zero something, zero  
17 sidewalk display [sic] or Zero Vision streets which  
18 is--

19 COMMISSIONER BISHOP: [interposing] You're  
20 talking about Vision Zero?

21 COUNCIL MEMBER KOO: Not the traffic one,  
22 but no, you can-- on those streets you're not  
23 supposed to have like vendors.

24 COMMISSIONER BISHOP: Oh.

25

2 COUNCIL MEMBER KOO: Yeah. So, can you  
3 give me a list of streets that fall into that  
4 category? Because for the past few years, I haven't  
5 had time to find out which streets are zero sidewalk  
6 display.

7 COMMISSIONER BISHOP: So--

8 COUNCIL MEMBER KOO: [interposing] And  
9 then once you give me the list, I want the criteria,  
10 you know, what's the definition of it. Who can put  
11 [inaudible] because some stores when we call SBS they  
12 want to sell some-- have [inaudible] or they say you  
13 cannot do it, because this is a zero disability, zero  
14 sidewalk space [sic] street. But meanwhile, anyone  
15 could put a lot of busi-- sell flowers or batteries  
16 in front of them. So, what's the use of this  
17 definition? You cannot-- legal business cannot do  
18 business. Illegal business can do business. So,  
19 these are reverse. Like, we lost over-- I'm sorry, I  
20 lost I guess I lost [inaudible] so can you like tell  
21 me that [inaudible], the list of streets in New York  
22 City increased, especially in Flushing. The rich  
23 [sic] streets are zero [inaudible] sidewalks, and  
24 this is fall into that category. What can they do?  
25 Or what can they do?

2 COMMISSIONER BISHOP: Sure. So the follow  
3 up on your two, we'll follow up on the streets. I  
4 think you're hitting on the point of enforcement, an  
5 certainly as you know there's a conversation  
6 happening right now between the Administration and  
7 City Hall and Council in terms of just overall  
8 strategy for vending. As you know, you know, the  
9 vending community tend to be largely immigrant  
10 entrepreneurs, and certainly as an agency we support  
11 entrepreneurs on both sides of brick and mortar and  
12 vendors. So certainly we'll follow up with you on the  
13 list of streets, but just know there's a conversation  
14 going on in terms of, you know, what can we do in  
15 terms of enforcement. Just on your first point, I  
16 just want to for the record indicate that since the  
17 Administration started, you know, fines against small  
18 businesses have been reduced by 40 percent, and I  
19 think to your point we want to make sure that we are  
20 more proactive in helping business owners know what  
21 they don't know and help them operate in compliance,  
22 and certainly that's one of the reasons why we  
23 launched our compliance advisors to really be more  
24 proactive and to really go out to businesses and help

2 them understand what they are supposed to be doing in  
3 order to operate to prevent fines.

4 COUNCIL MEMBER KOO: One more quick thing  
5 to say. I want you to advocate for the-- for a  
6 moratorium of the property tax and commercial tax,  
7 yeah. This is critical. Small business suffering  
8 because when there's more business in addition to pay  
9 high rent, they pay a higher tax because the landlord  
10 always pass the property tax to tenants.

11 COMMISSIONER BISHOP: So, I think-- but  
12 you're talking about, and that's one of the reasons  
13 why we are making huge investments in our commercial  
14 leasing services, because we want to educate business  
15 owners before they sign a lease, you know, some of  
16 the stipulation in that lease. A lot of business  
17 owners, they see a location and they just sign a  
18 lease blind, and that's when they get into the  
19 situation where they're in a triple-net lease and  
20 when the property tax goes up that's passed through  
21 to their lease. So, certainly we want to make sure  
22 that business owners are empowered, and I'm happy to  
23 talk to you about how we can actually, you know, get  
24 a head of that in terms of making sure that business  
25

2 owners know they can take advantage of this free  
3 service.

4 COUNCIL MEMBER KOO: No, this is common  
5 practice. Landlords always pass the property tax to  
6 commercial tenants. It's not that you can negotiate,  
7 you know. [inaudible] some like undesirable areas,  
8 no? You know, all good areas, most commercial  
9 tenants, they have to pay the property tax. So  
10 that's important as agency head helped the business  
11 owner to advocate the city to have a moratorium of  
12 the commercial tax increase. That's really important.

13 COMMISSIONER BISHOP: So, I have a number  
14 of conversations.

15 COUNCIL MEMBER KOO: I don't know how  
16 they could do it.

17 COMMISSIONER BISHOP: Yeah.

18 COUNCIL MEMBER KOO: But I would like you  
19 to at least on the surface advocate for them.

20 COMMISSIONER BISHOP: Sure.

21 COUNCIL MEMBER KOO: Thank you.

22 CHAIRPERSON FERRERAS-COPELAND: Thank  
23 you. Council Member Perkins?

24 COUNCIL MEMBER PERKINS: Thank you very  
25 much. Would you-- I have a few things. But would

2 you explain what the new route will be, and like the  
3 East River route begins on the northern end of  
4 Manhattan where? Or ends on the northern Manhattan  
5 where? However you look at it.

6 JAMES PATCHETT: Yes, absolutely. So,  
7 the East River Ferry does not stop in northern  
8 Manhattan. The furthest north stop is makes is on  
9 34<sup>th</sup> Street, but next year we'll be opening the Sound  
10 View line which will run to the Bronx as well as  
11 Upper Manhattan and then down the East die.

12 COUNCIL MEMBER PERKINS: Okay, so it will  
13 run into the Bronx?

14 JAMES PATCHETT: To the Bronx--

15 COUNCIL MEMBER PERKINS: [interposing] And  
16 towards that--

17 JAMES PATCHETT: [interposing] It starts  
18 at Bronx--

19 COUNCIL MEMBER PERKINS: [interposing]  
20 And towards that--

21 JAMES PATCHETT: [interposing] down to--

22 COUNCIL MEMBER PERKINS: [cross-talk]  
23 upper Manhattan?

24 JAMES PATCHETT: towards upper Manhattan  
25 and down to lower Manhattan.

2 COUNCIL MEMBER PERKINS: What-- how far  
3 into the Bronx does it go to?

4 JAMES PATCHETT: Sound View.

5 COUNCIL MEMBER PERKINS: Sound view,  
6 okay. Thank you. The MWBE do you have a retort on  
7 the con-- MWBE contracts that are a part of your  
8 operation? Do you have a-- that you can provide us  
9 with?

10 JAMES PATCHETT: Which--

11 COUNCIL MEMBER PERKINS: [interposing]  
12 You have MWBE contracts you mentioned.

13 JAMES PATCHETT: Yes, EDC definitely had  
14 contacts with MW-- that include MWBEs, yes.

15 COUNCIL MEMBER PERKINS: Can we get a  
16 copy? Can I get a copy of the list of such  
17 contracts?

18 JAMES PATCHETT: WE can-- I'm not-- we'll  
19 be happy to provide you with some follow-up  
20 information about the specific--

21 COUNCIL MEMBER PERKINS: [interposing] I'm  
22 sorry--

23 JAMES PATCHETT: ways that we--

24 COUNCIL MEMBER PERKINS: I'm having a  
25 little hard time hearing.

2 JAMES PATCHETT: OH, sorry. I said we'd  
3 be happy to provide specific follow-up about the way  
4 that we use MWBEs across our contracts.

5 COUNCIL MEMBER PERKINS: So you're going  
6 to describe for me how you use the MWBE contacts in  
7 particular? And at the same time, give me somewhat  
8 of a listing or number of how many such contracts are  
9 available for using.

10 JAMES PATCHETT: I want to make sure I  
11 understand your request and that we address it. We  
12 can follow up to make sure we're addressing,  
13 providing the information that you're looking for.

14 COUNCIL MEMBER PERKINS: You mentioned  
15 something about MWBE contracts.

16 JAMES PATCHETT: Yes.

17 COUNCIL MEMBER PERKINS: I just want to  
18 know what are they for and how many of such are there  
19 that are in contract?

20 JAMES PATCHETT: Right, no, I understand.  
21 I just-- I just don't-- I 'm not sure of the exact  
22 level of detail that we have that we can provide, but  
23 we'll be happy. We'll provide you with as much  
24 information that we can to address your issue.

2 COUNCIL MEMBER PERKINS: Okay, whatever  
3 you--

4 JAMES PATCHETT: [interposing] I  
5 understand where you're-- you're trying to understand  
6 the scope of our MWBE and where we're using them, and  
7 I think we can give you a sense of that in our  
8 response.

9 COUNCIL MEMBER PERKINS: Yes, exactly.

10 JAMES PATCHETT: Yeah.

11 COUNCIL MEMBER PERKINS: If you can  
12 provide that, that'll be useful.

13 JAMES PATCHETT: Okay, understood.

14 COUNCIL MEMBER PERKINS: And how are the  
15 potential contractors informed, contacted? DO you  
16 have a somewhat of a--

17 JAMES PATCHETT: [interposing] Well, we  
18 have-- I mean, I guess from the-- were you talking  
19 about EDC? Well, I mean, I would say SBS does broad  
20 outreach to MWBEs across the city. I'll just speak  
21 specifically to EDC, some of the programs that we  
22 have. I think probably the most significant one is  
23 one we just announced which was construct NYC which  
24 has a combination of training and outreach associated  
25 with it, and it's specifically targeted towards both

2 construction management firms who are MWBEs  
3 themselves, like McKissack [sp?]and McKissack and  
4 Noble and Armond. So we awarded 80 million dollars I  
5 construction management to them just now, but then  
6 separately it's not just about them, it's also about  
7 the subs who work-- the subcontractors who work for  
8 them. So what we've done is we've worked with these  
9 as a part of this program to break up the contracts  
10 into individual opportunities that are a million  
11 dollars and under, because what we find is that a lot  
12 of the MWBEs frequently don't have the capacity to  
13 bid for the larger subcontracts, and so by breaking  
14 them up we're able to target them successfully  
15 towards MWBEs, and as a part of that program we're  
16 hoping by the end of the year to award 25 million  
17 dollars in individual contracts to MWBEs.

18 COUNCIL MEMBER PERKINS: And towards that  
19 25 million dollars how many sort of contracts do you  
20 think that might entail?

21 JAMES PATCHETT: Well, certainly-- I  
22 mean, this is just in the context of the Construction  
23 NYC program. So certainly we'll award many more than  
24 this, but just from that alone, we'd certainly expect  
25 it to be more than 25.

2 COUNCIL MEMBER PERKINS: Okay. And I  
3 assume that there's some sort of way in which  
4 potential contractors are informed?

5 COMMISSIONER BISHOP: Yeah, so and  
6 President Patchett alluded to it. So, at SBS we and  
7 working with the Mayor's Office of Contract Services--  
8 - Mayor's Office of MWBE and actually the Mayor's  
9 Office of Contract Services, we ensure that MWBEs are  
10 included in a lot of outreach events for the specific  
11 agencies. So we work closely with agencies to have  
12 what we call MWBE fairs where all their buyers meet  
13 MWBEs. We help with the marketing of those programs,  
14 and certainly our biggest program will be the  
15 procurement in June that I mentioned in my testimony  
16 where we have over 80 agencies, including EDC. All  
17 our city agencies and our state agencies will be in  
18 one room. Our MWBEs can not only meet the buyers and  
19 sort of network, but also learn about opportunities,  
20 and we've seen a number of MWBEs from previous  
21 procurement fairs actually win contracts just by  
22 attending.

23 COUNCIL MEMBER PERKINS: So, you obvious--  
24 - you seem to have a listing of some MWBEs that you  
25

2 have been in touch with and have been more or less  
3 providing contracts--

4 COMMISSIONER BISHOP: [interposing] So we  
5 have over 4,500 certified firms, and that is the  
6 mailing list that we use to invite MWBEs, the  
7 certified firms--

8 COUNCIL MEMBER PERKINS: [interposing] Is  
9 that the MWBE list or is that just a general list in  
10 which--

11 COMMISSIONER BISHOP: [interposing] That  
12 is a MWBE list.

13 COUNCIL MEMBER PERKINS: Okay.

14 COMMISSIONER BISHOP: And only those  
15 firms are invited to the procurement fairs, and  
16 anytime we're doing an event with an agency, we use  
17 that list to let MWBEs know. One of the things the  
18 Mayor wanted us to do is not just have this one even  
19 in the City, but we've been moving around all the  
20 different boroughs from Staten Island to the Bronx,  
21 to Queens, to Brooklyn, and even in upper Manhattan  
22 we've had events where we invited MWBEs, local MWBEs  
23 to come out and meet the agency buyers.

24 COUNCIL MEMBER PERKINS: Are there any  
25 scheduled in this near future or anything like that?

2 COMMISSIONER BISHOP: Yes, and we'd be  
3 happy to send you the dates.

4 COUNCIL MEMBER PERKINS: By all means, and  
5 if you can even share some of those MWBEs that you  
6 have on your list, so to speak, it would be helpful.

7 COMMISSIONER BISHOP: Sure.

8 COUNCIL MEMBER PERKINS: Thank you.

9 CHAIRPERSON FERRERAS-COPELAND: Thank  
10 you, Council Member. Both Chairs have just some  
11 quick wrap-up, probably me more quick [sic] than  
12 Chair Garodnick. Wrap-up questions. So, one is the  
13 hiring freeze that the Mayor discussed. We didn't  
14 get much detail. Have you been engaged in  
15 conversations of the potential that the hiring freeze  
16 that was included in Executive Budget that would be a  
17 partial hiring freeze affecting certain managerial  
18 and administrative staff, and how will this impact  
19 both EDC and SBS in your positions?

20 COMMISSIONER BISHOP: SO, on the SBS side  
21 we are certainly looking internally at our staffing  
22 levels and awaiting guidance from the Administration  
23 and OMB in terms of how this hiring freeze would be  
24 enacted. Until then, we just continue to do our  
25 work.

2 JAMES PATCHETT: And from EDC, which I  
3 did [sic], I spoke to the budget director about this  
4 yesterday. We're obviously focused on, you know,  
5 making sure we meet citywide objectives and are  
6 budget conscious, but at the same time can ensure  
7 that our projects continue to get delivered and the  
8 timelines that you're expecting, the reasons you  
9 alluded to earlier. So, I mean, I'm speaking to him  
10 about that on a regular basis, and that will be our  
11 objective.

12 CHAIRPERSON FERRERAS-COPELAND: Okay.  
13 Are any of your vacancies, if you-- any of your-- do  
14 you have any vacancies in your agency, in either one?

15 COMMISSIONER BISHOP: Yes.

16 JAMES PATCHETT: Yes.

17 CHAIRPERSON FERRERAS-COPELAND: Okay, and  
18 you do. So I would think that if any of they are  
19 administrative or managerial that that might be a  
20 potential place that the Administration may be  
21 looking.

22 COMMISSIONER BISHOP: Correct.

23 CHAIRPERSON FERRERAS-COPELAND: Okay,  
24 thank you. Green jobs, the Executive Budget includes  
25 a total funding of 12.8 million over the three fiscal

2 years for Green Jobs Corps, a program that will  
3 provide 3,000 workers. Can you tell us more about  
4 the programs and such as how it will work and the  
5 types of training it can provide? And what is your  
6 target population for the program?

7 COMMISSIONER BISHOP: So, again, you know,  
8 the Green Jobs Corps is focused on leveraging the  
9 Workforce One System and again, similar to Council  
10 Member Richards and some of the questions Council  
11 Member Wills had. You know, at SBS we're really  
12 focused on tackling, you know, underemployed,  
13 immigrant under-employment, and also out of  
14 school/out of work youth, and individuals who are  
15 looking to get retrained. So, certainly the  
16 neighborhoods that you are thinking about,  
17 neighborhoods in low income areas, neighborhoods that  
18 President Patchett talked about in terms of where  
19 there's high employment even though the City has a  
20 low-- is enjoying [sic] a low unemployment rate,  
21 those are the areas that we focus our Workforce One  
22 recruitment system. So we work with community  
23 partners. They could be anything from a church to a  
24 social agency as a pipeline to funnel job-seekers  
25 into our system, and that network is what will be

2 used to actually recruit for this Green Jobs Corps.

3 You know, we have organizations that we're going to  
4 be working with, for example, Helmets or Hardhats,  
5 Building Works, for example. That will have the  
6 ability to train them into either a pre-  
7 apprenticeship or other work that we think-- other  
8 skills that we think that will be focused on that  
9 particular sector.

10 CHAIRPERSON FERRERAS-COPELAND: Then,  
11 when will training commence, and how will you be  
12 measuring outcomes?

13 COMMISSIONER BISHOP: So, we're going to  
14 start July 1<sup>st</sup>, and of course similar to whenever we  
15 do a retraining we look at retention. So, how many  
16 people actually graduate out of the training program,  
17 how many people we actually place into those jobs,  
18 and as First Deputy Jackie Mallon alluded to, the  
19 retention is really a joint effort between the state  
20 and the city.

21 CHAIRPERSON FERRERAS-COPELAND: Do you--  
22 so you measure retention in the program, not  
23 necessarily how long the person stayed at the job?

24 DEPUTY COMMISSIONER MALLON: Yes. We  
25 don't really have a systematic ability to collect the

2 proper evidence to be sure that an individual stays  
3 in the job. We're measured in an aggregate level  
4 through our state partner because they have access to  
5 the data. Does that make sense, the way I said that?

6 CHAIRPERSON FERRERAS-COPELAND: Yeah, it  
7 makes sense. I just think we could probably-- if  
8 it's a population of 3,000, let's say you do a  
9 research of 1,000 or 500, you keep in contact with  
10 them, and you say, "Hey--

11 DEPUTY COMMISSIONER MALLON: Yeah.

12 CHAIRPERSON FERRERAS-COPELAND: still  
13 have a job?"

14 DEPUTY COMMISSIONER MALLON: Yeah, no,  
15 we-- absolutely. We do make those kinds of efforts,  
16 but it's hard for us to sort of stand behind that  
17 number for the 25-30,000 people--

18 CHAIRPERSON FERRERAS-COPELAND:  
19 [interposing] I just think that moving forward  
20 especially, you know, with these initiatives that we  
21 want to be supportive of, if you're able to kind of  
22 share that data with us, it would be great.

23 DEPUTY COMMISSIONER MALLON: Absolutely.

24 CHAIRPERSON FERRERAS-COPELAND: Because we  
25 know a lot of our constituents that have been through

2 several trainings, and they complete the trainings,  
3 and it doesn't necessarily-- if they get the job,  
4 they're only kept there on that job because it's a  
5 project, right?

6 DEPUTY COMMISSIONER MALLON: Yeah.

7 CHAIRPERSON FERRERAS-COPELAND: And has a  
8 beginning and an end date. That doesn't mean that  
9 they're going to be available for the next project.  
10 So, I think if we're trying to learn how to more  
11 efficiently get people well-paying long-term jobs,  
12 then we have to stay connected with the population  
13 that we're working with.

14 COMMISSIONER BISHOP: So, yeah, we agree.

15 CHAIRPERSON FERRERAS-COPELAND: Okay.

16 That was easy. And--

17 COMMISSIONER BISHOP: [interposing] That  
18 wasn't in details, but we'll talk about that.

19 CHAIRPERSON FERRERAS-COPELAND: We're  
20 going to follow up. So, I've been asking every  
21 agency or at least trying to ask every agency about  
22 SYEP. It is our Council's priority. The Department  
23 of Youth and Community Development has had, you know,  
24 an issue with placement. We'd like to know do you  
25 currently have Summer Youth Employment? I--

2 currently have Summer Youth at your agency, and do  
3 you have capacity for more?

4 COMMISSIONER BISHOP: So, as someone who  
5 actually went through the SYEP program--

6 CHAIRPERSON FERRERAS-COPELAND:  
7 [interposing] Oh, look at that.

8 COMMISSIONER BISHOP: I was actually  
9 placed at the Police Academy in Gramercy Park, I  
10 think. Well, anyway, so yes, we-- I'm certainly--  
11 I'm a strong believer in SYEP, and we do have slots  
12 this year to actually host an intern, and certainly  
13 we've been working with DYCD to also find  
14 opportunities either through our network. One of the  
15 things that-- I know it's easy to think that because  
16 small businesses, we should open up the flood gates.  
17 Our small business have, you know, five or less  
18 employees, and sometimes an intern is actually not  
19 beneficial for a small business, but we try to find  
20 areas where we--

21 CHAIRPERSON FERRERAS-COPELAND:  
22 [interposing] But your bids are. They're--

23 COMMISSIONER BISHOP: [interposing] So we  
24 try to find-- for ex-- so, certain bids because  
25 certain bids as you know have a budget where it's

2 only two or three individuals. So, they have the  
3 same issues where onboarding an intern is actually  
4 not necessarily helpful. So we certainly look for  
5 organizations that we work with that have the  
6 capacity. So, some of the larger bids that have a  
7 budget, to encourage them to also support SYEP.

8 CHAIRPERSON FERRERAS-COPELAND: Well, I  
9 mean, the cost is covered by DYCD. So, I would think  
10 that they would want more support. It's free  
11 assistance.

12 COMMISSIONER BISHOP: But you do have to--  
13 - when you bring on an intern, it's not the cost  
14 that's the issue. It's really the person who's  
15 running the business, and you know small businesses--

16 CHAIRPERSON FERRERAS-COPELAND:  
17 [interposing] Right.

18 COMMISSIONER BISHOP: That person tends  
19 to be the cook, the dishwasher, and--

20 CHAIRPERSON FERRERAS-COPELAND:  
21 [interposing] Right.

22 COMMISSIONER BISHOP: everything. To stop  
23 doing that--

2 CHAIRPERSON FERRERAS-COPELAND:

3 [interposing] SO, it's the supervision part that  
4 you're saying.

5 COMMISSIONER BISHOP: Correct, right.

6 CHAIRPERSON FERRERAS-COPELAND: Gotcha.

7 COMMISSIONER BISHOP: Yeah.

8 CHAIRPERSON FERRERAS-COPELAND: Okay,

9 EDC, you shouldn't have this problem at all.

10 JAMES PATCHETT: Which problem.

11 JAMES PATCHETT: That you're too small or  
12 that, you know, the chef also is the person who is  
13 the waiter, and I think your agency has capacity.

14 JAMES PATCHETT: So I actually-- I'm  
15 going to have to get back to you on the specifics of  
16 our participation in the program. I think this year  
17 we've largely filled out our intern class, but I hear  
18 you, it's an important-- it's an program that gets--  
19 it's a great one.

20 CHAIRPERSON FERRERAS-COPELAND:

21 [inaudible] okay.

22 JAMES PATCHETT: And it's a great point.  
23 We'll look into it and get back to you, just have a  
24 conversation to make sure we're participating in an  
25 adequate level.

2 CHAIRPERSON FERRERAS-COPELAND: Yeah, I  
3 think it would be great, and I do believe that this  
4 is a lot of pipeline opportunities for many of our  
5 young people.

6 JAMES PATCHETT: Yeah.

7 CHAIRPERSON FERRERAS-COPELAND: How great  
8 would it be to have a summer job with, you know, the  
9 people that are really supporting our city?

10 JAMES PATCHETT: There's no greater honor  
11 than working with me personally, I think.

12 [laughter]

13 CHAIRPERSON FERRERAS-COPELAND: And we  
14 will now give it to Council Member Koo who would like  
15 to make a clarification, and then we will have Chair  
16 Garodnick.

17 COUNCIL MEMBER KOO: Thank you, Chair. I  
18 just want to make my clarifications. I am not  
19 against street vending, no. I understand street  
20 vending is a pathway to successful entrepreneurship.  
21 I, myself, seen a lot of millionaires [sic] in my  
22 area. They were street vendors before. My main  
23 concern is the street vendor in the busy transit  
24 area, especially on Main Street between a few blocks,  
25 because when we have too many vendors in the streets,

2 the pedestrian have a hard time to navigate on the  
3 street. They have to go outside the sidewalk. To  
4 walk on the street is really dangerous. So, that's  
5 my main concern. I'm not criticizing anyone. I  
6 mean, I understand you have a difficult position, but  
7 I just want you to advocates, even police enforcement  
8 on certain busy corridors and transportation hubs,  
9 because otherwise, you know, pedestrians always have  
10 a complaint. They say New York City's not doing  
11 anything. This is [inaudible] third world country.  
12 [inaudible] all around on the streets. So, my main  
13 concern is that. As long as they're doing it on a  
14 really busy pedestrian area, it's okay. So, that's  
15 my clarification. Thank you.

16 CHAIRPERSON GARODNICK: Thank you again,  
17 Madam Chair. I just want to finish up with a couple  
18 questions for EDC and then a couple for SBS. So,  
19 President Patchett, back on the ferries for one  
20 second.

21 JAMES PATCHETT: Sure.

22 CHAIRPERSON GARODNICK: In our  
23 conversation before you were dividing out the per-  
24 passenger expected subsidy based on a ridership of  
25 four and a half million. I really was most

2 interested in the top line number of 30 million  
3 dollars a year. Is there anything that affects that  
4 number for the City--

5 JAMES PATCHETT: [interposing] Sure.

6 CHAIRPERSON GARODNICK: if ridership is up  
7 beyond, you know, those numbers? Does anything  
8 change for us, or in the alternative, if ridership  
9 instead of being 4.5 million is, you know, one  
10 million, what happens then?

11 JAMES PATCHETT: Right. So, we-- the  
12 contract is structured to provide us with downside  
13 protection, but also some upside opportunities to a  
14 degree. So over the next six-- it is as you pointed  
15 out earlier, a six-year contract. So this is only  
16 for the duration of the contract, and you go forward  
17 basis we have a better sense of the ridership we  
18 should be able to be more precise, but what we've  
19 done is provided a range so that as long as the  
20 ridership is, I believe, between three and a half and  
21 five and a half, there's no benefit or cost to the  
22 City. So, that is to say as long as it's near four  
23 and a half million we won't have to pay more and we  
24 won't have to pay less. That being said, if we  
25 significantly exceed our estimates, we should be able

2 to benefit financially, and it should cost us less.

3 That was-- there was a decision to a combination of  
4 mitigating our risk because we wanted the bar at the  
5 bottom to be low enough that we didn't think there  
6 was a possibility that we would go below it, and at  
7 the same time have the bar at the top high enough  
8 that we thought there was a possibility as the  
9 service is up and running that we could potentially  
10 get beyond it. So there was really more from our  
11 perspective upside than downside.

12 CHAIRPERSON GARODNICK: So what then  
13 happens if you were-- if we go above five and a half  
14 million rider?

15 JAMES PATCHETT: There's an adjustment to  
16 the level of payment because it becomes offset by  
17 fares.

18 CHAIRPERSON GARODNICK: Okay, so the  
19 amount that the City would pay is reduced by--

20 JAMES PATCHETT: [interposing] Yeah.

21 CHAIRPERSON GARODNICK: the additional  
22 fares, is that correct?

23 JAMES PATCHETT: Correct, yeah.

24 CHAIRPERSON GARODNICK: And if it is-- if  
25 the ridership is below three and a half million?

2 JAMES PATCHETT: Similarly, to a degree we  
3 have to make up the loss fare, an element of the lost  
4 fare revenue to the degree its below.

5 CHAIRPERSON GARODNICK: Is there any  
6 maximum amount of funds that the City would have to  
7 make up if ridership is at a much lower--

8 JAMES PATCHETT: [interposing] Yeah, there  
9 is. I would just say-- I mean, again, the thing  
10 about it this time, the way it was structured is this  
11 is on EDC. So we're not going to be looking to the  
12 City to come up with this fund. It was structured to  
13 that it was EDC's responsibility to manage the  
14 contract and handle the up and downside. We wouldn't  
15 be coming back to the City, to the City Council or  
16 the Administration looking for more funds if the  
17 ridership were lower.

18 CHAIRPERSON GARODNICK: I've got it, but  
19 I've noticed that there is some level of connection  
20 between EDC's funds and the City's funds which is why  
21 I'm asking the question--

22 JAMES PATCHETT: [interposing] Yeah, no.

23 CHAIRPERSON GARODNICK: as to whether or  
24 not there is any limit to the amount that EDC then  
25 would have to make up on the downside.

2 JAMES PATCHETT: Yeah, there is a limit.

3 CHAIRPERSON GARODNICK: There is a limit?

4 JAMES PATCHETT: Yeah.

5 CHAIRPERSON GARODNICK: Which is what?

6 JAMES PATCHETT: I don't have it in front  
7 of me, but we can--

8 CHAIRPERSON GARODNICK: [interposing]

9 Okay. Alright. Let's talk about Sunnyside Yards for  
10 a second. The Executive Capital Commitment Plan  
11 includes 55 million dollars for preliminary  
12 infrastructure to support Sunnyside Yards for future  
13 development. The Preliminary Budget included a six  
14 million dollars for a study for alternative designs.  
15 So, question one is which fund is this money coming  
16 from, if it is from one of those funds that we  
17 discussed earlier.

18 JAMES PATCHETT: It's not.

19 CHAIRPERSON GARODNICK: It is not.

20 JAMES PATCHETT: No.

21 CHAIRPERSON GARODNICK: So this is  
22 separate and apart--

23 JAMES PATCHETT: [interposing] Yes.

24 CHAIRPERSON GARODNICK: from Neighborhood  
25 Revitalization Funds?

2 JAMES PATCHETT: Yes.

3 CHAIRPERSON GARODNICK: What  
4 infrastructure support is this being used for?

5 JAMES PATCHETT: This is specifically--  
6 we've talked about it with Amtrak, the fact that they  
7 are redesigning their high-speed rail shed unrelated  
8 to anything that the City is doing. And so they were  
9 going through that process, and it's in the middle of  
10 Sunnyside Yard, and we talked to them, and it's a  
11 space that we believe in the long run might provide  
12 an open space for the community and so rather than  
13 allowing-- above the rail shed at some point in time.  
14 And so we didn't-- we decided since they were  
15 redesigning it, we wanted to redesign it, make sure  
16 that they designed it and constructed it in a way  
17 such that it would provide for the construction of an  
18 open space over the top of it at some future stage  
19 rather than missing that opportunity, because if they  
20 build it in a way that does not support that, in  
21 theory, if you ever wanted to build that open space  
22 you'd have to tear down the entire shed and start  
23 from beginning, which it's a much larger-- it's a  
24 hundreds of million dollar capital projects. The  
25 concept was evaluate the design and see if there was

2 a way to integrate the elements in construction that  
3 would permit us to build the open space. We're in  
4 that design process right now. Ultimately, whether we  
5 proceed with it will be dependent on whether it is  
6 possible to construct a facility that supports the  
7 open space over the top for a reasonable cost figure.

8 CHAIRPERSON GARODNICK: So, am I to  
9 understand that there's going to be a certain amount  
10 of time or money spent to assess whether or not this  
11 is viable before--

12 JAMES PATCHETT: [interposing] That's the  
13 six million dollars, yes.

14 CHAIRPERSON GARODNICK: So, if it is-- if  
15 you all conclude that it's not a viable option, then  
16 that's the-- that's the total of the expenditure  
17 here, is that right?

18 JAMES PATCHETT: That's-- yeah, that's  
19 correct, yeah.

20 CHAIRPERSON GARODNICK: And if it were  
21 viable, 55 million dollars is the cost that the City  
22 would, that EDC would--

23 JAMES PATCHETT: [interposing] This is  
24 City, yeah, in this case.

25 CHAIRPERSON GARODNICK: Okay.

2 JAMES PATCHETT: This is City capital as  
3 opposed to.

4 CHAIRPERSON GARODNICK: The City capital  
5 dollars would go into-- would the City be doing the  
6 work to address the shed--

7 JAMES PATCHETT: [interposing] Yeah, I  
8 think it would be an agreement to Amtrak. Amtrak is  
9 doing the overall construction work. So the way it  
10 would be structured would be we essentially a  
11 contribution to Amtrak's overall capital construction  
12 to fill the gap in the cost of construction and  
13 building that did not provide for a build-- an over  
14 build of open space versus construction that did  
15 provide for it.

16 CHAIRPERSON GARODNICK: At this stage of  
17 the game, does Amtrak believe that this will be  
18 viable so as to allow for that joint project to  
19 exist?

20 JAMES PATCHETT: Well, it's a joint design  
21 effort. They, you know, we've been discussing with  
22 them. We're in conversation with them. We're doing  
23 the design together. So, I think neither we nor  
24 Amtrak have the answer to that. We certainly think  
25 it's in the range of viability that we wouldn't be

2 spending the funds if we didn't. But jointly, we  
3 think it's a po-- I mean, they have a long-term  
4 interest in making sure that, you know, that doesn't  
5 remain an open-cut rail yard forever, and they're  
6 supportive of the efforts to ultimately make open  
7 space on that particular parcel, and so it's a joint  
8 effort, and we certainly are optimistic. But we want  
9 to, again, we want to, to your point, make sure we  
10 take a thoughtful step on design before we go ahead  
11 and spend a ton of money building something that  
12 might not actually be supportive.

13 CHAIRPERSON GARODNICK: Okay. On the  
14 Manhattan Greenway--

15 JAMES PATCHETT: [interposing] Yes.

16 CHAIRPERSON GARODNICK: First of all,  
17 this is a great development for city and certainly  
18 for the continuity of a greenway around Manhattan,  
19 and so we thank you for your leadership and continued  
20 partnership on that issue. You noted on your  
21 testimony that a portion-- it was a five million  
22 dollars. I wasn't sure if you were saying that it  
23 was five million of the 100 million that would go  
24 toward designing the-- what will continue to be an

25

2 existing gap between 41<sup>st</sup> and 53<sup>rd</sup> Street or if that's  
3 an additional allocation for study.

4 JAMES PATCHETT: Sure. So, there's a 100  
5 million dollars which is specifically allocated for  
6 the construction, the full design and construction of  
7 the segment of the Manhattan Greenway that you're  
8 referring to going up to 61<sup>st</sup> Street. There is a  
9 separate five million dollars that OMB allocated in  
10 design and analysis funds to look at the entire  
11 greenway which includes the segment south of 53<sup>rd</sup>  
12 Street to look at what will be necessary there and  
13 what will be necessary across the entire greenway,  
14 because broadly the Mayor is committed to ensuring  
15 that we actually successfully have a vision for  
16 completing the greenway as opposed to just-- around  
17 all of Manhattan including the segment further south  
18 behind the UN as well as some elements in Northern  
19 Manhattan that currently are incomplete. For  
20 instance, if you get north of the George Washington  
21 Bridge on the west side, there's a large area that  
22 requires steps to go up. On the east side in Inwood  
23 there's an element that's incomplete. There are some  
24 segments across the city that are really not in the  
25 level of completion that we would like to see. So

2 this is a separate simultaneous analysis to create a  
3 path for us to really finalize the Manhattan  
4 Greenway.

5 CHAIRPERSON GARODNICK: That's great, and  
6 we look forward to working with you.

7 JAMES PATCHETT: Great.

8 CHAIRPERSON GARODNICK: I will note that I  
9 went as part of the great saunter this weekend and  
10 walked all the way around the borough of Manhattan--

11 JAMES PATCHETT: [interposing] Okay.

12 CHAIRPERSON GARODNICK: and experienced  
13 what you're talking about. There are some obvious  
14 challenges and gaps. The west side is looking great.

15 JAMES PATCHETT: Up to George Washington  
16 Bridge it's great.

17 CHAIRPERSON GARODNICK: And it is just  
18 great. It is a wonderful resource, and then when you  
19 come back around and you hit the east side the  
20 challenges are significant, and so we appreciate this  
21 investment.

22 JAMES PATCHETT: Yeah, I've done it  
23 myself. I know what you mean.

24 CHAIRPERSON GARODNICK: Okay. Now,  
25 Commissioner Bishop, two questions for you. One of

1 them obviously is going to be on our favorite subject  
2 about school buses, but let's just talk for a second  
3 about commercial rent tax. You know, there's a  
4 legislative proposal that is pending in the City  
5 Council right now to give some relief to smaller  
6 businesses who are paying the commercial rent tax in  
7 Manhattan only south of 96<sup>th</sup> Street only. The  
8 proposal would increase an exemption that exists  
9 today for small businesses. Right now, it's set at  
10 250,000 dollars and below. If you pay less than that  
11 you're exempt from this tax. If you pay more than  
12 that, you are not exempt from this tax. What has  
13 happened over recent years is that more and more  
14 businesses because of the rents have gone over the  
15 exemption level. In fact, some 62 percent of--  
16 there's been 62 percent growth between 2013 and 2015  
17 in the number of businesses that are now covered by  
18 this tax because they're just over that 250,000  
19 dollar threshold. So we have a proposal that would  
20 for the first time in 16 years increase the exemption  
21 amount from 250,000 to 500,000 dollars a year. We  
22 would help 3,400 of the smaller businesses in  
23 Manhattan while only affecting six percent of the  
24 overall revenue that's generated from this tax. I  
25

2 want to see if you had any thoughts or feelings on  
3 this subject. I noted that revenue changes were not  
4 included in the Executive Budget, but I wanted to see  
5 if you had any feeling about that initiative.

6 COMMISSIONER BISHOP: So, you know, just  
7 based on our conversation in the past and of course  
8 all the work that we've done to get and support small  
9 businesses, we of course are looking for ways to  
10 reduce the cost for small businesses to operate in  
11 New York City. I think the commercial rent tax is,  
12 you know, one of those conversations that has to  
13 happen in terms of not only looking at it, but then  
14 also looking at the broader context of how it will  
15 impact the budget, and I believe that is the  
16 conversation that is happening right now, and  
17 certainly, you know, I encourage that conversation to  
18 continue.

19 CHAIRPERSON GARODNICK: Okay. Thank you.  
20 I won't push you further, but we look forward to  
21 hopefully your advocacy within the Administration to  
22 help support small businesses which right now, you  
23 know,-- these folks were not really intended to be  
24 captured by this tax. They are now being captured by  
25 this tax just by virtue of our inaction. So, I would

2 appreciate your support on that. Last thing is on  
3 the school bus program, don't intend to go back and  
4 forth on the merits or legality of this, but I do  
5 want to talk about the allocation, how much money has  
6 been spent to-date on the grant program. Over the  
7 past, to the extent you can tell us, over the past  
8 three fiscal years we'd like to know where we are.  
9 The Executive Budget adds 31.5 million dollars in  
10 fiscal year 2017 for the school bus program, but tell  
11 us where this-- what we have allocated and what has  
12 been spent over the last three years.

13 COMMISSIONER BISHOP: So, in the first  
14 year, 28 million, and in the second year, 32.8  
15 million.

16 CHAIRPERSON GARODNICK: Okay, and this  
17 year--

18 COMMISSIONER BISHOP: [interposing] We're  
19 projecting 31.5.

20 CHAIRPERSON GARODNICK: You know how many  
21 bus drivers have benefited from that allocation in  
22 each of those years?

23 COMMISSIONER BISHOP: Hold on one second.  
24 So, it's about 1,200 to 1,400, and it's not only  
25 drivers, it's mechanics and attendants.

2 CHAIRPERSON GARODNICK: Twelve-hundred to  
3 fourteen-hundred in each, each year. Presumably it  
4 was rough--

5 COMMISSIONER BISHOP: [interposing] Yeah.

6 CHAIRPERSON GARODNICK: Probably the same  
7 people, I would--

8 COMMISSIONER BISHOP: [interposing] Yeah,  
9 so as you know, we are just administering the  
10 program, but DOE looks at sort of the employees to  
11 make sure they're eligible for reimbursement. So, at  
12 any given time some employees may drop off or add on.

13 CHAIRPERSON GARODNICK: Why is there such  
14 a range between the actual number here of people who  
15 have benefitted? I mean, 12,000 to 14, that's a  
16 pretty big gap. Is there-- why is there a range as  
17 opposed to a specific number of workers?

18 COMMISSIONER BISHOP: I mean, some-- I  
19 mean, some workers may leave a company, so that might  
20 be one of the reasons.

21 CHAIRPERSON GARODNICK: No, no, I guess  
22 I'm really asking how many people have gotten extra  
23 money on top of their existing paycheck from the City  
24 of New York by virtue of this program. That's a--  
25 that should be a fixed number.

2 COMMISSIONER BISHOP: Yeah, we'll get back  
3 to you on that.

4 CHAIRPERSON GARODNICK: Okay, alright.  
5 Thank you, Madam Chair.

6 CHAIRPERSON FERRERAS-COPELAND: Thank  
7 you, Chair, and that concludes the first part of  
8 today's budget hearing. We are going to be sending  
9 you additional questions. I ask that you respond to  
10 them expeditiously, because we will need them before  
11 adoption. I want to thank Commissioner Bishop and  
12 President Patchett for testifying. I also want to  
13 again thank Chairs Cornegy and Garodnick and their  
14 committees. As a reminder, the public will be  
15 invited to testify on Thursday, May 25<sup>th</sup>, the last  
16 day of Budget hearings at approximately 1:00 p.m. in  
17 this room. For any member of the public who wishes  
18 to testify but cannot make it to the hearing, you can  
19 submit your testimony to the Finance Division on the  
20 Council's website:  
21 [www.council.nyc.gov/budget/testimony](http://www.council.nyc.gov/budget/testimony), and the staff  
22 will make it a part of the official record. We will  
23 now take a five-minute break before we hear from the  
24 New York City's Health + Hospitals. Thank you.

25 [break]

2 CHAIRPERSON FERRERAS-COPELAND: [gave] We  
3 will now continue the fourth day of budget hearings  
4 with the testimony for interim President and CEO  
5 Stanley Brezenoff of New York City's Health +  
6 Hospitals. The Finance Committee is joined this  
7 morning by my Co-Chairs, Council Member Corey Johnson  
8 and Andy Cohen, and the Committees on Health and  
9 Mental Health, Developmental Disabilities,  
10 Alcoholism, Substance Abuse, and Disability Services.  
11 New York City's Health + Hospitals System, the  
12 largest municipal health system in the country has  
13 long served as a critical safety-net for low-income  
14 New Yorkers those served by the City's public  
15 hospitals include hundreds of thousands of residents  
16 without insurance and many immigrant patients who  
17 would have nowhere else to turn. Unfortunately, as  
18 we all know, the system's financial instability in  
19 recent years has put these essential services at  
20 risk. To address this, the Mayor announced a plan to  
21 transform the Health + Hospitals last year. This  
22 transformational plan aimed to remodel the way the  
23 system provided services, encourage greater  
24 operational efficiencies and expand access to  
25 community-based care. This is designed to ensure

1 that H+H's finances would be stabilized in the long-  
2 term so that patients can continue to rely on quality  
3 affordable care. This year, H+H's transformation  
4 plan includes an 820 million dollar revenue  
5 generating initiative and 387 million in expense  
6 reducing initiatives, a total of 1.2 billion for  
7 Fiscal 2018. Furthermore, the Fiscal 2018 Financial  
8 Plan represents undeniable progress over Fiscal 2017  
9 in addressing the system's financial well-being.  
10 However, I would urge the Administration to continue  
11 to plan carefully as it addresses this significant  
12 challenge, particularly given the current political  
13 situation in Washington. Although the President's  
14 healthcare plan has only passed one House of Congress  
15 at this point, it would have a substantial impact on  
16 our city were it to become law, potentially throwing  
17 large numbers of New Yorkers off health insurance and  
18 cutting billions from Medicaid. This could very well  
19 reverse the progress that we've been making with H+H.  
20 With that being said, I look forward to hearing more  
21 today about the Administration's transformation plan  
22 in particular, and I hope to explore how H+H  
23 anticipates generating and sustaining the projected  
24 savings it has laid out in the finance plan. I also  
25

2 want to discuss the assumptions about future federal  
3 and state support that are reflected in the plan. If  
4 H+H is to be the world class municipal health system  
5 New Yorkers deserve, it must be able to withstand  
6 future challenges as it continues to reform in the  
7 coming years. I'd like to turn it over now to Chair  
8 of the Health Committee, Council Member Chair--  
9 Council Member and Chair Johnson for his opening  
10 remarks.

11 CHAIRPERSON JOHNSON: Thank you, Chair  
12 Ferreras-Copeland and good afternoon. I'm Council  
13 Member Corey Johnson, Chair of the City Council's  
14 Committee on Health. During today's hearing we will  
15 review New York City Health + Hospitals' 7.6 billion  
16 dollar Fiscal 2018 Executive Budget plan, including  
17 issues related to correctional health services.  
18 First, I would like to commend Health + Hospitals  
19 Interim President and CEO Stanley Brezenoff on the  
20 substantial improvements outlined in H+H Fiscal 2018  
21 plan. While the Fiscal 2017 Adopted Financial Plan  
22 projected an operating loss of 1.3 billion dollars--  
23 let me repeat that, 1.3 billion dollars. In Fiscal  
24 2018, H+H now projects an operating income of 64  
25 million dollars. Furthermore, the Financial Plan now

2 projects fiscal year losses in the tens of millions  
3 of dollars rather than the hundreds of millions of  
4 dollars. Clearly, significant work remains in order  
5 to ensure a financially sound municipal healthcare  
6 system, but you and your team's progress is very  
7 laudable. I would now like to address the current  
8 political climate as it relates to healthcare. As  
9 the Finance Chair stated, the federal and state  
10 government present significant threats and challenges  
11 to Health + Hospitals' fiscal health, notably by  
12 Fiscal Year 2019. Medicaid waiver programs and  
13 federal and state charity care total 852 million  
14 dollars in H+H's transformation plan, representing 25  
15 percent of the revenue generating initiatives  
16 outlines. However, these funding streams prove more  
17 precarious than ever. The American Healthcare Act,  
18 the misnomer, immoral American Healthcare Act  
19 recently passed by the House of Representatives would  
20 dramatically cut federal funding from Medicaid, would  
21 eliminate federal funding for New York State's  
22 essential health plan and would disrupt the state's  
23 non-group insurance market. Ultimately, the  
24 legislation would jeopardize coverage for hundreds of  
25 thousands of New Yorkers, a significant concern for

2 the City's single largest provider to Medicaid  
3 patients and the uninsured. As more people  
4 experience barriers to healthcare coverage and  
5 services, H+H will continue to serve as a lifeline  
6 for the City's most vulnerable populations. I look  
7 forward to working with you throughout these changes  
8 to ensure that H+H is able to deliver affordable,  
9 high-quality care to every New Yorker regardless of  
10 income or immigration status. I would like to thank  
11 the Committee Staff, Finance Analyst, Jeanette  
12 Merrill, Policy Analyst, Crystal Pond, Committee  
13 Counsel, David Sietzer, as well as my Deputy Chief of  
14 Staff, Louis Choldon-Brown, and I look forward to  
15 hearing your testimony and asking some questions  
16 after the Finance Chair asks hers. Thank you very  
17 much.

18 CHAIRPERSON FERRERAS-COPELAND: Thank you  
19 very much, Chair Johnson. I also want to acknowledge  
20 the Finance Staff who helped prepare this hearing,  
21 Crillian [sp?] Francisco, Jeanette Merrill and Eric  
22 Bernstein. We will now hear from the President, and  
23 after my-- we will hear your testimony. I should be  
24 clear. Not Trump. President Brezenoff after my  
25 Counsel swears him in.

2 COMMITTEE COUNSEL: Do you affirm to tell  
3 the truth, the whole truth and nothing but the truth  
4 in your testimony before the Committee today and to  
5 respond honestly to Council Member questions?

6 PRESIDENT BREZENOFF: Is it on? Now it's  
7 on. Good afternoon, again, Chairpersons Ferreras-  
8 Copeland, Johnson and Cohen and the members of the  
9 three committees. As noted, I'm Stan Brezenoff.  
10 Interim President and Chief Executive Officer of the  
11 NYC Health + Hospitals. I am joined by P.V.  
12 Anantharam, our Chief Financial Officer, Doctor  
13 Mabelle Allen, our Chief Medical Officer, and John  
14 Jurenko, our Vice President for Government and  
15 Community Relations; as well as leadership from  
16 Health + Hospitals. Thank you for the opportunity to  
17 share our thoughts on the FY18 Executive Budget as  
18 well as other programmatic initiatives. Health +  
19 Hospitals is the safety net provider for all New  
20 Yorkers. We serve nearly 1.2 million people, of  
21 which more than 425,000 are uninsured. In 2016,  
22 there were 4.5 million outpatient visits, and  
23 approximately 1.2 million emergency room visits,  
24 which is approximately 30 percent of the City's  
25 emergency department visits. There were 195,000

2 patient discharges, including 18,000 newborn  
3 deliveries. Our commitment to the patients and  
4 communities we serve is unwavering, and we will  
5 continue to uphold our mission of providing high  
6 quality, affordable, culturally responsive health  
7 care to all regardless of their ability to pay or  
8 immigration status. But as you noted, the stark  
9 reality is that we are facing a fiscal cliff. We  
10 have a large budget gap, which we will also describe  
11 how we are going to attack, of \$1.1 billion in FY18,  
12 which is increasing to \$1.9 billion by FY21. This is  
13 brought on by higher costs, some inefficiencies in  
14 our system, and reimbursement policy changes at the  
15 federal and state levels that have yielded severe  
16 shortfalls associated with being the City's single  
17 largest provider of care to Medicaid and uninsured  
18 patients. We have busy emergency departments, some  
19 of the busiest in the country, with low admission  
20 rates, which indicate patient needs could be better  
21 addressed in lower-cost, lower acuity settings. We  
22 also have excess inpatient bed capacity, as do other  
23 hospitals across New York City, reflecting in part  
24 the success of strategies to better serve patients in  
25 their communities before intensive inpatient care is

2 needed. And as always, we need greater investment in  
3 outpatient, post-acute care and integrated social  
4 services. Hence the need to transform into a high-  
5 performing, competitive, and financially sustainable  
6 community-based system. As you know, we have  
7 developed an ambitious plan to address these dual  
8 challenges of financial stress and the imperative of  
9 better serving our communities. The transformation  
10 plan, a combination of savings initiatives, revenue  
11 enhancements, and targeted investments in the long  
12 term transformation of our system, will meet its  
13 financial targets this fiscal year. Next year the  
14 plan will be more challenging, as some of our  
15 expectations around enhanced federal support, as you  
16 noted, will probably not be met. We continue to  
17 innovate and look for new ways to enhance the  
18 effectiveness of our services while meeting those  
19 stiff financial challenges in front of us. So, let's  
20 talk about the FY18 gap closing initiatives. While  
21 we are transforming public healthcare delivery in  
22 response to structural changes to the national and  
23 local health care landscape, especially in the midst  
24 of our financial crisis, we are also making strategic  
25 changes to meet our budget gap-closing targets.

2 We're taking the opportunity where we can, at the  
3 management level to adopt industry standard  
4 organizational models and reduce the layers of  
5 management within our system to bring it more in line  
6 with other healthcare organizations. This necessary  
7 restructuring will help us function more efficiently  
8 and yield savings to address our serious financial  
9 challenges, and will have no impact on services or  
10 patient care, quality or safety. Six weeks ago, when  
11 I testified before Chairman Johnson and members of  
12 the Health Committee, I outlined how we will close  
13 our 779 million dollar gap for FY17, and how we would  
14 end the year with a cash balance of 100 million  
15 dollars and meet our obligations with the City. I'm  
16 pleased to report, six weeks later, but with the end  
17 of the fiscal year in sight, we will remain on track  
18 for that challenge. In FY18, I am confident that  
19 we're on a path to greater financial solvency, and  
20 will build a stronger, agile, and more stable  
21 organization. We will aggressively pursue  
22 opportunities to close the projected 1.1 billion  
23 dollar gap by pursuing 820 million dollars in revenue  
24 generating initiatives, and 387 million dollars in  
25 expense reductions. This will be accomplished by the

2 following: On the revenue side, implementing of a  
3 Medicaid waiver program for \$483 million; pursuing  
4 federal and state charity care funding, \$85 million;  
5 implementing a range of health insurance initiatives  
6 for \$252 million. On the expense side we're  
7 implementing supply chain and care management  
8 initiative that would achieve 137 million dollars and  
9 restructuring and personnel initiative of 250 million  
10 dollars. Let me describe it. The Medicaid waiver  
11 program, those funds are primarily in programs that  
12 are ongoing, such as the New York State Delivery  
13 System Reform Incentive Payment known as DSRIP, or  
14 that have been implemented this year, such as Value  
15 Based Payment Quality Incentive Program, and the Care  
16 Restructuring Enhancement Pilots. Healthcare is very  
17 big on long definitions and acronyms. We anticipate  
18 these programs to continue, and we will continue to  
19 work in partnership with both the State and Federal  
20 governments to realize additional waiver  
21 opportunities. Federal and State Charity Care of \$85  
22 million: We will seek approval to avert the loss of  
23 Disproportionate Share Hospital funding using an  
24 existing 1115 waiver provision to convert a portion  
25 of authorized Federal Supplemental Medicaid funds to

2 DSRIP performance based payments; and we will work  
3 with stakeholders around the state to ensure an  
4 equitable distribution of any DSH cuts, a very  
5 important issue. On the health insurance initiative  
6 side, which we credit with \$252 million, Health +  
7 Hospitals will pursue many efforts to improve our  
8 revenue collection, including improved documentation  
9 and coding, and denials management. We will receive  
10 additional revenue from enhanced Medicaid and  
11 Medicare rates through the establishment of FQHC  
12 Centers. MetroPlus is expected to deliver  
13 significant additional revenue through care  
14 management of its population, achieving high-quality  
15 scores that result in bonus funds, and increasing  
16 membership, both generating additional enrollments  
17 and decreasing disenrollments. Lastly, through the  
18 implementation of new and additional outreach and  
19 enrollment strategies, we will ensure that all  
20 uninsured patients are evaluated for existing  
21 subsidized health care programs. On the cost  
22 reduction side, we're looking at supply chain and  
23 care management initiative of \$137 million. Savings  
24 will be achieved through product standardization,  
25 contract negotiations and leveraging corporate wide

2 volumes to achieve better pricing. In addition, the  
3 340B contract pharmacy program will be expanded, and  
4 Health + Hospitals will expand its care management  
5 program to improve patient care, thereby controlling  
6 our costs. On the restructuring and personnel  
7 initiatives, \$250 million, Health + Hospitals is as I  
8 noted earlier embarking on an organizational  
9 restructuring that is based on industry best  
10 practices to create a more efficient and financially  
11 sustainable management structure to direct resources  
12 where we need them the most, at the front line of  
13 patient care. This effort will assist us in  
14 functioning more efficiently and yield savings to  
15 address our serious financial challenges. We're  
16 pleased to report positive, albeit modest news out of  
17 Albany. The final version of the State FY17-18  
18 budget provides 20 million dollars gross over two  
19 years in new funding for enhanced safety net  
20 hospitals serving a high share of Medicaid and  
21 uninsured individuals. Although the budget doesn't  
22 lay out outline a methodology for funding  
23 distribution, based on an internal analysis, we  
24 anticipate receiving funding for H+H in the  
25 neighborhood of 40-50 percent of these funds. Not a

2 lot of money, but this represents an important first  
3 step in recognizing the challenges in Albany facing  
4 safety net hospitals around the perspective cuts.

5 We're thankful to members of the New York State  
6 Legislature for this critical funding and for our  
7 labor and community partners and the members of the  
8 City Council for weighing in on our behalf. It's a  
9 good first step. While these initiatives and new  
10 State funding are promising in bringing much needed  
11 financial and operational relief, there still remains  
12 budgetary actions emanating out of Washington that  
13 will have a negative impact on the system. As you  
14 know, Washington continues to roil the nation's  
15 healthcare landscape with a revived attempt to repeal  
16 and replace the Affordable Care Act with the  
17 Republican-sponsored American Health Care Act. We  
18 will continue to oppose the AHCA, are working closely  
19 with the Mayor's Office, healthcare associations, our  
20 labor partners, New York's congressional delegation,  
21 and partners in healthcare around the country to keep  
22 the ACA the law of the land. In light of these  
23 uncertain times, I would like to remind members of  
24 the Committees that Health + Hospitals remains  
25 committed to the health of all our patients,

2 regardless of their immigration status. Over the  
3 last months, we've implemented the following programs  
4 to protect our patients. Immigrant forums along with  
5 the Mayor's Office of Immigrant Affairs, the New York  
6 Immigration Committee, and the New York Legal  
7 Assistance Corporation, H+H has held, and is  
8 continuing to hold, a series of forums at our  
9 facilities aimed at informing our patients of their  
10 rights, and Health + Hospitals' commitment to  
11 protecting patient privacy and not inquiring about  
12 immigration status. We held four of these forums in  
13 March, and throughout the months of April and May--  
14 well, it's now May-- we will host three additional  
15 forums. On the legal strategies, we continue to  
16 pursue legal strategies with the City and the State  
17 to oppose the travel ban and the damaging effect it  
18 would have on immigrant communities and indeed  
19 potentially on physician workforces. Educating our  
20 employees, we're educating our staff on helping  
21 immigrant patients in an uncertain climate, and have  
22 communicated with all our staff to assuage their  
23 concerns and direct them to H+H's Office for  
24 Diversity and Inclusion with any questions. We've  
25 done an open letter to patients in December 2016.

2 Again, along with the Mayor's Office of Immigrant  
3 Affairs. The open letter to patients reaffirmed  
4 Health + Hospitals' and the City's commitment to  
5 serving the immigrant community, and protecting the  
6 privacy rights of all those we serve. We also share  
7 the Council's concerns about immigration actions  
8 taking place at our facilities involving patients and  
9 employees. This is consistent with the ICE Sensitive  
10 Locations Policy that states that enforcement actions  
11 at locations such as hospitals, places of worship,  
12 and schools, generally should be avoided. Health +  
13 Hospitals will exercise its right to review and  
14 challenge any document that ICE produces that seeks  
15 to grant access to non-public areas or patient  
16 information. An important aspects of H+H's moving  
17 forward is the Delivery System Reform Incentive  
18 Payment Program, OneCity Health. OneCity Health is  
19 Health + Hospitals' DSRIP performing provider system,  
20 PPS, that is leading our system in the State's triple  
21 aim of improving care, improving health and lowering  
22 health care costs, by building a population health  
23 and care management infrastructure to better manage  
24 the access, outcomes, and utilization of our  
25 patients. These efforts are preparing us to shift

2 from volume-based payments to value-based  
3 reimbursement from the Federal and State governments.  
4 It is also in keeping with the recommendations made  
5 in the One New York Health Care for Our Neighborhoods  
6 report issued by the Mayor last year, and the  
7 recently released Commission on Health Care for our  
8 Neighborhoods issue brief on building clinical  
9 partnerships. By way of background, the DSRIP  
10 program is not a grant program; there is performance  
11 risk associated with achieving certain health outcome  
12 targets as set by the New York State Department of  
13 Health. Because of this risk, on the basis of  
14 analysis provided to all PPSs from the Greater New  
15 York Hospital Association, we have to expect that our  
16 earnings may be lower than the maximum valuation of  
17 \$1.2 billion. The partnership may earn above that  
18 amount by accelerating the care management efforts to  
19 care for high-risk, high-needs patients with high  
20 inpatient utilization and by investing in staffing  
21 and other infrastructure needed to improve primary  
22 care access and frontline-level population health  
23 management and that has to be our priority. Some  
24 highlights of OneCity Health: OneCity Health has  
25 several charges, including establishing more

2 effective partnerships with organizations that care  
3 for the same patients, including other health systems  
4 and community based organizations; designing and  
5 implementing new interventions in the clinical,  
6 emergency department and inpatient setting, intended  
7 to reduce unnecessary utilization; developing and  
8 advancing models intended to better integrate primary  
9 care and behavioral health, both at Health +  
10 Hospitals and in community clinics; and supporting  
11 capacity building to help sustain organizations  
12 important to meeting social needs, including  
13 community-based organizations. These goals are being  
14 implemented through many initiatives, including but  
15 not limited to: Centralized Care Management: We're  
16 supporting high-risk patients for 30 days following  
17 discharge through the Care Transitions program.  
18 Transition Management Teams are now in five Health +  
19 Hospital facilities, with five more beginning soon.  
20 Over 900 patients have been followed by the team, who  
21 meet the patient while in the inpatient setting and  
22 support them in the community. Additionally, in our  
23 primary care sites we are expanding the Health Home  
24 program by providing care management services to all  
25 appropriate patients who have complex medical and

1 social needs. The primary care provider can make  
2 referrals to embedded care coordinators provided by  
3 OneCity Health's Health Home lead agencies. The  
4 program launched at six Health + Hospital sites and  
5 four OneCity Health DSRIP community partner primary  
6 care practices. One hundred referrals have been made  
7 in this pilot phase. In 2014, six H+H facilities  
8 received a three-year grant from the Centers for  
9 Medicare & Medicaid Services' Health Care Innovation  
10 Awards Program to use a multidisciplinary team to  
11 assess patients who present in the emergency room  
12 with ambulatory care sensitive conditions, create a  
13 plan that would avoid unnecessary hospitalizations,  
14 and provide support after discharge. OneCity Health  
15 is transitioning from the grant program at these six  
16 sites, and will provide a uniform approach to  
17 screening and enrolling into care management for all  
18 appropriate patients who are treated and released.  
19 We're also involved in outpatient clinic based  
20 improvements at five of our H+H sites and five of our  
21 community partner sites. We're beginning to integrate  
22 behavioral health services into primary care  
23 appointments to more effectively screen and treat  
24 patients for depression, and provide treatment for  
25

2 medical needs common among patients with severe  
3 behavioral health needs. We're assisting 52 primary  
4 care partner sites to achieve Patient-Centered  
5 Medical Home recognition to ensure a larger network  
6 of high-quality primary care services, and we are  
7 integrating palliative care into primary care  
8 appointments to better manage patients' pain or other  
9 distressing symptoms. Lastly, we are referring  
10 pediatric patients with frequent asthma exacerbations  
11 to community health workers who complete an asthma  
12 assessment, and conduct home visits to evaluate the  
13 environment for asthma triggers. In community  
14 outreach and linkages to services, we've contracted  
15 with 38 community non-hospital partners across four  
16 boroughs to connect individuals to insurance and  
17 primary care. To date, they have connected  
18 approximately 2,500 people to primary care and  
19 approximately 3,200 individuals to insurance. These  
20 efforts are in alignment with Health + Hospitals'  
21 efforts to enroll all eligible uninsured patients.  
22 And at 55 OneCity Health partners, including five  
23 Health + Hospitals sites, we are currently completing  
24 cultural competence and health literacy assessments  
25 to better understand opportunities for improvement.

2 In infrastructure we are implementing universal  
3 screening and identification of social support needs  
4 using tools in our electronic health record or care  
5 management platform, and training and engagement of  
6 care management and social work staff, including  
7 access to the Mayor's Office of Operation's Worker  
8 Connect portal. This will allow social workers to  
9 better identify the scope of patients' needs and  
10 current services. We are expanding access to social  
11 services of known high need patients, enlisting  
12 partnership partnering with New York Legal Assistance  
13 Group, which is a nonprofit organization dedicated to  
14 providing free legal services in civil law matters to  
15 low-income New Yorkers, as well as addressing food  
16 insecurity through SNAP enrollers and WIC outreach to  
17 Health + Hospitals facilities. Last year, we  
18 transitioned from the system's old organizational  
19 structure based on geographic networks centered  
20 around hospitals to three service lines focused on  
21 patient care: hospitals, ambulatory care, and post-  
22 acute care. Here are some highlights of our early  
23 experience. We are in the process of developing a  
24 system-wide clinical service plan that will guide us  
25 in appropriately scaling our inpatient service

2 capacity to meet the needs of the communities we  
3 serve, and redesign the distribution of clinical  
4 services across facilities to better manage the  
5 access, outcomes and utilization by our patients.  
6 The CEO for each hospital will be held accountable  
7 for the performance of their hospital, based on a  
8 hospital-specific scorecard. For ambulatory care, in  
9 coordination with inpatient, post-acute, and OneCity  
10 Health initiatives across the system, on the  
11 outpatient side we are focused on improvements to  
12 meet the needs of the community and grow our patient  
13 base by increasing access and improving quality of  
14 care. And, in keeping with the Mayor's Caring  
15 Neighborhoods initiative, our primary care expansion  
16 is well underway. Of the seven identified  
17 facilities, we completed renovating three in the  
18 Bronx and Brooklyn within the last six months, and  
19 over the summer and fall of 2017, we expect the  
20 remaining four in Brooklyn, Queens, and Staten Island  
21 to be done. Expanded services at these sites will  
22 now include, comprehensive primary care, and  
23 specialties based on community needs, which include  
24 behavioral health, cardiology, endocrinology, and  
25 after-hours urgent care. On the post-acute front,

2 each year, our post-acute care facilities provide  
3 800,000 patient encounters for frail and elderly New  
4 Yorkers at five skilled-nursing facilities, three  
5 adult daycare centers, a home health agency, and a  
6 long-term care acute care hospital. Four of our five  
7 skilled nursing facilities have received a five star  
8 quality rating, the highest grade given by CMS. And,  
9 while we have some of the highest rated facilities in  
10 the country, we are always seeking to make  
11 improvements by implementing new skilled-nursing  
12 facilities services and identifying ways to  
13 collaborate with our managed care partners to improve  
14 quality. Recently, 22 Health + Hospitals sites  
15 received the designation "Leader in LGBTQ Healthcare  
16 Equality" from the Human Rights Campaign Foundation  
17 for 2017. This honor acknowledges hospitals,  
18 community health centers and nursing homes across the  
19 country that embrace LGBTQ inclusion and patient-  
20 centered care. Specific accomplishments in this  
21 arena: In 2011, Health + Hospitals became the first  
22 public healthcare system in the United States to  
23 mandate LGBT Cultural Competence Training for staff,  
24 and it has continued to develop and evolve LGBTQ  
25 training. In 2014, Health + Hospitals/Metropolitan

2 was the first public hospital in New York City to  
3 open an LGBTQ Health Center to help reduce barriers  
4 and increase access to health care for that  
5 community. Last year, the hospital expanded its  
6 health services for transgender patients, including  
7 gender-affirming surgeries and increased access to  
8 hormone therapy. We thank the Speaker for the  
9 funding. Earlier this year, the health system  
10 received a multi-million dollar grant from the New  
11 York State Department of Health for staff training,  
12 which includes strategies for fostering diversity and  
13 inclusion in the workplace related to LGBTQ issues.  
14 We've partnered with the National LGBT Health  
15 Education Center, a program of the Fenway Institute,  
16 to optimize the health system's ability to  
17 effectively serve those communities by creating a  
18 certification track for physicians interested in  
19 completing intensive training to increase core  
20 competencies in LGBTQ health services. The pilot  
21 program launched in April. Critical to Health +  
22 Hospitals transformation is upgrading its information  
23 technology infrastructure to support an integrated  
24 patient-focused approach for care delivery and more  
25 efficient operations. In the FY18 Executive Budget,

2 Health + Hospitals received upwards of 200 million  
3 dollars in capital funding for FY18-FY27 for the  
4 installation of a new patient registration and  
5 billing system that will integrate with the clinical  
6 records system at all sites, as well as funding to  
7 upgrade network infrastructure equipment and bio-  
8 medical devices at multiple facilities. Below are  
9 highlights of some of the capital projects that have  
10 received the continued support. The renovation and  
11 expansion and outfitting of the Roberto Clemente  
12 clinic is complete. Patients will now have access to  
13 behavioral health programs, and we want to thank  
14 Council Member Rosie Mendez for her support and  
15 contribution to this successful completion of this  
16 project. On Staten Island, the Vanderbilt Avenue  
17 site will open this fall. This new 28 million  
18 dollar, 18,000 square foot ambulatory care facility  
19 will offer comprehensive primary medical and mental  
20 health system services for children and adults. The  
21 site will also feature an after-hours urgent care  
22 center to better accommodate patient needs. I want  
23 to thank Council Member Debbie Rose for her  
24 contribution to this project. In Queens, work is  
25 underway at Elmhurst Hospital to renovate and expand

2 its adult emergency room. The project is currently  
3 in a design phase, and we expect that it will be  
4 completed in 2019. We would like to thank the Queens  
5 Borough President and the Queens City Council  
6 delegation for their support. I also want to thank  
7 Council Member Mathieu Eugene for his commitment to  
8 provide funding for Kings County Hospital to replace  
9 and upgrade needed medical equipment. There's been a  
10 lot of activity and interaction with FEMS. In  
11 addition to the aforementioned capital projects, we  
12 continue to work on key projects to rectify the  
13 damage caused by Hurricane Sandy and to make our  
14 facilities more resilient to protect them from future  
15 storms. We've been working closely with our partners  
16 in the Mayor's Office of Recovery and Resiliency and  
17 the New York State Economic Development Corporation  
18 on these initiatives. Projects to relocate and/or  
19 protect critical infrastructure equipment including  
20 electrical, mechanical, heating and ventilation  
21 units, as well as projects to mitigate the effects of  
22 floods are underway at Bellevue, Coler, Coney Island  
23 and Metropolitan. I talked earlier about information  
24 technology. I want to note we're in the process of  
25 implementing a new a new Epic revenue cycle, which

2 will integrate seamlessly with our EMR system that we  
3 began adopting last year. This new technology will  
4 standardize revenue collection in our acute care  
5 facilities and across dozens of our community-based  
6 sites, and we expect it to yield up to 142 million  
7 dollars annually in revenue, based on FY16 patient  
8 volume. The benefits of the integrated suite are  
9 significant. Health + Hospitals will now experience  
10 improved clinical documentation to support billed  
11 services, reduced claims denials, and accelerated  
12 reimbursement. Providers will now have access to  
13 consolidated and complete patient records to improve  
14 efficiency, and patients will more easily understand  
15 the costs of their care, and be able to pay their  
16 bills online. The two-year launch of the integrated  
17 revenue cycle and EMR platform is expected to begin  
18 by the end of 2018 and be fully completed by the end  
19 of 2020. H+H will invest 289 million dollars over  
20 the next five years to fully implement the integrated  
21 suite across the system. The City of New York has  
22 allocated \$150 million in capital funds, and Health +  
23 Hospitals will invest \$139 million from its operating  
24 costs, of course, pending approval by our Board of  
25 Directors. Still on the technology support front, we

2 are implementing an Enterprise Resource Planning  
3 Project. The project is designed to replace the  
4 existing financial systems that are over 30 years  
5 old. The new system will replace six existing  
6 systems into one integrated system. A single ERP  
7 system allows for organic integration, workflow,  
8 business process, and reporting, streamlining  
9 operations and reducing cost of implementation, and  
10 system maintenance. Reporting is much quicker and  
11 easier since all the information is stored in the  
12 same manner and in the same place. An ERP allows for  
13 increased productivity, accountability, performance-  
14 based management reporting, and dashboards using  
15 outcome-based indicators. The goal is to implement a  
16 user-friendly and fully integrated ERP application  
17 with related modules, data integration, training,  
18 implementation assistance, and ongoing software  
19 support. The architecture will be highly flexible to  
20 enable rapid change to support business needs and  
21 provide access to data. First implementation, the  
22 phase of this implementation will begin this summer,  
23 which will replace the existing back office  
24 accounting systems and the core supply chain  
25 management system so integral to our ambitious goals

2 in supply chain. On the radiology front we're  
3 implementing a new system that will increase  
4 efficiency, bring about standardization to our  
5 system, and improve patient outcomes and quality  
6 care. H+H will realize savings by eliminating  
7 duplicate hardware needs, redundant applications and  
8 related resources, thus resulting in a more efficient  
9 support model. The work is underway at four  
10 facilities and will be completed by the end of the  
11 year. No discussion of H+H is complete without  
12 focusing on behavioral health. As the provider of  
13 the majority of inpatient psychiatric treatment in  
14 New York City, Health + Hospitals understands the  
15 critical need for greater access to mental health  
16 care in New York City. We continue to lead and  
17 expand efforts to provide much-needed behavioral  
18 health services for New Yorkers at every stage of  
19 life, at our many patient care locations. We have  
20 integrated universal depression screenings for adults  
21 in primary care locations across the City, have  
22 successfully led efforts throughout the boroughs to  
23 screen all pregnant women and new mothers for  
24 maternal depression. We have focused efforts to  
25 promote health care services to young people at Youth

2 Health neighborhood centers, and we are very proud to  
3 be expanding a pilot program established at the Bronx  
4 Family Justice Center to provide on-site behavioral  
5 health services at each of the city's five FJCs,  
6 which are designed to provide a comprehensive range  
7 of services to survivors of domestic violence in each  
8 borough. And lastly, Health + Hospitals is leading  
9 efforts in NYC to address the opioid epidemic that is  
10 devastating many of our communities. We have begun  
11 efforts to routinely screen and offer team-based care  
12 for harmful substance use in our primary care  
13 clinics. And as part of the Mayor's HealingNYC  
14 initiative, we are quadrupling the number of  
15 providers able to treat opioid use disorder with  
16 medication, and are establishing an innovative  
17 addiction consult service to help care for the tens  
18 of thousands of patients we diagnose with substance  
19 use disorder every year. This year, 2017, marks the  
20 first year in which Correctional Health Services is  
21 the direct provider of care in the city's jails. We  
22 have made and continue to make tremendous progress in  
23 increasing the quality of and access to care for one  
24 of New York City's most vulnerable patient  
25 populations. Our infrastructure has been re-

2 engineered to enhance the expertise and support of  
3 our providers. We continue to successfully roll out  
4 our initiatives including enhanced pre-arraignment  
5 health screening, expansion of PACE units, extension  
6 of telehealth services, and treatment of Hepatitis C.  
7 We continue to leverage the resources of H+H to  
8 improve continuity and quality of care during and  
9 after incarceration, including linkages with  
10 Metroplus, Gotham Health and Health +  
11 Hospitals/Coler, one of our skilled nursing  
12 facilities. As part of the City's opioid strategy,  
13 CHS is also expanding its substance use services  
14 including doubling the methadone maintenance program,  
15 tripling the buprenorphine program, quintupling  
16 Naloxone distribution at the visit center, and  
17 extending re-entry services for opioid addicted  
18 patients who are at high risk of overdose death after  
19 release from the jail system. Thank you for the  
20 opportunity to testify and for listening, and I look  
21 forward to your questions.

22 CHAIRPERSON FERRERAS-COPELAND: Thank  
23 you. I feel like we should offer you some water  
24 after that testimony.

25 [laughter]

2 CHAIRPERSON FERRERAS-COPELAND: Thank you  
3 very--

4 PRESIDENT BREZENOFF: [interposing] It  
5 shows, right?

6 CHAIRPERSON FERRERAS-COPELAND: Very  
7 detailed testimony. We appreciate it. So, we're  
8 just going to dive right in. The Fiscal plan, and I  
9 know that you went into great detail over the plan.  
10 I just wanted to know how sustainable are these  
11 financial measures particularly given the current  
12 political climate on both the Federal and State, and  
13 I know you broke it down, but are you starting to  
14 think about contingency plans?

15 PRESIDENT BREZENOFF: So, an interesting  
16 strategic and tactical question. No, we have not  
17 publicly thought about contingency plans. Our mode of  
18 operation right now is focused on opposing, on  
19 fighting, on not giving any indication that's what's  
20 being-- what might be put forth is tolerable. This  
21 is not to say that we don't think in alternative and  
22 option terms all the time. I do think that FY18 even  
23 on the revenue side is achievable. The mischief that  
24 they're involved in in Washington at an early-- at  
25 the earliest date would probably be October going

2 into next federal fiscal year. So, I have a guarded  
3 degree of confidence. We took out the immediate DSH  
4 cut from our financial plans and effectively absorbed  
5 it in our gap closing, our gap closing initiatives,  
6 and we are prudently reaching on our expense  
7 initiatives and our other revenue enhancement. I use  
8 the term advisedly. They're not slam dunks, but  
9 they're clear routes to achieving them, and we're  
10 committed to achieving them, and we will be working  
11 very hard to achieve them. So, on the revenue side  
12 we're going to be vigilant, the big revenue side that  
13 I think you're referring to.

14 CHAIRPERSON FERRERAS-COPELAND: Right.

15 PRESIDENT BREZENOFF: In Albany and  
16 Washington we're going to be vigilant with our  
17 colleagues at OMB, and be prepared to deal with what  
18 might be emerging, but as of this moment, I believe  
19 we're in decent shape for FY18.

20 CHAIRPERSON FERRERAS-COPELAND: And I  
21 understand the Mayor has also expressed the same  
22 level of, I guess, not wanting to show your hand and  
23 show that we could absorb a cut, right? Like, I get  
24 that strategically, but I do believe that, you know,  
25 as we plan we also have to have our backup mechanisms

2 and our contingency plans. So I know that you said  
3 you publicly haven't done it, but I'm hoping that  
4 privately you're, you know, you're working within  
5 your leadership team to figure out in the event that  
6 these things come, this is how we can absorb the  
7 brunt.

8 PRESIDENT BREZENOFF: Alright, I have to  
9 say yes to that.

10 CHAIRPERSON FERRERAS-COPELAND: Okay.

11 PRESIDENT BREZENOFF: It also depends on  
12 how ugly that ultimately--

13 CHAIRPERSON FERRERAS-COPELAND:

14 [interposing] Right, of course.

15 PRESIDENT BREZENOFF: comes, right?

16 CHAIRPERSON FERRERAS-COPELAND: Of  
17 course. Understood. Last month, H+H issued a memo  
18 suggesting that organizational reconstruction [sic]--  
19 re-- sorry, restructuring could lead to about 400 and  
20 600-- from 400 to 600 layoffs. Can you provide more  
21 details about the proposed restructuring and how much  
22 would the restructuring generate in savings, and why  
23 was this not identified in the 2017 hearings that we  
24 were talking about what the potential opportunities  
25 were. So this wasn't reflected in last fiscal year.

2 Is this something that you just came up with last  
3 month? Is this real? Like, walk us through this.

4 PRESIDENT BREZENOFF: Well, in a sense we  
5 did just come up with it. We-- part of that creative  
6 thinking that you alluded to. We're on the watch on  
7 the march for finding savings within the organization  
8 that any prudent executives or managers were taking,  
9 any healthcare system in any organization. So, not  
10 before the last hearing chaired by Councilman  
11 Johnson, but soon after that as we I think noted in  
12 the testimony. We were very mindful of what we're  
13 facing, and we took the approach of examining our  
14 management structure throughout the organization.  
15 That was a New York Post article, so not entirely--  
16 not entirely--

17 CHAIRPERSON FERRERAS-COPELAND:

18 [interposing] Usually we're quoting the articles.

19 PRESIDENT BREZENOFF: The-- we set upon a  
20 path of examining facility by facility our management  
21 structure against industry best practice standards,  
22 things that I have done in the voluntary sector  
23 that's done routinely in healthcare. We're in the  
24 midst of that process. The numbers were made up by  
25 the post, but I expect that as a consequence of that

2 effort there will be substantial savings that will  
3 contribute to that 250 million dollar number in the  
4 plan.

5 CHAIRPERSON FERRERAS-COPELAND: And--

6 PRESIDENT BREZENOFF: [interposing] I  
7 don't have final numbers, but we will share them as  
8 soon as we have them, including the numbers of  
9 individuals who are affected.

10 CHAIRPERSON FERRERAS-COPELAND: Two  
11 hundred and fifty million.

12 PRESIDENT BREZENOFF: Is the-- in the  
13 plan as the--

14 CHAIRPERSON FERRERAS-COPELAND:  
15 [interposing] Oh, right. Okay. And do you--

16 PRESIDENT BREZENOFF: [interposing] But  
17 that's not for that one thing. That's a part of it.

18 CHAIRPERSON FERRERAS-COPELAND: Okay,  
19 okay. So, you'll get us the number as to what the  
20 potential savings would be with these layoffs. And  
21 which of the facilities will be affected by this  
22 restructuring?

23 PRESIDENT BREZENOFF: Potentially every  
24 facility.

2 CHAIRPERSON FERRERAS-COPELAND: Every  
3 facility, and is it just management titles, is that  
4 what--

5 PRESIDENT BREZENOFF: [interposing] Yes,  
6 and the central office.

7 CHAIRPERSON FERRERAS-COPELAND:  
8 Management and central office. Will any of these be  
9 union?

10 PRESIDENT BREZENOFF: No.

11 CHAIRPERSON FERRERAS-COPELAND: Okay.  
12 [inaudible] Now, the transformation plan projects 55  
13 million in Fiscal 2017 for restructuring and  
14 personnel incident as part of the expense reducing  
15 initiatives increasing to 544 million by Fiscal 18.  
16 Do you anticipate generating all the savings purely  
17 from workforce attrition or restructuring, or do you  
18 expect non-union layoffs in the out-years also?

19 PRESIDENT BREZENOFF: So, those numbers  
20 go back to the original plan. We're achieving the  
21 same global numbers, but in not completely with  
22 headcount reduction in FY18. So the way, the 55  
23 figure that you referred to was achieved largely  
24 almost completely by attrition.

25 CHAIRPERSON FERRERAS-COPELAND: Okay.

2 PRESIDENT BREZENOFF: The efforts in 18  
3 are a mix of direct action, some of which we just  
4 discussed around the management structures, some  
5 carry-over from 17 to 18 where we're exceeding the  
6 goal. So, we have both the continuing run rate and  
7 the additional heads as it were that we're achieving  
8 in 17 that will carry over into 18, and we have what  
9 we're calling other kinds of management efficiencies  
10 that we're in the early stages of developing, but  
11 expect to fully develop during the course of 18  
12 around sharing services across the system,  
13 consolidating services, taking advantage of the size  
14 and spread of our system where we would use the tools  
15 of targeted attrition and redeployment to achieve the  
16 savings. At the end of the day in that bucket in the  
17 financial plan, which is the 250 million that I  
18 referred is-- that's how we'll achieve it, that mix,  
19 and it includes the management restructuring that we  
20 just discussed.

21 CHAIRPERSON FERRERAS-COPELAND: Okay. In  
22 the transformation plan you also project a  
23 substantial increase in savings resulting from supply  
24 chain and care management as you stated in your  
25 opening statement, from 63 million in FY17 to 204

2 million by Fiscal Year 2020. Can you provide more  
3 details as to how you will sustain these projected?  
4 I know that you've detailed what it'll be, but how do  
5 you sustain that? Because year over year over year  
6 over year you reflect savings, and usually when we  
7 engage with administrations it's like one time unless  
8 every machine at the hospital is duplicated and  
9 you're going to do it every year. You know, how do  
10 we -- help walk us through how you achieve this  
11 savings.

12 PRESIDENT BREZENOFF: So, it's a mix of  
13 one-time savings that-- and recurring savings. It's  
14 just that we have so much room to get better in  
15 revenue cycle and supply chain as examples that we  
16 believe that we will be able to get these amounts of  
17 savings, some of which we have a clear route to  
18 already, inventory control for example, just in time  
19 inventory, standardization of product lines to get  
20 better pricing and to avoid one-off pricing. The  
21 controlling how things are purchased within the  
22 system. There's just so much there. Now, over time,  
23 yes, I think it's true, though it can be when you're  
24 starting from where we are it's an extended period of  
25 time, there is a plateauing effect and not sort of

2 baked in, and prices continue to go up. One of the  
3 features of healthcare is that costs often go up  
4 faster than revenues do and so on. So, but that is a  
5 future-- that is a future prospect. Right now, over  
6 the next several years, I anticipate that we will in  
7 fact achieve this level of supply chain savings.

8 CHAIRPERSON FERRERAS-COPELAND: Okay,  
9 we're going to keep an eye on it, because you know--

10 PRESIDENT BREZENOFF: [interposing] Me  
11 too.

12 CHAIRPERSON FERRERAS-COPELAND: Okay.  
13 Well, I hope so. As part of the revenue generating  
14 initiatives, since we're talking about this, the  
15 transformation plan includes 100 million in Fiscal  
16 2020 and in Fiscal 2021 from developmental  
17 opportunities. Can you provide details? What are  
18 developmental opportunities?

19 PRESIDENT BREZENOFF: I think that refers  
20 to underutilized real estate that--

21 CHAIRPERSON FERRERAS-COPELAND:  
22 [interposing] Okay, so is that the sale of  
23 underutilized real estate or the rentals, the leases?  
24  
25

2 PRESIDENT BREZENOFF: I don't know if it's  
3 restricted to sale. I think it is also-- allows for  
4 productive re-use.

5 CHAIRPERSON FERRERAS-COPELAND: Okay.

6 PRESIDENT BREZENOFF: I'll just use an  
7 example. We have some buildings on the Kings County  
8 campus that are not used for anything. They're just  
9 sitting there now. It's not necessarily-- they're  
10 not necessarily easily susceptible to the  
11 redevelopment or re-use, but they're there and it  
12 varies within the system. So the number is a place  
13 holder for those kinds of things in the system.

14 CHAIRPERSON FERRERAS-COPELAND: Okay. SO  
15 potential for other. So, is it for use within the  
16 hospital, or do you envision that some of these sites  
17 could be used for affordable housing or some of these  
18 sites can be used for, I don't know, a school or a  
19 li-- like--

20 PRESIDENT BREZENOFF: So, when we look at  
21 it, our first look is how we might put it to  
22 productive use, but there are larger forums where the  
23 relative value of different approaches would be  
24 considered, but we would in those cases, and I guess  
25 one example would be the use of Draper Hall on the

2 Metropolitan Hospital Campus, which is now being used  
3 for housing, or some portion of the Seaview campus  
4 which is-- our RFP is being responded to there for a  
5 mix of health and wellness activities and possible  
6 housing. We would get credit for the money in our  
7 budget--

8 CHAIRPERSON FERRERAS-COPELAND:

9 [interposing] So, that's what I wanted to better  
10 understand, because it's a developmental opportunity.  
11 Is it that it's sold to the City, leased to the City  
12 or what's the relationship? How does it become a  
13 revenue-generating opportunity if it's not something  
14 that is under the purview of H+H?

15 PRESIDENT BREZENOFF: So, the crediting  
16 system is a bit-- I'm not sure it's easy to define,  
17 but it can help make the case for our own capital  
18 needs.

19 CHAIRPERSON FERRERAS-COPELAND: SO, it's  
20 like a trade-off potentially in capital?

21 PRESIDENT BREZENOFF: Yeah, I think  
22 there's a variety of ways that it's been put to use,  
23 but we also in some cases have directly gotten the  
24 proceeds.

2 CHAIRPERSON FERRERAS-COPELAND: Okay, so  
3 we're going to ask for a joint briefing on just this  
4 portion of, you know, of your developmental  
5 opportunities where'd we like to see where those  
6 locations are and what this trade-off that could be  
7 more complicated to explain. But I think if we can  
8 all sit down and you can walk us through it, it would  
9 be helpful.

10 PRESIDENT BREZENOFF: Good.

11 CHAIRPERSON FERRERAS-COPELAND: Okay. My  
12 last question before I open it up to the Chairs and  
13 we hear from our colleagues, which have joined us,  
14 Council Members Perkins, Matteo, Koo, Williams,  
15 Levine, Cornegy, Vacca, Mendez, Gibson, Borelli,  
16 Grodenchik, and Barron. There's multiple hearings  
17 happening, so people are coming in and out. Yes, I  
18 said you, Council Member Wills. The Administration  
19 has promoted MetroPlus, the health insurance arm of  
20 H+H to the City's nonprofit sector, suggesting the  
21 Administration would increase funding for groups that  
22 agreed to examine the plan. What are the specifics  
23 on these negotiations between the Administration and  
24 the City's nonprofit community, and how would this  
25 agreement affect H+H's enrollment in MetroPlus?

2 PRESIDENT BREZENOFF: So, the only aspect  
3 of that that we have been involved in is the  
4 formulation of a proposal, a plan that would provide  
5 insurance to employees of those groups. We did that.  
6 That is MetroPlus did that with our-- with H+H's  
7 involvement, and that dynamic is ongoing. Our  
8 proposal is in the mix. It ws designed to be  
9 economical, and comprehensive for in relation to the  
10 needs of the employees of the not-for-profits. It's a  
11 very exciting possibility from our perspective, and  
12 we bent every effort to put together a competitive  
13 produce.

14 CHAIRPERSON FERRERAS-COPELAND: And how  
15 much revenue could this potentially raise?

16 PRESIDENT BREZENOFF: A lot depends. In  
17 this insurance game, a lot depends on who the  
18 patient-- the members are, their experience and what  
19 the medical loss ratios turn out to be. But we  
20 anticipate that assuming that what we proposed was  
21 accepted, and right now there's no ability to accept  
22 that assumption. It would be several million dollars  
23 that we would get.

24 CHAIRPERSON FERRERAS-COPELAND: Several  
25 million, okay. Now, I have a question without, you

2 know, disclosing anybody's personal information, but  
3 what percentage of H+H employees are enrolled in  
4 MetroPlus?

5 PRESIDENT BREZENOFF: Actually, I don't  
6 know the answer to that.

7 CHAIRPERSON FERRERAS-COPELAND: Well, I  
8 think you should find out.

9 PRESIDENT BREZENOFF: I will.

10 CHAIRPERSON FERRERAS-COPELAND: Yeah. You  
11 know, because I just think we're engaging this  
12 nonprofit sector and the potential-- and of course we  
13 want to give everybody priority and preference, but  
14 if we're doing it for a sector, I wonder, you know,  
15 I'd like to know.

16 PRESIDENT BREZENOFF: So, I--

17 CHAIRPERSON FERRERAS-COPELAND:  
18 [interposing] Just a guesstimation [sic], nothing--

19 PRESIDENT BREZENOFF: [interposing] So, I  
20 have the most august group in healthcare in America  
21 here.

22 CHAIRPERSON FERRERAS-COPELAND: Yeah.

23 PRESIDENT BREZENOFF: So, I'm going to ask  
24 if anybody know that. I know it's a low number.  
25 Does anybody know the answer to that? Very low, I

2 said that. You're not showing your augustness. A  
3 little over 5,000 is the consensus [sic].

4 CHAIRPERSON FERRERAS-COPELAND: A little  
5 over 5,000.

6 PRESIDENT BREZENOFF: In a number that's  
7 around 45,000 overall.

8 CHAIRPERSON FERRERAS-COPELAND: Out of--  
9 oh, 5,000 out of 45,000.

10 PRESIDENT BREZENOFF: Roughly.

11 CHAIRPERSON FERRERAS-COPELAND: Okay,  
12 well, I mean, we'll follow up off the-- I just think  
13 that this is a produce that's important to the City,  
14 and--

15 PRESIDENT BREZENOFF: [interposing] So,  
16 I'm going to do a commercial for my friend Bob Lin  
17 [sp?] at OLR.

18 CHAIRPERSON FERRERAS-COPELAND: Okay.

19 PRESIDENT BREZENOFF: I think there's very  
20 strong city interest in expanding the ability of  
21 MetroPlus to serve the city workforce overhaul.

22 CHAIRPERSON FERRERAS-COPELAND: Okay.

23 PRESIDENT BREZENOFF: And to, in  
24 particular, the H+H workforces strong interest in  
25 doing that.

2 CHAIRPERSON FERRERAS-COPELAND: Okay.

3 PRESIDENT BREZENOFF: As we're learning  
4 from the nonprofit dialogue.

5 CHAIRPERSON FERRERAS-COPELAND: Exactly.

6 PRESIDENT BREZENOFF: Not so easy to do.

7 CHAIRPERSON FERRERAS-COPELAND: Okay.

8 Fair enough. Thank you. I'm going to come back in a  
9 second round of questions, but now we will hear from  
10 Chair Johnson followed by our colleagues.

11 CHAIRPERSON JOHNSON: Hi Stan.

12 PRESIDENT BREZENOFF: How you doing?

13 CHAIRPERSON JOHNSON: So, before I get  
14 into some of the specifics of your testimony and over  
15 the financial plan, we know you know through your  
16 many decades of working in this industry and your  
17 position now that healthcare is complicated, has  
18 gotten more complicated, is ever-changing and  
19 evolving, and I think one of the principles which  
20 makes-- this is the largest public hospital system in  
21 America, correct?

22 PRESIDENT BREZENOFF: Yes.

23 CHAIRPERSON JOHNSON: So, I think one of  
24 the things that makes this public hospital system the  
25 best and one of the most renowned is the fact that

2 the ability to pay isn't a factor by in large when  
3 someone needs treatment. They come in. They get the  
4 services they need, and they're treated by a world-  
5 class set of doctors and healthcare professionals. I  
6 mean, that's basically correct.

7 PRESIDENT BREZENOFF: Absolutely.

8 CHAIRPERSON JOHNSON: SO it's really not  
9 about profit in many ways. It's about, you know,  
10 being able to meet your obligations to the public  
11 benefit corporation, but it's not about profit here.  
12 Is that right?

13 PRESIDENT BREZENOFF: Correct.

14 CHAIRPERSON JOHNSON: So, given that is  
15 the case, do you support a single-payer health system  
16 which takes away profit, takes away the ability for  
17 health insurance companies to make decisions and is  
18 really a patient-centered, patient-based program that  
19 is about helping everyone regardless of their ability  
20 to pay?

21 PRESIDENT BREZENOFF: Let me make up for  
22 my lengthy testimony by saying absolutely, yes.

23 CHAIRPERSON JOHNSON: I feel like we made  
24 news here today, Stan. You support single-payer.

25 PRESIDENT BREZENOFF: Yes, I do.

2 CHAIRPERSON JOHNSON: You are left wing  
3 radical, Stan Brezenoff.

4 [laughter]

5 PRESIDENT BREZENOFF: Others have said  
6 that over the years.

7 CHAIRPERSON JOHNSON: Oh, my God. Well,  
8 that's good to hear, because I think that there is  
9 this weird moment that we're in with the horrible  
10 things that are happening in Washington that you're  
11 seeing these town halls across the country where  
12 folks are standing up and saying it needs to be about  
13 patient decisions, doctor's decisions and not health  
14 insurance companies making decisions that aren't  
15 always in our best interest that bankrupt us, that  
16 determine we have a pre-existing condition that price  
17 prescription drugs at an exorbitant rate, and it  
18 really needs to be patient-centered, and I think  
19 single-payer is about that. My colleague who  
20 represents part of my district, Dick Gottfried, has a  
21 bill at the state level, and I'm really happy to hear  
22 that the leader of the largest public health public  
23 hospital system in America supports it.

24 PRESIDENT BREZENOFF: Absolutely. Steve  
25 Stafiore [sp?], Montefiore and I are as far as I know

2 the only hospital executives in New York who do  
3 support.

4 CHAIRPERSON JOHNSON: Thank you very  
5 much. Okay, so now I'm going to be a little more  
6 tough on you.

7 PRESIDENT BREZENOFF: Okay.

8 CHAIRPERSON JOHNSON: So, as the Chair  
9 said, as Chair Ferreras-Copeland said, in 2020 and in  
10 2021 there are projected hundred million dollars,  
11 hundred million dollars for development  
12 opportunities. Last year you had a 100 million  
13 dollars in redevelopment [sic] opportunities, and it  
14 wasn't you, it was Doctor Raju, and we you know, beat  
15 him up a little bit by saying, "What the hell does  
16 that mean?" you know you can't just throw random  
17 whole large numbers into a financial plan without a  
18 lot of details, explaining how you arrived at that  
19 number, is that number achievable, is it just trying  
20 to come here today and say you have a good sound  
21 financial plan. I want to know really specifically  
22 what the 100 million dollars for 2020 and 2021, how  
23 you achieve that number, because it's not detailed in  
24 a detailed way in the plan.

2 PRESIDENT BREZENOFF: So ,not to-- to get  
3 to the thrust of the question. There is a fair  
4 amount of property that tis underutilized, really a  
5 fair amount. We-- where I do think it's credible and  
6 prudent to expect that value can be derived from  
7 those properties. New York City is a pretty complex  
8 land use development environment, so things don't  
9 necessarily move expeditiously, but the truth is  
10 probably on most of our campuses there is available  
11 and/or alternative uses for underutilized land that  
12 do not in any way impact on patient care or actually  
13 or potentially or de-limit us in any way. Remember,  
14 we're talking about a recent history of declining  
15 volumes of various kinds, significant  
16 underutilization. So, I think what I can pledge to  
17 do is to sit down with you, show you the parcels that  
18 were-- are on our mind, and you can just whether how  
19 much value might be derived from these under  
20 different scenarios, because the thinking about these  
21 sites is frankly not always highest and best use,  
22 which would generate the most dollars. But--

23 CHAIRPERSON JOHNSON: [interposing] How  
24 many sites are we talking about?

2 PRESIDENT BREZENOFF: Oh, wow, now I'm  
3 doing it from memory. Between 10 and 13. And some  
4 of them are being used. I just don't-- so, I  
5 mentioned Draper Hall at Metropolitan, and there's no  
6 Draper Two, I guess, that's going on. Seaview does.  
7 Now, Seaview is an example of you're not going to do  
8 high-rise there and it's not going to be a lot of  
9 value that's derived from the utilization of the  
10 site, but there are two examples of where value is  
11 being obtained. And there's a-- well, Woodhole [sic]  
12 is a site we're looking at, but there is the old tea  
13 [sic] building in Queens that comes to mind.

14 CHAIRPERSON JOHNSON: SO--

15 PRESIDENT BREZENOFF: [interposing] It's a  
16 large structure.

17 CHAIRPERSON JOHNSON: But how confident  
18 are we that 100 million in two different projected  
19 fiscal years or 200 million dollars, how did we  
20 arrive at those numbers? Did we have a-- people that  
21 are involved in real estate come in and assess  
22 property values and project what we thought it would  
23 sell for? How did we arrive at those number?

24 PRESIDENT BREZENOFF: So, some of that  
25 process is ongoing, and when ideas are moving along

2 the track where development becomes a real  
3 possibility, then professionals do the assessment.  
4 Honestly, I think the 100 million is kind of a  
5 placeholder, but not without enough roots to give  
6 support to the notion that it's achievable. So, I  
7 don't want to say that there's been a careful  
8 calculus done; there hasn't, but I think they're  
9 achievable numbers.

10 CHAIRPERSON JOHNSON: Okay, I hear you,  
11 and I look forward to sitting down and getting a more  
12 detailed briefing on the individual sites and how  
13 we're projecting the amount of money. I just think  
14 that--

15 PRESIDENT BREZENOFF: [interposing] It's a  
16 fair question.

17 CHAIRPERSON JOHNSON: Thank you. I just  
18 think that when you're putting placeholder number at  
19 100 million dollars a pop, that's a big placeholder.

20 PRESIDENT BREZENOFF: I accept it.

21 CHAIRPERSON JOHNSON: Okay. So, I think  
22 Chair Ferreras-Copeland hit on this, but I also want  
23 to just reiterate the fact that 78 percent of the  
24 planned projections in 2018 are revenue-generating  
25 initiatives, and notably two of those revenue-

2 generating initiatives, Medicaid waiver programs and  
3 Federal and State Charity Care, they require state  
4 and federal action.

5 PRESIDENT BREZENOFF: Yes, but there's a  
6 hi-- there's a higher degree of confidence. Some of  
7 that parallels what happened before, their existing  
8 program. They're not subject really to the  
9 depredations that might come from Washington. I  
10 mean, I know what you're thinking.

11 CHAIRPERSON JOHNSON: Well, but how much  
12 of this could Secretary Price determine on his own or  
13 his staff could determine on their own, or the new  
14 head of CMS, that they're not going to do this  
15 anymore? How much of it is legally what are they  
16 obligated to do and what are they not obligated to  
17 do?

18 PRESIDENT BREZENOFF: So, a real rogues  
19 gallery there. P.V., do you want to talk about that?

20 P.V. ANATHARAM: I think your question  
21 refers to the fact that CMS could any point in time  
22 deny a particular waiver or stop a program. That's a  
23 lot more difficult to do for programs that have  
24 already been authorized, not unbelievably, but the  
25 whole concept of the 18 plan is that there's more

2 certainty to these numbers than what might require a  
3 new application for additional funds.

4 CHAIRPERSON JOHNSON: I am not typically  
5 a pessimist. I try to be a wide-eyed eternal  
6 optimist generally, or I couldn't do this job every  
7 day. But I think that what the last 108 days have  
8 taught us, or whatever the number is, that we should  
9 not be making assumptions that things are going to go  
10 well. The standard playbook as been sort of torn up  
11 and thrown out the window on all sorts of things that  
12 we didn't expect. I mean, who would have thought  
13 that they would be talking about getting rid of pre-  
14 existing conditions, maternity care, all of these  
15 things? So for us to to make assumptions based off  
16 of the future fiscal health in two major revenue-  
17 generating sources on this, I'm just not-- I'm not  
18 sure we should make these assumptions.

19 PRESIDENT BREZENOFF: So, we have I guess  
20 guarded optimism about these things. P.V.'s point  
21 that these are authorized program where the money is  
22 already flowing and has flowed seem less likely to  
23 suffer from evil inclinations in Washington. They're  
24 also subject to legal constraints. To the degree

2 that existing, authorized existing program get  
3 arbitrarily a change, there's--

4 CHAIRPERSON JOHNSON: [interposing] But  
5 there's a new waiver that's being asked. The new  
6 waiver that's being asked for which isn't previously  
7 authorized is for 369 million dollars.

8 PRESIDENT BREZENOFF: Right, and that's  
9 the previous-- no, that's the other one. That's the  
10 DSRIP one.

11 P.V. ANATHARAM: If you go back to the  
12 482 million dollars that you see as the waiver  
13 program, Medicaid waiver program--

14 CHAIRPERSON JOHNSON: Yes.

15 P.V. ANATHARAM: About half of that has  
16 already been authorized, and already in this year we  
17 are seeing revenues from that.

18 CHAIRPERSON JOHNSON: SO how much has not  
19 been authorized yet out of that 483 million?

20 P.V. ANATHARAM: So, of that, 178 million  
21 dollars of UPL conversions have been authorized to  
22 the larger aid--

23 CHAIRPERSON JOHNSON: [interposing] Upper  
24 Payment Limit Conversions.

2 P.V. ANATHARAM: Yes. That-- sorry,  
3 thank you. That has been authorized up to 600 million  
4 dollars in the larger eight billion dollar waiver.  
5 Our expectation-- we still have to submit the  
6 necessary documents to convert those UPL dollars into  
7 waivers, but given that the feds have already given  
8 us the authorization for conversion up to 600, we  
9 believe that it's doable. And that's the bulk of the  
10 difference. There are-- there's about 33 million  
11 dollars of conversion to DSRIP, the disproportionate  
12 share dollars again, that also be expect to fall  
13 within that larger 600 million dollar appropriation.  
14 There are numbers in the out-years. We intentionally  
15 pushed out a new waiver program that we had proposed  
16 last year for covering the uninsured that we decided  
17 was going to be a stretch in the current year, but  
18 that we shouldn't give up the advocacy for that. So  
19 we've allocated that for about 100 million dollars in  
20 Fiscal Year 19.

21 PRESIDENT BREZENOFF: So, if I could just  
22 add to that. There is a high degree of uncertainty  
23 overall. No one can quarrel with your assessment of  
24 the situation, but it's hard to see what our choice  
25 is except to be wary and watchful and ready to both

2 do combat and to come up with ways to either fend off  
3 or deal with whatever mischief that they do. If we  
4 can't count on this money it would be devastating,  
5 and as I say, we'd have to fight it, but to try and  
6 take the hit now in anticipation wouldn't make any  
7 sense.

8 CHAIRPERSON JOHNSON: Have you guys been  
9 talking to Center Schumer's office?

10 PRESIDENT BREZENOFF: Yes.

11 CHAIRPERSON JOHNSON: Frequently?

12 PRESIDENT BREZENOFF: Frequently.

13 CHAIRPERSON JOHNSON: And the budget that  
14 was voted on a couple of weeks ago in Washington, a  
15 bi-partisan budget in some ways, did it have any  
16 effect on any of this or no? This is all basically  
17 staff that is in the pipeline at the Department of  
18 Health and Human Services. It will go through CMS  
19 and the standard protocol where waivers are granted,  
20 conversions are made. There was nothing in a new  
21 budget that affects any of this?

22 PRESIDENT BREZENOFF: That's a correct  
23 description.

24

25

2 CHAIRPERSON JOHNSON: Okay, great. So,  
3 just on the State Charity Care, why do we feel  
4 optimistic?

5 PRESIDENT BREZENOFF: On the State  
6 Charity Care--

7 CHAIRPERSON JOHNSON: [interposing] The  
8 Charity Care numbers that we're projecting additional  
9 revenue coming in?

10 PRESIDENT BREZENOFF: You're referring to  
11 the 85 million?

12 CHAIRPERSON JOHNSON: Yes.

13 PRESIDENT BREZENOFF: SO, that again is an  
14 existing waiver provision to create it, to move it  
15 over to still another federally approved program.

16 CHAIRPERSON JOHNSON: SO, it's not new  
17 money. It's--

18 PRESIDENT BREZENOFF: [interposing] It's  
19 not--

20 P.V. ANATHARAM: [interposing] Alright.  
21 One part of that is expecting that the DSH cuts will  
22 happen and the state has a provision within its  
23 budget to relook at the distribution of the DSH  
24 dollars in the state. And our ask here is that  
25 because of the way the DSH program is structured, we

2 get the last dollar in. So when they take away any  
3 cuts in the DSH program, we happen to lose the first  
4 dollar, and the-- about 52 million dollars of that 85  
5 million dollars is to ask for an equitable  
6 distribution of DSH spending in the state.

7 PRESIDENT BREZENOFF: In the state.

8 P.V. ANATHARAM: Yes. That would be a  
9 state item.

10 CHAIRPERSON JOHNSON: Okay. Stan, you  
11 mentioned that the 400 number as it related to lay-  
12 offs was an inaccurate number that was reported in  
13 the New York Post.

14 PRESIDENT BREZENOFF: What I-- so let me  
15 be precise about it. I don't know the number. We--

16 CHAIRPERSON JOHNSON: [interposing] How do  
17 you not know the number?

18 PRESIDENT BREZENOFF: Because we're still  
19 working on the materials coming in from the hospitals  
20 and the facilities, and we're going over.

21 CHAIRPERSON JOHNSON: How many people  
22 have already been laid off?

23 PRESIDENT BREZENOFF: Of this number?  
24 Only that first group that we talked about at the  
25 earlier healthcare hearing.

2 CHAIRPERSON JOHNSON: Which was 70?

3 PRESIDENT BREZENOFF: Seventy, only  
4 seventy, seventy-three, I think.

5 CHAIRPERSON JOHNSON: Seventy-three  
6 people have been laid off currently.

7 PRESIDENT BREZENOFF: Right, yeah. I'm  
8 resisting, I guess, to giving you a specific number,  
9 but it's going to be substantially larger than the  
10 73, the new number, and when we have it-

11 CHAIRPERSON JOHNSON: [interposing] Give  
12 me a range. So, it's not 73, it's--

13 PRESIDENT BREZENOFF: Is this your--

14 CHAIRPERSON JOHNSON: [interposing] We can  
15 play like the Price is Right game.

16 PRESIDENT BREZENOFF: It's going to--

17 CHAIRPERSON JOHNSON: [interposing] Going  
18 to be less than a thousand.

19 PRESIDENT BREZENOFF: Less than a  
20 thousand.

21 CHAIRPERSON JOHNSON: Less than 700?

22 PRESIDENT BREZENOFF: And more-- right.  
23 Less than a thousand and more than 200.

24 CHAIRPERSON JOHNSON: Let's than a--  
25 that's a pretty big range.

2 PRESIDENT BREZENOFF: Less-- okay, I'll  
3 use the Post. Less than 600 and more than 200.

4 CHAIRPERSON JOHNSON: Okay, somewhere  
5 between 200 and 600. And when will we know what that  
6 number is?

7 PRESIDENT BREZENOFF: Within days,  
8 really. Within a-- we're actually going over the  
9 submissions right now. So, I'll give myself a  
10 deadline. What should I give myself? Two weeks I'll  
11 give as a deadline.

12 CHAIRPERSON JOHNSON: Two weeks, and  
13 you're going to report back to us on what the actual  
14 number is and these layoffs are managerial titles  
15 only.

16 PRESIDENT BREZENOFF: Yes.

17 CHAIRPERSON JOHNSON: As the Chair said,  
18 no union jobs here.

19 PRESIDENT BREZENOFF: no union jobs here.

20 CHAIRPERSON JOHNSON: I Okay. I have a  
21 couple more questions then I'm going to turn it back  
22 to the Chair. I want to come back for a second round  
23 as well after my colleague and the Chair ask some  
24 Administration questions. In your follow-up response  
25 to the project hearing, you stated in the first three

2 months of 2017, nine H+H facilities had less than a  
3 one week wait time to obtain abortion services. You  
4 also stated that the lack of same-day access  
5 constitutes a significant concern for H+H. What are  
6 the major sources of delays for same-day abortion  
7 access?

8 MACHELLE ALLEN: This is-- I'm Doctor  
9 Machelles Allen, the Chief Medical Officer. The major  
10 delay is if a woman wants a surgical abortion with  
11 anesthesia. So, it's getting access to an operating  
12 room with anesthesia services. So, you can get same-  
13 day abortion if you want a medical abortion which is  
14 in the very first early weeks, the first 10 to 11  
15 weeks. We offer abortion services at all of our  
16 facilities, and several of our facilities actually go  
17 up to 24 weeks. So the larger-- the further along in  
18 your pregnancy that you go, the more likely the  
19 woman's going to want anesthesia.

20 CHAIRPERSON JOHNSON: So, what do we need  
21 to do to ensure that if someone comes in and they  
22 want same-day abortion services that they will have  
23 access to an operating room and an anesthesiologist  
24 so they don't have to wait a week to have an  
25

2 abortion? What do we-- what do we need to do  
3 operationally to make that happen?

4 MACHELLE ALLEN: What we need to do is  
5 actually to evaluate the need for that and make sure  
6 we have the staffing and the operating rooms to  
7 provide that.

8 CHAIRPERSON JOHNSON: Are we doing that?

9 PRESIDENT BREZENOFF: I'm not a clinician  
10 and I defer completely to Doctor Allen, but what it  
11 sounds like to me is that effectively we'd be  
12 treating it like emergency surgery in terms of the  
13 availability of an appropriate anesthesiologist,  
14 which I think would be part of the challenge. This  
15 is a challenge, and because not all of our hospitals  
16 even have that kind of availability. We'll have to  
17 continue to focus on this. I continue to believe  
18 it's a real need, though. I think Doctor Allen was  
19 pointing out that each case has to be evaluated and  
20 reviewed with the patient, but assuming that there's  
21 a compelling case for it, we'll have to work to  
22 figure out how to provide the service.

23 MACHELLE ALLEN: On an individual basis,  
24 every women is evaluated individually and based on

25

2 what her needs are, and we do everything we can to  
3 satisfy her needs.

4 CHAIRPERSON JOHNSON: I understand, but  
5 given-- and I'm grateful. I'm not in any way trying  
6 to attack you all, because I think you provide  
7 excellent care, and I'm really grateful for the  
8 patient population that you serve and the work that  
9 you do, as I said at the outset of my questions. I  
10 just want to make sure that we're doing this in the  
11 best way possible, and that you have the resources  
12 you need to provide that access to care in a timely  
13 way without a delay, especially given the current  
14 political climate and context that we're living in of  
15 Planned Parenthood being attacked, abortion access  
16 laws being rolled back all across the country,  
17 immigrants coming under attack. I just think it's  
18 really important that when someone needs a service  
19 it's provided to them in a timely way, and so I would  
20 hope that you guys will look to improve those times  
21 moving forward.

22 MACHELLE ALLEN: We agree with you. We  
23 actually work very closely with Jane Kaitlyn [sp?],  
24 Joan Maitlyn [sp?], Planned Parenthood work together

2 collaboratively. We feel the same way and the same  
3 way Joan does. This is a priority for women.

4 CHAIRPERSON JOHNSON: Okay. Lastly, Epic,  
5 so how far behind schedule is Epic from when it was  
6 initially supposed to be implemented?

7 PRESIDENT BREZENOFF: So, I honestly  
8 don't think of it in that way, having rolled out at  
9 several different places systems like this. I know  
10 that there were dates projected that the early  
11 adoption and onset of the system. What our  
12 timeframes are now going forward are a produce of our  
13 experience and reflection on that experience at the  
14 places where we have implemented. We've implemented  
15 Epic now at three places, the two hospitals in Queens  
16 and Coney Island, and based on that experience we  
17 were plotting out the timeframe that corresponded to  
18 that experience. However, now with the City's help we  
19 are able to marry the revenue cycle segment of Epic  
20 with our EMR segment.

21 CHAIRPERSON JOHNSON: How much have we  
22 spent on Epic so far?

23 PRESIDENT BREZENOFF: Who has that  
24 amount?

2 CHAIRPERSON JOHNSON: Hundreds of  
3 millions of dollars.

4 PRESIDENT BREZENOFF: These things are  
5 not cheap. They really are not cheap. They're very,  
6 very--

7 CHAIRPERSON JOHNSON: [interposing] It was  
8 my understanding that Epic was supposed to be fully  
9 implemented across the system by 2018, initially.

10 PRESIDENT BREZENOFF: That was the-- I do  
11 believe that was the EMR without the revenue  
12 component.

13 CHAIRPERSON JOHNSON: And what percentage  
14 of the system has it been implemented in, 25 percent  
15 30 percent?

16 PRESIDENT BREZENOFF: Three hospitals.

17 CHAIRPERSON JOHNSON: That's not many.

18 PRESIDENT BREZENOFF: No, and again, I'm  
19 not-- personally, I'm not surprised by the complexity  
20 and difficulty of rolling it out. That in and of  
21 itself has not cost us more dollars. And this is a  
22 big achievement on H+H's part to have the city  
23 endorse instead of just moving forward and then  
24 coming back with the revenue. The endorsement and  
25 the funding of the revenue site component is a big

2 plus for us, and it's worth what might be seen as a  
3 delay as we reboot to get the revenue component  
4 developed and then go back to the three hospitals  
5 that had only the EMR put in and then go forward  
6 simultaneously putting them in. that's such a good  
7 thing that it doesn't matter to me really that the  
8 time frame is long.

9 CHAIRPERSON JOHNSON: Okay. I'm going to  
10 have some more questions. I want to go back to the  
11 Chair. Thank you.

12 CHAIRPERSON FERRERAS-COPELAND: Thank  
13 you, Chair. We will now hear from our colleagues.  
14 We've been joined by Council Members Crowley, Miller,  
15 Cumbo, and Rosenthal. We will hear from Council  
16 Member Cohen followed by Council Member Miller.

17 COUNCIL MEMBER COHEN: Thank you, Chairs.  
18 I'm going to try to go over territory that I think  
19 we've gone over, but Chair Ferreras-Copeland and  
20 Chair Johnson are smarter than me and they understand  
21 it better, so I'm going to ask you to try to explain  
22 it to me in a way that maybe I could understand it.  
23 I don't even know if that's a realistic goal. But I  
24 am sort of like-- I'm scratching my head as to why  
25 there's going to be almost half a million dol-- half

2 a billion dollars more in revenue from the waivers in  
3 FY18 versus 17. What happened in 17 that this money  
4 wasn't available but will be available in 18?

5 P.V. ANATHARAM: So, a big reason for the  
6 decline in revenues between 17 and 18 is the DSH cuts  
7 that are coming through from the federal government.  
8 So, there's about--

9 COUNCIL MEMBER COHEN: [interposing] But  
10 how do cuts add revenue?

11 PRESIDENT BREZENOFF: I think he's asking  
12 why is there more--

13 P.V. ANATHARAM: I'm sorry, can--

14 COUNCIL MEMBER COHEN: I don't understand  
15 why there's the increase in revenue and when you talk  
16 about the DSH cuts, I don't understand how cuts equal  
17 increased revenue.

18 P.V. ANATHARAM: So, I was going to the  
19 point of why the revenues declined. The reasons why  
20 we are comfortable in assuming that half a billion  
21 dollars of revenues will be coming through is because  
22 half of it has already been approved in the current  
23 year, and then follow through for the next four  
24 years. So there are ongoing revenues that come from  
25

2 the approvals that we got in 17 that will be  
3 available for us in 18, 19 and 20 and onwards.

4 COUNCIL MEMBER COHEN: But why wasn't  
5 that money approved in 17? What wasn't there--

6 P.V. ANATHARAM: [interposing] Because--

7 COUNCIL MEMBER COHEN: [interposing] a  
8 similar revenue stream?

9 P.V. ANATHARAM: There are two separate  
10 programs. One of them was called a value-based  
11 program, quality improvement program, and the other  
12 one is the CREP program which is care restructuring  
13 enhancement pilots, and both of these are driven  
14 along the same lines as DSRIP which is essentially to  
15 reorganize care at the local level so that you can  
16 get ready for accountable care programs in the  
17 future. So, it is intended to transform the  
18 healthcare system from paying for a normal episode of  
19 care that you deliver to actually managing the care of  
20 the individual.

21 COUNCIL MEMBER COHEN: Are these one-time  
22 revenue--

23 P.V. ANATHARAM: They are four-year rev--  
24 they are spread over four years, both of those, and  
25 they-- you get additional dollars in each of the

2 years. The first couple of years you get money for  
3 putting a program into place, designing the program,  
4 taking an assessment of your current structure in  
5 terms of what changes need to happen, and in the  
6 following years you get money for achieving certain  
7 metrics, paid reduction in diabetes reduction and  
8 infections from central lines, things of that nature.

9 COUNCIL MEMBER COHEN: So, of the half a  
10 billion dollars, 250 million we feel with a high  
11 degree of certainty because it's already been  
12 approved will come in and then the-- what degree of  
13 certainty do we have toward the other quarter of a  
14 billion dollars?

15 P.V. ANATHARAM: So, but when the Federal  
16 Government approved the eight billion dollars waiver  
17 for the State of New York it included within there  
18 600 million dollars of the ability to convert our  
19 existing UPL and DSH dollars. It's called  
20 supplemental payments into a DSRIP type waiver, which  
21 is to allow us to use those monies to further reform  
22 care, and that authority exists in the current waiver  
23 that has been granted to the State. It is up to us  
24 now to make an application for a program that we  
25 think fits that rubric, and we are waiting to--

2 COUNCIL MEMBER COHEN: [interposing] Who  
3 grants the waiver?

4 P.V. ANATHARAM: I'm sorry?

5 COUNCIL MEMBER COHEN: Who will grant  
6 that application?

7 P.V. ANATHARAM: CMS will grant that  
8 waiver. It's the authority has been granted. We  
9 have to drop the program and have the State submit it  
10 to the feds for approval.

11 PRESIDENT BREZENOFF: If I could add, it  
12 might be worthwhile to focus for a minute on 17,  
13 because we started out in 17 with the same kinds of  
14 questions with lots of money allocated to be drawn  
15 down to be earned in some cases through performance,  
16 and as I noted, despite the challenges, we have met  
17 each one of those targets. Eighteen is not entirely  
18 dissimilar from that situation, and but we have a  
19 high degree of confidence as we did in 17 that this  
20 money is achievable and not easily susceptible to  
21 mischief from Washington, which I assume is part of  
22 the backdrop of your question.

23 COUNCIL MEMBER COHEN: I guess I have more  
24 and I'll come back, but can you just talk a little  
25 bit about-- North Central Bronx is in my district,

2 and I'm-- my constituents are perpetually concerned,  
3 and I am perpetually concerned about the wellbeing of  
4 that hospital. Could you just talk a little bit for  
5 a minute about how it sort of you see it in the  
6 future fitting in the constellation of the hospitals  
7 and what the role is of NCB?

8 PRESIDENT BREZENOFF: NCB is one of the 11  
9 facilities in our system. I would note at this time  
10 in reference to the concerns and the sensitivities of  
11 your constituents that the Mayor has said there will  
12 be no closures. That is the firm rule that we  
13 operate under. NCB, because I look at each of these  
14 institutions, these facilities, separately and  
15 discretely around what the needs of the community  
16 are, what the needs of the facility might be, what  
17 are their strengths, what are their shortcomings, and  
18 I'm very focused on the fact that this is a very low-  
19 volume facility. It is some 17 stories tall with  
20 about 125 occupied beds. So, I'm very focused on how  
21 we can strengthen NCB.

22 COUNCIL MEMBER COHEN: I would like to  
23 partner and help you in any way that we can to make  
24 that happen.

25 PRESIDENT BREZENOFF: Thank you.

2 COUNCIL MEMBER COHEN: Thank you. Thank  
3 you, Chair.

4 CHAIRPERSON FERRERAS-COPELAND: Thank  
5 you, Council Member. Council Member Miller?

6 COUNCIL MEMBER MILLER: Thank you, Madam  
7 Chair, and thank you, Mr. President, you and your  
8 team for being here again. So, as just perusing  
9 through the briefing and your testimony here,  
10 although I understand that there's an immediate  
11 deficit and shortfall to be addressed, I don't find  
12 this testimony much unlike last year or the year  
13 before where we were in dire streets as well. But I  
14 was under the impression that there was a plan and  
15 that we were in the process of implementation among,  
16 around those plans. There was a lot of talk about  
17 city and state reimbursement and federal funding and  
18 so forth. Has that not come to fruition or have we  
19 seen the diminishing of funds from the city-- from  
20 the state and federal government added to the  
21 equation, or is it the potential loss that we are  
22 dealing with. Help us understand, please.

23 PRESIDENT BREZENOFF: So, it's a mix of  
24 things, and I'll start with the most recent. Many of  
25 us in healthcare probably in the country at large

2 we're optimistic about the country and what might  
3 happen in healthcare until the national election. We  
4 were-- frankly, we at H+H and in the City thought  
5 that with the right Administration in Washington we  
6 could develop a comprehensive program that would  
7 include the uninsured population and that we'd be  
8 able to have such a program here in New York. That  
9 didn't happen and is likely not to be in the  
10 immediate future. But lots of other things have been  
11 put in motion, lots of good things have been  
12 achieved, many of them that predate me. So, I want  
13 to-- this is not me trumpeting my own horn, but  
14 rather referring to the product of a lot of hard work  
15 within H+H and within-- with our city and community  
16 partners. We are a major participant in the DSRIP  
17 program which is funded by the state. The early  
18 years of which were very focused on putting the  
19 pieces into place, developing processes and so on,  
20 and now recently and looking forward we are in the  
21 process of actually implementing. I've alluded to  
22 some of those things that go to population health and  
23 care management, and I'm sure those were principles  
24 that were announced in the earlier discussion that  
25 you referred to. A part of the thinking though was

2 some hard steps, difficult steps that H+H had to take  
3 to both develop savings and to create more revenue  
4 opportunities. That too, was a very difficult  
5 challenge in Fiscal Year 17, but I'm really happy to  
6 say that we will achieve those targeted figures that  
7 must have been discussed early on, certainly last  
8 year and the year before. We are on the path that  
9 has been appointed to by the Blue Ribbon Commission,  
10 by the Mayor's Annunciation of the Future and his  
11 challenge to us. We're on the path, not there yet,  
12 to reduce our reliance on obsolescent and inefficient  
13 reliance on inpatient care and more focused on  
14 ambulatory care, on the care, the avoidance of  
15 hospitalization, the emphasis on wellness and  
16 prevention. This is in the current jargon, "a  
17 journey" and we're only part way down the road, but  
18 we can see clearly ahead.

19 COUNCIL MEMBER MILLER: So, I  
20 particularly was optimistic about that process that--  
21 and this implementation that it would be more a  
22 community-based oriented and that we see that because  
23 we were kind of getting away from the hospital beds,  
24 and that there was not necessarily that demand in  
25 that way. I have yet to see it really manifest

2 itself locally, and we're certainly representing the  
3 district that does not have a hospital, Queens  
4 Hospital is our local hospital, but not in the  
5 district. There is certainly a demand. We'd love to  
6 see the preventive care with a lot of the private  
7 healthcare providers kind of not providing the  
8 services that they once had or just packing up and  
9 leaving the community. There has to be some follow-  
10 up there, and we were hoping that this system and its  
11 implementation would bring that, and we don't know  
12 who those community partners and what they are  
13 bringing to the community. I might I may add that  
14 with a number of the new housing developments that  
15 have come up within the community a., they have added  
16 volume to the community, but they also reached out in  
17 an attempt to bring in healthcare facilities into  
18 those new residents to provide services, and we were  
19 hopeful that that would happen to kind of alleviate  
20 some of your burden at the hospital level, but we  
21 haven't seen that. It's the program not-- is  
22 implementation not where we thought it would be at  
23 this moment, or can we--

24 PRESIDENT BREZENOFF: [interposing] I  
25 mean,--

2 COUNCIL MEMBER MILLER: [interposing] look  
3 forward to having community partners providing  
4 preventive healthcare in the community?

5 PRESIDENT BREZENOFF: There's a lot more  
6 work to do, but I'm going to suggest that we arrange  
7 a sit down to talk about your community, the needs  
8 that you've alluded to, because hospitals shouldn't  
9 be seen as the confining element in how we deliver  
10 healthcare, and I'm extremely interested. H+H is  
11 extremely interested in expanding our relationship  
12 with the populations of New York City apart from our  
13 hospitals. So, I'd like if we could follow up.

14 COUNCIL MEMBER MILLER: I certainly will  
15 because we've certainly bought into that. Can I  
16 just-- just one more question about the workforce. I  
17 know we talked about the re-org and what that means  
18 for managers, and they said there was a commitment  
19 that there'd be no layoff of union workers. I know  
20 in the past it was diminishment of titles through  
21 attrition and outsourcing. Can we see that as we  
22 move forward? Can we expect to see that?

23 PRESIDENT BREZENOFF: I think you can  
24 expect to see what I'm calling targeted attrition.  
25 Then that would be based on people leaving their jobs

2 or possibly being redeployed, subject to whatever  
3 collective bargaining constraints there are, based on  
4 an analysis that tells us it works for H+H, but the  
5 individuals would be protected. Look, I don't want  
6 to pull this up on this punch. It's hard to save  
7 hundreds of millions of dollars in an organization  
8 without affecting personnel, but the method that  
9 we've used for rank and file, for hands-on patient  
10 care personnel has been to rely on attrition and to  
11 evaluate that attrition to see if the jobs need to be  
12 filled relative to service needs and mission, but I  
13 can tell you that we won't see a smaller workforce.  
14 I can tell you it won't include layoffs of union  
15 personnel.

16 COUNCIL MEMBER MILLER: Okay, and that  
17 finally when that-- when you're evaluating the  
18 reports, I hope that those bargaining units  
19 representing those workers are in the room during  
20 that evaluation that they have a voice at the table  
21 as well.

22 PRESIDENT BREZENOFF: Believe me, they're  
23 always in the room.

24 COUNCIL MEMBER MILLER: Thank you so  
25 much.

2 CHAIRPERSON FERRERAS-COPELAND: Thank  
3 you, Council Member.

4 COUNCIL MEMBER MILLER: Thank you, Madam  
5 Chair.

6 CHAIRPERSON FERRERAS-COPELAND: Council  
7 Member Rosenthal, and we were joined by Council  
8 Member Van Bramer and Rodriguez.

9 COUNCIL MEMBER ROSENTHAL: Great. Hi.

10 PRESIDENT BREZENOFF: Hi.

11 COUNCIL MEMBER ROSENTHAL: It's nice to  
12 see you.

13 PRESIDENT BREZENOFF: Same here.

14 COUNCIL MEMBER ROSENTHAL: I have to say  
15 that, you know, with you and P.V. at the helm we have  
16 a chance, and that's great. So thank you for your  
17 service. You know, the last time I thought about  
18 these issues we were talking about the bad debt in  
19 Charity Care pool. I don't even know if that exists  
20 anymore.

21 PRESIDENT BREZENOFF: It's called  
22 something else.

23 COUNCIL MEMBER ROSENTHAL: Right, no  
24 doubt. But I will say this-- oh, wait, I had one  
25 quick question. Really, I've been doing other

2 things. So, do the hospitals-- when you talk about  
3 the federally qualified health centers, are those  
4 your health centers or hospitals that will become  
5 qualified?

6 PRESIDENT BREZENOFF: They're free-  
7 standing health centers that we're converting to  
8 FQHC.

9 COUNCIL MEMBER ROSENTHAL: Okay. So, I  
10 have one in my district that it's not on anyone's  
11 radar where I think we could do some good there. I'm  
12 happy to follow up with you on it. It's on Amsterdam  
13 Avenue at 93<sup>rd</sup> Street. I think it's one we lost a  
14 bunch of years ago, and we should try to pull it back  
15 in. and I take too you're working closely with  
16 Primary Care Development Corporation, and--

17 PRESIDENT BREZENOFF: [interposing]  
18 Absolutely.

19 COUNCIL MEMBER ROSENTHAL: Okay. So, the  
20 only thing I will say is that-- and again, this is  
21 why I'm so glad you're at the helm because I think  
22 that you have-- you see this through the lens of, you  
23 know, human, you know, what people need, quality of  
24 life not just a pen, you know, crossing off dollars  
25 and programs. You know, when I worked with you I

2 went out to visit Kings County Emergency Room, and we  
3 were looking at a capital request that we had been,  
4 you know, of course, cutting back on, and walking  
5 through the hos-- the emergency room and seeing  
6 people in those beds, it was the first time that I  
7 had a deep understanding of the word "Dickensian."  
8 And I hope that you'll be working to find a way so  
9 that, you know, people are taken care of with  
10 dignity.

11 PRESIDENT BREZENOFF: It's the most-- one  
12 of the most important points that could be made.  
13 It's especially an imperative for us. Ninety  
14 percent, better than 90 percent of our admissions  
15 come through the emergency room. It is upper most in  
16 our thoughts both in terms of providing the highest  
17 quality most human services because we get a range of  
18 individuals that come through there. We have a  
19 psychiatric emergency rooms. We have CPEPs. We have  
20 pediatric emergency rooms. It is our first encounter  
21 with sick people. So, a challenge for us is to have  
22 the most clinically effective, humane patient-  
23 centered emergency rooms that we possibly can have.  
24 We're also focused on the fact that many of the  
25 patients we have in an ideal healthcare world would

2 not be there in the emergency room. They have  
3 conditions that if properly supervised, attended to,  
4 managed, dealt with in the community and on a  
5 continuous basis would never see the inside of an  
6 emergency room, diabetic patients, asthmatic  
7 children, substance abusing individuals. So,  
8 emergency rooms are centered to us. We are making  
9 investments in emergency rooms, one I mentioned in  
10 Elmhurst with the help of the Queens Borough  
11 President and the Queens delegation, but throughout  
12 our system this is our highest priority, your  
13 fundamental point is. And this, I didn't bring to  
14 H+H. This is baked into H+H to each one of these  
15 individuals. Today is-- we had Doctor's Day for H+H  
16 and I spoke at a group of honorees, doctors, and the  
17 commitment of the individuals who work at H+H to the  
18 wellbeing of patients, they could be elsewhere many  
19 of these people. They are committed to the mission  
20 of H+H, to serving people regardless of their ability  
21 to pay or regardless of their condition, regardless  
22 of their overall profile.

23 COUNCIL MEMBER ROSENTHAL: Right. So, I  
24 assume when you say you're investing in the ERs, you

2 mean you're investing in the Urgy [sic] Center right  
3 next door to the ER, yeah?

4 PRESIDENT BREZENOFF: Another good-- on a  
5 roll.

6 COUNCIL MEMBER ROSENTHAL: Okay.

7 PRESIDENT BREZENOFF: That's another good--  
8 - Urgy Centers are in some ways a wave of the future.  
9 People are choosing those Urgy centers with their  
10 feet.

11 COUNCIL MEMBER ROSENTHAL: Well, not the  
12 poorest of the poor.

13 PRESIDENT BREZENOFF: No, that's exactly--

14 COUNCIL MEMBER ROSENTHAL:[interposing]  
15 And they're the ones going to the ER, and that's why  
16 we need, you know, PCDC or urgent care centers very  
17 much part of the ER.

18 PRESIDENT BREZENOFF: So, we already have  
19 things called fast-tracks, but we're interested in  
20 exploring the notion of an H+H-type urgy center that  
21 took everybody, that takes everybody. So, we don't  
22 lose the paying patient to the depredations of for-  
23 profit urgy center. So we're on that track as well,  
24 but all of the points you raised are right on.

2 COUNCIL MEMBER ROSENTHAL: Of course you  
3 are. So nice to see you. Thank you, Chairs.

4 CHAIRPERSON FERRERAS-COPELAND: Thank you  
5 so very much. I have a-- we actually just decided  
6 that we are going to pose all of our second round  
7 questions in writing to you so that we're hoping that  
8 you can get back to us, but we are going to be-- I'm  
9 giving some closing statements. I just wanted you to  
10 add in your list of gratitude for Elmhurst Hospital's  
11 Emergency Room, you need to add me.

12 PRESIDENT BREZENOFF: OH.

13 CHAIRPERSON FERRERAS-COPELAND: I was the  
14 proponent, the biggest advocate, and Doctor Raju knew  
15 that, and we had a lot of very tense moments, but you  
16 know, Danny Dromm and I share-- I just want you to  
17 know.

18 PRESIDENT BREZENOFF: No, I'm happy to  
19 know. And I may shoot a few people for not letting  
20 me know.

21 CHAIRPERSON FERRERAS-COPELAND: There you  
22 go. There go. So we will hear from Chair Johnson,  
23 and then we'll close out the hearing. Go ahead.

24 CHAIRPERSON JOHNSON: I have a lot of  
25 questions but I'm not going to ask them because we're

1 very far behind schedule, and I would ask-- and this  
2 is not anyone's fault, but I would ask that we need a  
3 lot of time to talk about an almost eight billion  
4 dollars public benefit corporation which is the  
5 largest healthcare provider in the City of New York  
6 and the United States. Two hours isn't long enough.  
7 You gave us detailed testimony. It's not long  
8 enough. So, in the future, we should not do this on  
9 the same day as the Department of Health, because we  
10 shouldn't have a hard stop or making Commissioner  
11 Bassett and her team wait. We should be able to have  
12 a two, three, four hour hearing to go into all these  
13 issues in a public way to be able to talk about these  
14 things. So we're going to send you a letter, but the  
15 things that I wasn't able to ask about which are  
16 really important to me is continuing to improve ADA  
17 accessibility. Chair Ferreras-Copeland has been a  
18 longtime champion with former Council Member Maria  
19 del Carmen Arroyo on accessibility for women who may  
20 be disabled and need access to certain types of  
21 machines and services. The infection rate has  
22 greatly exceeded the average. Metropolitan,  
23 Elmhurst, Bellevue, Lincoln, and Woodhall, I want to  
24 talk about that. Action healthcare, OneCity Health,  
25

2 which you mentioned-- we didn't get to talk at all,  
3 and I know Patsy Yang and her team are here about  
4 correctional health services on Rikers Island. The  
5 Chair had a very fun hearing yesterday with the  
6 Department of Correction. I know you used to be the  
7 Chair of the Board of Correction. So, I know that  
8 you take a keen interest in what's happening in  
9 Rikers Island, but everything that's happening on  
10 Rikers, whether it be inmate violence, in-jail  
11 employee healthcare services, mental health services  
12 and the PACE units, PREP being available, hepatitis C  
13 treatment, all of these things on Rikers Island are  
14 extremely important to me. And then it would be  
15 helpful to not just get updates on where you all  
16 stand in your transformation plan and in your fiscal  
17 plan as it relates to the set deadlines of the  
18 November Plan, the January Preliminary Budget  
19 document, the January Update, the Preliminary Budget,  
20 then the Executive Budget. It would be nice to get  
21 quarterly updates on where things stand financially  
22 so that we see where things are going, we understand  
23 where things are, we understand where you're able--  
24 where you're seeing success as part of the plan and  
25 where it's come up a little bit short. So, I would

2 like to see that, and then the Chair and I asked for  
3 a detailed briefing on the placeholder 100 million  
4 dollars on 2020 and 2021, the 10 to 13 real estate  
5 assets that are being under consideration for sale  
6 and actually generating that revenue, and then  
7 understanding the Epic and the EMR roll-out, where  
8 it's on schedule, where it's making money, if it's  
9 not making money, how much money we've lost, all of  
10 that. We're talking about big numbers here. We're  
11 talking about an uncertain future as it relates to  
12 healthcare in the United States with some potential  
13 major changes coming down, and so much of what we're  
14 sort of on the knee of, the federal government and  
15 the state government for the vast majority of our  
16 funding for this essential public benefit corporation  
17 and to understand what the actual practical realities  
18 are as it relates to all of the large-scale budget  
19 items that we're talking about I think are really,  
20 really important to this Council to be able to  
21 understand what the path forward is. So we're going  
22 to send you a letter with all the questions we  
23 weren't able to get to and potentially more, and it  
24 would be great to get detailed responses to those  
25 questions and to have some quarterly updates moving

2 forward on where things stand in the transformation  
3 plan.

4 PRESIDENT BREZENOFF: We will do just  
5 that.

6 CHAIRPERSON JOHNSON: Thank you very  
7 much. Thank you, Madam Chair.

8 CHAIRPERSON FERRERAS-COPELAND: Thank  
9 you, Chair. Again, we'll have additional questions  
10 both from both committees. We expect you to respond  
11 to them expeditiously because we will be using them  
12 for budget negotiations. So, it would be a great  
13 advantage to you also that your response was in a  
14 timely manner. Thank you very much for coming to  
15 testify today, and we will continue to do all of our  
16 follow-up. This concludes this portion of today's  
17 budget hearing, and I want to thank President  
18 Brezenoff for testifying. Again, a reminder that the  
19 public will be invited to testify on Thursday, May  
20 25<sup>th</sup>, the last day of budget hearings, at  
21 approximately 1:00 p.m. in this room. For any member  
22 of the public who wishes to testify but cannot make  
23 it to the hearing, you can submit your testimony to  
24 the Finance Division at the Council's website:  
25 [Council.nyc.gov/budget/testimony](http://Council.nyc.gov/budget/testimony), and the staff will

2 make it a part of the official record. We will now  
3 take a three-minute break before we conclude today's  
4 hearing with the Department of Health and Mental  
5 Hygiene.

6 [break]

7 CHAIRPERSON FERRERAS-COPELAND: We will  
8 now conclude the fourth day of the budget hearings on  
9 the Fiscal 2018's Executive Budget with Doctor Mary  
10 Bassett, Commissioner of the Department of Health and  
11 Mental Hygiene. The Committee is again joined by Co-  
12 Chairs Council Members Johnson and Cohen and the  
13 members of their committees. In the interest of time  
14 I will forgo an opening statement and turn over the  
15 mics to my co-chairs to deliver their opening  
16 remarks. We will hear from Chair Cohen followed by  
17 Chair Johnson.

18 CHAIRPERSON COHEN: Thank you, Chair. I  
19 will read fast because I know the hour is getting  
20 late. Good afternoon, I'm Council Member Andrew  
21 Cohen, chair of the Council's Committee on Mental  
22 Health, Developmental Disabilities, Alcoholism,  
23 Substance Abuse, and Disability Services. Today's  
24 hearing on the Department of Health and Mental  
25 Hygiene's 1.57 billion dollar Fiscal 2018 Executive

2 Budget. We will conduct oversight regarding issues  
3 of contract management and procurement as we  
4 addressed during the Preliminary Budget hearing. The  
5 Division of Mental Hygiene relies heavily on Human  
6 Services providers to support the City's 850 million  
7 dollar investment in ThriveNYC and the Council's 13  
8 million dollars in mental health initiative portfolio  
9 among others. The Fiscal 2018-- yeah, I'm just  
10 trying to read along. The Executive Budget includes  
11 nearly 500 mental hygiene service contracts  
12 representing approximately 500 million dollars. I  
13 recently had the opportunity to meet with many of  
14 these contractors during a disability services  
15 roundtable with Speaker Melissa Mark-Viverito. These  
16 providers care for the City's most vulnerable  
17 populations, from low income children with autism  
18 spectrum disorders to homeless adults with cognitive  
19 disabilities. Their appreciation for city funding  
20 and support was palpable, but so was their  
21 frustration with city contracting. For example, in  
22 February of this year, one organization was still  
23 negotiating the scope of services for a contract the  
24 City Council designated in August of 2016. Our  
25 City's human service professionals have advocated for

2 increases to city contracts. We are eager to hear  
3 the Administration's response, especially in light of  
4 vocal concerns about recruitment and retention issues  
5 from nonprofits serving our most vulnerable citizens.  
6 Similarly, the direct care workers are calling for  
7 wage increases from the state level. It is  
8 concerning to hear that care providers who serve the  
9 elderly or disabled may be earning less than a fast-  
10 food worker or the 15-dollar minimum wage. I look  
11 forward to working with your Department to implement  
12 a more efficient contract management system and  
13 procurement process to best serve our human services  
14 sector. Last week we conducted an update hearing  
15 specifically on ThriveNYC. I was pleased that  
16 virtually all of the 54 incidents already being  
17 implemented or on the verge of being implemented.  
18 ThriveNYC is ground breaking in the sense that the  
19 scope of all these initiatives reach virtually all  
20 New Yorkers no matter their level of mental health  
21 needs, from NYC Well for initial contacts to NYC Safe  
22 for seriously mental ill sufferers. It is a holistic  
23 plan for the wellbeing of all. During today's  
24 hearing, I also plan to address the Administration's  
25 investment in combatting the opioid epidemic through

2 Healing NYC, specifically the 8.4 million allocated  
3 to DOHMH in FY2018 for addiction services, opioid  
4 education, and naloxone distribution. I am sure there  
5 will be opportunities as this initiative rolls out  
6 for Council collaboration to best serve our  
7 constituents who struggle with substance abuse  
8 disorder-- substance use disorder. I know the  
9 Administration shares the Council's commitment to  
10 promoting mental health and wellness in New York  
11 City, and I look forward to discussing these issues  
12 this afternoon. I just want to acknowledge that over  
13 the course of the hearing Council Member Johnson,  
14 Wills, Grodenchik and Borelli, and lastly I want to  
15 just thank for their work, Jeanette Merrill, Nicole  
16 Abine [sp?], Michael Benjamin, and my Legislative  
17 Counsel Kate Theobald [sp?]. Thank you, Chair.

18 CHAIRPERSON FERRERAS-COPELAND: Thank  
19 you, Chair. Now we'll hear from Chair Johnson.

20 CHAIRPERSON JOHNSON: Thank you, Chair  
21 Ferreras-Copeland and good afternoon. I'm Council  
22 Member Corey Johnson, Chair of the City Council's  
23 Committee on Health. During today's hearing we will  
24 review the Department of Health and Mental Hygiene's  
25 1.57 billion dollar Fiscal 2018 Executive Budget.

2 First, I would like to thank the Administration for  
3 its substantial investment in animal welfare in New  
4 York City. In Fiscal 2018 Executive Capital  
5 Commitment Plan includes more than 79 million dollars  
6 for the construction and renovation of the City's  
7 Animal Care Centers, and the Capital Strategy now  
8 includes nearly 95 million dollars for animal welfare  
9 projects. Securing adequate capital funding for the  
10 construction of full service animal shelters in  
11 Queens and the Bronx has long been a priority of this  
12 Council and a personal goal of mine, and I look  
13 forward to working with DOHMH and the Department of  
14 Design and Construction to monitor the progress of  
15 these projects. I would now like to address the  
16 political climate in Washington and the passage in  
17 the House of Representatives of the American  
18 Healthcare Act. The Affordable Care Act has proven  
19 invaluable in increasing access to health coverage  
20 and services, and subsequently in promoting  
21 preventative care and reducing disparities. We can  
22 be proud that today approximately 87 percent of adult  
23 New Yorkers have health insurance. However, the  
24 American Healthcare Act would jeopardize coverage for  
25 hundreds of thousands of New Yorkers. I'm

2 particularly concerned about individuals on Medicaid  
3 and everyone living with serious and expensive pre-  
4 existing medical conditions including HIV and AIDS  
5 like myself. I'm HIV positive. The ACA's Medicaid  
6 expansion enabled thousands of people living with HIV  
7 to access health insurance, helping them to afford  
8 their medication and to stay in treatment. The  
9 American Healthcare Act threatens this access to care  
10 as well as funding streams for HIV and AIDS and other  
11 vital public health issues. For example, the  
12 Department's Fiscal 2018 Executive Budget includes  
13 107 million dollar federal grant for the Ryan White  
14 HIV/AIDS program and a 13 million dollar federal  
15 grant for the Hospital Preparedness Program. The  
16 American Healthcare Act jeopardizes the status of  
17 these grants and numerous other public health funding  
18 streams. I know this Administration and the  
19 Department remain commitment to protecting and  
20 promoting the health and wellbeing of all New  
21 Yorkers, and the Council and I will support your  
22 efforts to sustain and improve every community's  
23 health regardless of the political climate that we're  
24 in. Thank you very much, Madam Chair.

2 CHAIRPERSON FERRERAS-COPELAND: Thank  
3 you, Chair, and Doctor Bassett, you may begin after  
4 you're sworn in by my Counsel.

5 COMMISSIONER BASSETT: Thank you, Chair.

6 COMMITTEE COUNSEL: Do you affirm to tell  
7 the truth, the whole truth and nothing but the truth  
8 in your testimony before the committee today and to  
9 respond honestly to Council Member questions?

10 COMMISSIONER BASSETT: I so affirm. Good  
11 afternoon Chairpersons Ferreras-Copeland, Johnson,  
12 Cohen and members of the committees. I am Dr. Mary  
13 Bassett, Commissioner of the New York City Department  
14 of Health and Mental Hygiene, and I'm joined today by  
15 First Deputy Commissioner Dr. Oxiris Barbot and Sandy  
16 Rozza, Deputy Commissioner for Finance. Thank you  
17 for the opportunity to testify on our Executive  
18 Budget for fiscal year 2018. Our great city has long  
19 heralded as a leader in innovative and progressive  
20 public health initiatives, and that has continued  
21 this year. We have taken comprehensive steps to curb  
22 the opioid epidemic, expanded our groundbreaking  
23 effort to address mental health needs for our city's  
24 most vulnerable population, and confronted the  
25 emerging outbreak of Zika virus. We have rebranded

2 and expanded services in our Sexual Health clinics  
3 and have continued to champion chronic disease  
4 prevention efforts. Last month, we learned that the  
5 legal challenge to our sodium warning label  
6 requirement has ended. And a day later, we testified  
7 on a package of tobacco-related bills that Council  
8 has introduced that will help make substantial gains  
9 in reducing tobacco use in the City. Before I  
10 discuss the Department's newly funded efforts in the  
11 Executive Budget, I'd like to take a moment to  
12 discuss both the State and Federal fiscal climates.  
13 During our Preliminary budget hearing in March, I  
14 raised the very concerning issue of proposed State  
15 cuts to Article 6 funding. The Governor's executive  
16 budget included a 32.5 million dollar cut to the  
17 Department through this vital public health aid  
18 mechanism. I am pleased to report that this cut did  
19 not come to fruition in the enacted State Fiscal Year  
20 2018 budget. The Department avoided the need to  
21 reduce TB and asthma staff, scale back tobacco and  
22 obesity media campaigns, distribute fewer naloxone  
23 kits, or close one of our Sexual Health clinics. In  
24 addition, despite the Governor's annual effort to  
25 fold School-Based Health Centers into Medicaid

2 Managed Care, the State Department of Health once  
3 again provided a one-year extension. We're relieved  
4 that these vital and essential programs are protected  
5 for Fiscal Year 2018, but we will continue to push  
6 for a permanent carve out for future years, and I  
7 thank you for your continued support on this issue.  
8 Finally, I am pleased that New York has joined 48  
9 other states in raising the age of criminal  
10 responsibility. While not specifically a health  
11 issue, we know that treating youth as adults in the  
12 criminal justice system harms youth economically,  
13 educationally and emotionally, and these factors  
14 affect health. Now let me turn to the federal  
15 government. While we have not yet gotten concrete  
16 details of the President's Fiscal Year 2018 Budget,  
17 the so-called "skinny budget" released in March, and  
18 a separate document released shortly thereafter  
19 regarding proposed cuts for FY2017, make-- these make  
20 clear that this Administration's public health  
21 priorities do not align with our own. Potential cuts  
22 to the National Institutes of Health, the Centers for  
23 Disease Control and Prevention, the Prevention and  
24 Public Health Fund, and the Environmental Protection  
25 Agency, as well as other vital federal entities could

2 have dire implications on the health and well-being  
3 of the people in our city. It is possible that the  
4 Department could lose tens of millions of dollars in  
5 federal funding. This kind of cut would severely  
6 hamper our ability to implement effective public  
7 health initiatives, and would put the City at  
8 increased risk for infectious disease outbreaks and  
9 higher chronic disease incidence. Both the  
10 President's budget proposal and the House's recently  
11 passed American Health Care Act will slash funding  
12 for public health preparedness and response, which is  
13 irresponsible and dangerous. As I mentioned in my  
14 Preliminary Budget testimony, since 2010 we've seen  
15 the uninsured rate across all ages drop to a current  
16 all-time low of 9.3 percent in New York City. If the  
17 American Health Care Act passes through the Senate in  
18 its present form, it may reverse this positive trend,  
19 leaving millions of New Yorkers without affordable  
20 coverage and care. The lives of working poor,  
21 pregnant women, new mothers, people with pre-existing  
22 conditions, seniors, and those with disabilities,  
23 among many others, will be negatively affected by  
24 this piece of legislation. Our nation's immediate  
25 fiscal future may be plagued with uncertainty, but we

2 stand firmly by our City's values. This means we  
3 will continue to push back on these funding threats  
4 in order to best serve New Yorkers. In addition to  
5 potential cuts to our own agency's work, the cross-  
6 sector nature of public health makes us extremely  
7 concerned about threats to agencies that handle  
8 education, social services, emergency preparedness,  
9 transportation, housing, and the environment. We do  
10 not know what the President's budget will contain,  
11 but we will persist in our efforts to protect and  
12 promote the health of all New Yorkers. I will now  
13 speak to the Fiscal Year 2018 Executive budget for  
14 the Department. Our current operating budget is \$1.5  
15 billion, of which \$643 million is City Tax Levy and  
16 the remainder is federal, state and private dollars.  
17 This reflects a net increase in spending of 49  
18 million dollars from the Fiscal Year 2018 Preliminary  
19 budget, and I am also pleased to report that our  
20 agency has found 59 million dollars in City Tax Levy  
21 savings over two years. These savings will have no  
22 impact on services. The Fiscal Year 2018 Executive  
23 Budget helps to ensure that the Department can  
24 continue to provide necessary services, create and  
25 enforce effective policy, and implement equitable and

1 evidence-based programs. I will now highlight the  
2 major new funding streams that have been added in the  
3 Executive Budget. We launched NYC Safe in August of  
4 2015 to provide behavioral health support to the  
5 small subset of New Yorkers who have both displayed  
6 or threatened violence against the public and  
7 struggle with a mental illness and/or substance use  
8 disorder. We know that NYC Safe is working; as of  
9 March 2017, 96 percent of participants have not been  
10 charged with a violent offense since being referred  
11 to the program. After a year and a half of  
12 operational experience, we have a better  
13 understanding of the needs of the target population  
14 and how best to meet our goals. To this end, we're  
15 adding \$1.1 million in Fiscal Year 2018 and \$4.4  
16 million in the out-years to the Intensive Mobile  
17 Treatment, or IMT, program. IMT was launched as a  
18 demonstration project in January 2016 with three  
19 teams serving up to 25 clients each. The teams work  
20 with people who raise concerns about violent behavior  
21 and have had recent and frequent contact with the  
22 mental health, criminal justice and homeless systems,  
23 and for whom traditional treatment models have proven  
24 ineffective. The teams include peer specialists,  
25

2 master's level behavioral health professionals,

3 nurses, and psychiatrists who engage clients across

4 multiple settings 24 hours a day, seven days a week.

5 There is no time limit for this support. This new

6 funding will enable IMT to add four more teams, and

7 increase capacity to reach more New Yorkers. We

8 currently have teams in Brooklyn, Manhattan and the

9 Bronx, and we will extend services to Staten Island

10 and Queens. We are pleased to have an additional 8.2

11 million dollars allocated to the Department for

12 HealingNYC, our citywide plan to reduce opioid

13 overdose deaths by 35 percent over five years.

14 Overdose deaths from opioids, which include both

15 opioid analgesics and heroin, are a public health

16 crisis in New York City. In 2016, we have seen 1,268

17 confirmed overdose deaths, with 80 percent involving

18 opioids and we are on track to see this number exceed

19 1,300 when data are finalized for 2016. This

20 disturbing increase parallels the entry of fentanyl

21 in the city's street drugs. Approximately half of

22 the confirmed drug overdose deaths from July to mid-

23 December 2016 involved fentanyl. We can confidently

24 say that fentanyl is driving the increase in overdose

25 death rates in the New York City, and these overdose

1 deaths are preventable. This new funding will allow  
2 the Department to expand its multipronged approach,  
3 increasing naloxone distribution, buprenorphine  
4 training, judicious prescribing, public awareness  
5 campaigns, and introducing a rapid assessment and  
6 response capacity. More specifically, in Fiscal Year  
7 2018, the City will distribute nearly 62,000 naloxone  
8 kits. The Department will distribute approximately  
9 48,000 of these kits, and other City agencies will  
10 distribute the remainder. In addition to increasing  
11 the number of naloxone kits available, this new  
12 funding will help us increase the number of patients  
13 who receive buprenorphine treatment from 38,000 to  
14 58,000 over the next five years. Funds will also be  
15 used to increase public awareness through media  
16 campaigns and outreach. These efforts are critical,  
17 and we remain steadfast in our commitment to curbing  
18 this epidemic. I also want to touch briefly on a few  
19 additional funding changes in the Executive Budget.  
20 The Department will receive 1.3 million dollars in  
21 funding for the provision of mental health services  
22 to additional residents at the Center for Urban  
23 Community Services, or CUCS, for Fiscal Year 2018 and  
24 beyond. Previously, CUCS was a 43-bed transitional  
25

2 living community for homeless women with mental  
3 illness, and in early 2017, they moved to a larger  
4 space. This funding adjustment will cover the on-  
5 site rehabilitation services for the Center,  
6 including an additional 32 beds in the new space.  
7 There is an adjustment in the budget to account for  
8 the shifting of funds for the NYC 15/15 Supportive  
9 Housing initiative, from Department of Social  
10 Services to the Health Department. Supportive  
11 housing is affordable, permanent, and independent  
12 housing for individuals and families coming from a  
13 period of homelessness, hospitalization or  
14 incarceration. The program provides support for  
15 tenants within a neighborhood and community, and  
16 offers programming on various topics, including  
17 mental health services, financial independence and  
18 community integration. The NYC 15/15 initiative aims  
19 to fund and develop 15,000 new units of supportive  
20 housing in New York City over a period of 15 years.  
21 This funding shift will allocate 26.5 million dollars  
22 to the Department in Fiscal Year 2018, \$50.3 million  
23 in Fiscal Year 2019, and \$74.4 million in Fiscal Year  
24 2020 to administer the program in partnership with  
25 DSS and HPD. The Department is responsible for

2 contract management, budget management, program  
3 development, technical assistance, program monitoring  
4 and evaluation. I'd also like to point out the  
5 Service Provider Wage Adjustment in the budget, which  
6 will support our social service provider workforce  
7 with another round of Cost-of-Living Adjustment  
8 increases. In recognition of the critical role that  
9 these providers play in New York City, the Executive  
10 Budget allots 6.3 million dollars in Fiscal Year  
11 2018, \$12.4 million in Fiscal Year 2019, and \$18.9  
12 million in FY2020 for this adjustment. Lastly, we  
13 received an additional \$79 million in the Capital  
14 Plan for animal shelter construction and renovation.  
15 We have had an exciting and productive year at the  
16 Department. I am grateful that the City budget for  
17 Fiscal 2018 provides funding to advance our  
18 priorities. Thank you again for the opportunity to  
19 testify, and for your support of the Department's  
20 work. We are pleased to answer any questions.

21 CHAIRPERSON FERRERAS-COPELAND: Thank  
22 you, Doctor Bassett. I wanted to talk about  
23 headcount and then some procurement and a couple  
24 questions, and then we'll hear from the Chairs. The  
25 Department's headcount decreases by 113 fulltime

2 positions in Fiscal 2018's Executive Budget when  
3 compared to Fiscal 2017's Adopted Budget to 5,398  
4 positions. The public health sector experiences a  
5 net decrease of 90 positions. What led to these  
6 headcount decreases, particularly the 12 positions in  
7 the Bureau of Sexually Transmitted Disease Control  
8 and the 13 positions in the Bureau of Food Safety?

9 COMMISSIONER BASSETT: Alright, I'll  
10 begin, and then I may turn to our Deputy Commissioner  
11 for Finance, Sandy Rozza, for more details, but some  
12 of these budgets, 68 fulltime positions and I believe  
13 some 30 part-time positions were part of efficiencies  
14 that we identified at the request of OMB. These  
15 reductions had no impact on service delivery. Sandy,  
16 do you want to address the specific issues about Food  
17 Safety and Sexual Health clinics?

18 DEPUTY COMMISSIONER ROZZA: Yes. Good  
19 afternoon. Sandy Rozza, Deputy Commissioner for  
20 Finance at the Department of Health and Mental  
21 Hygiene. So, as the Commissioner said, we were asked  
22 to put up some efficiencies. So, we took 62  
23 vacancies from around the Department. They were the  
24 oldest vacancies and put those up as efficiencies.  
25 On the Food Safety side, they were part of it. On

2 the STD side, these are just grant awards that have  
3 not been implemented yet, and we'll do so after the  
4 Adopted Budget when we reconcile our grants.

5 CHAIRPERSON FERRERAS-COPELAND: So, then  
6 you would do additional hiring?

7 DEPUTY COMMISSIONER ROZZA: Yes. Our  
8 Fiscal Year 18 grants have not all been loaded yet.  
9 So as we load them, there should be an increase in  
10 that headcount for STD.

11 CHAIRPERSON FERRERAS-COPELAND: So, do  
12 you know by how much that headcount would increase?

13 DEPUTY COMMISSIONER ROZZA: No, not at  
14 this time.

15 CHAIRPERSON FERRERAS-COPELAND: Okay.  
16 So, we'll follow up after adoption. Procurement, 60  
17 percent of New York's Human Services nonprofits are  
18 financially distressed having no more than three  
19 months of cash reserves. The chronic delay in  
20 government contract payments contributes greatly to  
21 the problem, and DOHMH is no exception. What are the  
22 major sources of delays in the contracting progress  
23 at DOHMH?

24 COMMISSIONER BASSETT: Again, I'll start,  
25 Madam Chair. At this point, we have 70 percent of

2 all of the contracts that were cleared by MOCS  
3 registered. So, we think we're doing pretty well on  
4 this. We have 250 more contracts to register than we  
5 had in FY15, but we still have achieved 70 percent  
6 registration. We're very grateful to the Council for  
7 its early designation, but about half of the  
8 remaining contracts, we only had cleared by MOCS in  
9 at the end of last year. So, as you're alluding,  
10 there are many steps, but our department can't begin  
11 its work with the vendors until the contracts have  
12 been cleared by MOCS. That's not simply a  
13 responsibility of MOCS. It's a back and forth  
14 between the vendor and MOCS.

15 CHAIRPERSON FERRERAS-COPELAND: Okay, we  
16 just wanted to get it on the record, because it's the  
17 one challenge that we kind of go back and forth on of  
18 through this whole pipeline. I wish I could just get  
19 all of you in one room and, you know, maybe you'll  
20 point at--

21 COMMISSIONER BASSETT: [interposing] That  
22 wouldn't be a bad idea.

23 CHAIRPERSON FERRERAS-COPELAND: each  
24 other. Maybe, but just to figure out, because  
25 there's nothing more frustrating especially when

2 nonprofits have cash flow issues. Knowing you have  
3 the contract, it's a year later, and there's-- a year  
4 or two years later they still have no payments. I  
5 know that we worked and you have identified as a  
6 management contract arm with Public Health Solutions,  
7 do you think that-- you know, can you walk us through  
8 how they may have helped you get to the 70 percent?  
9 Or I know that-- is it 10 percent? Walk me through  
10 the relationship between Public Health Solutions and  
11 the Agency?

12 COMMISSIONER BASSETT: Well, we have a  
13 longstanding relationship with Public Health  
14 Solutions, but the most recent role that they played  
15 in our contract management was with the Mayoral  
16 designations. In other words, what the baselining of  
17 what were previously Council dollars into the  
18 Agency's budget. That is managed through a master  
19 contract, and they have registered all of the-- okay,  
20 I'm going to let-- they've registered all of their  
21 contracts in January of this year. I mean, they've--  
22 I don't know, registered is not the right word, but  
23 they execute-- all of them have been executed in  
24 January of this year. I'll turn it over to Sandy to  
25 say more.

2 DEPUTY COMMISSIONER ROZZA: So, you're  
3 asking in particular for the Council designations--

4 CHAIRPERSON FERRERAS-COPELAND:  
5 [interposing] Right.

6 DEPUTY COMMISSIONER ROZZA: how does PHS  
7 help us?

8 CHAIRPERSON FERRERAS-COPELAND: Right.

9 DEPUTY COMMISSIONER ROZZA: So, the only  
10 portfolio that goes through PHS from a Council  
11 designation are the HIV contracts.

12 CHAIRPERSON FERRERAS-COPELAND: Right.

13 DEPUTY COMMISSIONER ROZZA: And those have  
14 been processed by PHS. All other Council designations  
15 are processed by the Agency.

16 CHAIRPERSON FERRERAS-COPELAND: Okay. I'm  
17 just trying to understand if they have assisted in  
18 expediting the process, or is this something that we  
19 could look at other contracts. This was kind of--  
20 you know, is this something that we can expand on or  
21 that you have found efficient, or what is your  
22 opinion having--

23 DEPUTY COMMISSIONER ROZZA: [interposing]  
24 So, we actually find it very efficient for the HIV  
25 portfolio.

2 CHAIRPERSON FERRERAS-COPELAND: Okay.

3 DEPUTY COMMISSIONER ROZZA: Which is why  
4 we went to PHS for the Mayoral baseline funding, but  
5 we've had a lot of issues with processing of those  
6 contracts, which is why for the mental hygiene  
7 Mayoral baselining we're going to bring it back in  
8 house, because we believe we can do them more  
9 efficient.

10 CHAIRPERSON FERRERAS-COPELAND: Okay. We  
11 were talking about the-- the Mayor has expressed the  
12 partial hiring freeze, and I wanted to know what  
13 effect the hiring freeze would have on your agency,  
14 and also in large scale initiatives such as  
15 ThriveNYC? A lot of these initiatives are supported  
16 by the administrative staff in some cases. So, if  
17 we're doing a hiring freeze on administrative and  
18 management positions, what will be the impact, and if  
19 you've already begun that exercise of looking what  
20 the potential effects are, especially since you  
21 proposed such a significant efficiency already with  
22 your vacancies. What's your plan?

23 COMMISSIONER BASSETT: Well, at this  
24 point, we know formerly as much as you've just  
25 described that it's aimed not at frontline workers,

2 but at managerial and administrative staff, and of  
3 course, we've turned to the deputies and alerted them  
4 to begin looking at their vacancies, looking at their  
5 current positions. I don't expect that there's--  
6 there's been no talk about layoffs. That is not part  
7 of this exercise.

8 CHAIRPERSON FERRERAS-COPELAND: Okay.

9 During the Preliminary Budget hearing you stated that  
10 DOHMH was looking into changes to Article 47 on the  
11 City's Health Code regarding the inclusion of  
12 childcare centers in City shelters. Can you give us  
13 an update on the status of those discussions?

14 COMMISSIONER BASSETT: Those discussions  
15 remain ongoing.

16 CHAIRPERSON FERRERAS-COPELAND: Do you  
17 see an end to the discussion that will bring you to a  
18 plan, or you know, or that you can say by this date--

19 COMMISSIONER BASSETT: [interposing] As  
20 soon as we can inform Council on a plan, we will do  
21 so. We are still in discussion on the matter.

22 CHAIRPERSON FERRERAS-COPELAND: Okay, but  
23 I would think you start the discussion with an end-  
24 goal of saying, "We'd like to be here by this date,

2 or we'd like to see how we can encompass these other  
3 centers." So, is that anywhere in the horizon, or?

4 COMMISSIONER BASSETT: That definitely is  
5 on the horizon, but I can't give you any more--

6 CHAIRPERSON FERRERAS-COPELAND:  
7 [interposing] I feel like we're still not giving our  
8 number [sic].

9 COMMISSIONER BASSETT: information than  
10 the timeline.

11 CHAIRPERSON FERRERAS-COPELAND: Okay.

12 COMMISSIONER BASSETT: The specific  
13 timeline at this point.

14 CHAIRPERSON FERRERAS-COPELAND: Okay. We  
15 will now hear from Chair Cohen who actually has to  
16 step out, so we're going to give him some time to ask  
17 us questions, and then we'll hear from Chair Johnson.

18 CHAIRPERSON COHEN: Thank you, Chair. I  
19 appreciate the courtesy. At the-- we had a very good  
20 Thrive hearing last week, and there was-- I guess  
21 we're still working on collecting some of the follow-  
22 up information from that hearing, but I do want to  
23 reiterate on the record that I am very interested in  
24 sort of the component contracts of Thrive. I'd like  
25 to sort of have a discussion about and just to be a

2 little bit more knowledgeable about who's providing  
3 the services and how that money is getting spent.  
4 So, I know that your agency's committed to doing  
5 that, and that the time between the last hearing and  
6 this hearing was very brief, but I am keenly  
7 interested in that, and I think my colleagues are  
8 too. So, I know we're working on that.

9 COMMISSIONER BASSETT: We can give you  
10 ballparks at this point, but I know that you're  
11 interested in specific information, and we are  
12 working on it, and we'll get it to you.

13 CHAIRPERSON COHEN: I appreciate that.  
14 Diversion Centers, I think there might actually be an  
15 update as opposed to us every cycle having the same  
16 discussion. Maybe there's some new information  
17 relating to that.

18 COMMISSIONER BASSETT: Yes, I'm very  
19 pleased that we have made progress on Diversion  
20 Centers. I can't give you, again, the specifics of  
21 it, but I know that you've been hearing me talk about  
22 these sites that offer an opportunity for people with  
23 mental health issues engage with the police to be  
24 brought somewhere else and not end up on a pathway to  
25 jail, and instead be taken to a Diversion Center

2 where they can be connected to care. So, we have a  
3 long learning experience, but we have the right  
4 contract mechanisms. We're very close to having  
5 vendors identified.

6 CHAIRPERSON COHEN: Are we close to  
7 having one site or two site?

8 COMMISSIONER BASSETT: Two sites is the  
9 plan, and it will require a bit of additional  
10 funding.

11 CHAIRPERSON COHEN: But we current-- it  
12 was my understanding, I think, that we had a  
13 commitment for two sites.

14 COMMISSIONER BASSETT: Yes, the plan is  
15 for two sites, and that's what we've continued to  
16 work diligently towards. I thank you for your  
17 patience.

18 CHAIRPERSON COHEN: No, and--

19 COMMISSIONER BASSETT: [interposing] And  
20 thank my staff for their endurance.

21 CHAIRPERSON COHEN: But in your testimony  
22 they were making progress on both sites.

23 COMMISSIONER BASSETT: Correct.

24 CHAIRPERSON COHEN: Okay, that's great  
25 news, and I look forward to a more definitive update.

2 COMMISSIONER BASSETT: Coming soon.

3 CHAIRPERSON COHEN: I've asked this also  
4 in the past, and I've never, I think, been quite  
5 clear in my own mind. On Intensive Mobile Treatment,  
6 how does someone end up in that column, so to speak,  
7 in that silo that they are-- that they're in need of  
8 those? How do you identify someone, and how do they  
9 end up in that silo?

10 COMMISSIONER BASSETT: The Intensive  
11 Mobile Treatment or IMT teams were really developed  
12 as part of the response to the problem which is not a  
13 very common one of people with mental health issues  
14 who pose a threat or have acted violently, and the  
15 real flexibility of them is that they're multi-  
16 disciplinary. They can follow the person anywhere  
17 that they go. They are not tied by any reimbursement  
18 standards, any diagnostic criteria. I heard you  
19 earlier use the phrase "serious mental illness" but  
20 they don't have to meet some, you know, an Axis I  
21 diagnosis. It can be anybody judged in need of  
22 ongoing services. So, this has proved a very  
23 successful strategy, very-- we started it as a pilot  
24 and we filled the slots. Most of the referrals to

25

2 this program come from H+H followed by Homeless  
3 Services.

4 CHAIRPERSON COHEN: I guess what I--  
5 well, first, let me just say that I appreciated that  
6 it is a small population, and I know you know this,  
7 but I just think it's-- you know, when these people  
8 fall through the cracks when they don't get the  
9 treatment they want, I think they set the entire  
10 mental health community back. So, it's-- even though  
11 it's a small number, it's vitally important services.  
12 I guess I'm just not clear. What is the mobile  
13 element in-- what does that consist of? What  
14 services are mobile? In other words, if I identify  
15 as somebody on the street who seems to me to be  
16 potentially a harm to himself or someone else, and as  
17 you know, all New Yorkers, I've encountered people  
18 like that, how do those people get services?

19 COMMISSIONER BASSETT: Well, obviously if  
20 you're scared, you should always call 911.  
21 Otherwise, we have a referral mechanism called the  
22 Single Point of Access, or SPOA. You've probably  
23 heard it discussed, and through that it's decided  
24 what level of services a particular individual needs,  
25 and for this very vulnerable hard to reach

2 population, many of whom are homeless, street  
3 homeless, who have fallen through the cracks, the IMT  
4 has proved an incredible resource, and the idea is  
5 that you meet them wherever they are, the mobile is.  
6 If you want to meet at the Dunkin' Donuts on the  
7 corner with a peer counselor, you can meet there. If  
8 you end up on Rikers, they can find you there. If  
9 you end up at a hospital, wherever that individual  
10 is, the team will find them. You're not asking how  
11 they got there, whether it was by a car or the  
12 subway. That's--

13 CHAIRPERSON COHEN: [interposing] No, I'm--  
14 - no, that's not what I--

15 COMMISSIONER BASSETT: [interposing] Okay.

16 CHAIRPERSON COHEN: I mean, getting the  
17 services directly to the person where they're at,  
18 sometimes getting them. sometimes we have to get them  
19 out-- you know, trying to, you know, when people are  
20 out, like I said, out in the field, and again, I  
21 think as all New Yorkers we have experience where we  
22 see people who seem to really be in a very bad state,  
23 ranting, raving and perhaps, you know, making  
24 threatening gestures and trying to figure out what  
25 the appropriate response is that is more medical-

2 based versus law enforcement-based is, you know, a  
3 very big concern. I think for people who are  
4 reticent when someone is having what appears to be a  
5 mental health crisis to call the police. Like that--

6 COMMISSIONER BASSETT: [interposing] No,  
7 no, that should only be if you're fearful of your--  
8 of your safety or safety of others in a very  
9 immediate sense. If you think somebody looks like  
10 they need help, you can call 311 and then from there  
11 you get connected.

12 CHAIRPERSON COHEN: I do have-- you know,  
13 well there's just one more, and maybe this is a  
14 follow-up to the question about the Thrive contracts,  
15 but in the portfolio, the Council-- you know, I'm  
16 very proud of the commitment that the Council has to  
17 funding mental health service providers, particularly  
18 with the support of the Finance Chair, but at some  
19 point I would also like to sit down maybe and we  
20 could talk about the implementation of those  
21 contracts, because those service providers are  
22 struggling like the rest of the service providers,  
23 and I also think that it would be helpful to know on  
24 the council side that we're in agreement that the  
25 funds are actually getting under the ground, that

2 they're getting used. So, I'd like to follow up with  
3 that when we do, maybe when we talk about--

4 COMMISSIONER BASSETT: [interposing]  
5 Understood.

6 CHAIRPERSON COHEN: I appreciate your  
7 testimony. Thank you, Chairs.

8 CHAIRPERSON JOHNSON: Hi Mary.

9 COMMISSIONER BASSETT: Hello, Health  
10 Committee Chair.

11 CHAIRPERSON JOHNSON: Good to see you.  
12 So we had a great hearing a couple of weeks ago on  
13 tobacco legislation, and I'm really proud to work  
14 with you all on the package of bills that we worked  
15 on together, the Department, City hall and the  
16 Council. One of the big issues that came up during  
17 that legislative hearing was that the Sheriff, who I  
18 guess is part of the Department of Finance, said his  
19 office--

20 COMMISSIONER BASSETT: [interposing]  
21 Correct.

22 CHAIRPERSON JOHNSON: was developing a  
23 proposal for more enforcement personnel to address  
24 the illegal cigarette and tobacco trade in the City,  
25 namely more staff for the office's tobacco inspection

2 detail. And one of the big issues that was raised in  
3 that hearing was the illegal underground market that  
4 exists in the City, and the fear that my bill which  
5 raises the minimum price to above 13 dollars, that  
6 that would increase the underground illegal trade in  
7 New York City, and that that's a major concern. I'm  
8 not an expert on this. The Sheriff sounded like  
9 doesn't have a very big staff at all, and Council  
10 Member Koo in that hearing was saying that in  
11 Flushing there are people selling illegal cigarettes  
12 everywhere. I mean, he said it's just totally  
13 omnipresent in that neighborhood. So, I have-- of  
14 course I'm committed to the package, and I want to  
15 pass the bill. Do you have any thoughts though on  
16 what we need to do to ensure that us passing this  
17 doesn't drive up a further underground illegal  
18 market?

19 COMMISSIONER BASSETT: Well, thank you for  
20 that important question, and it's a question that's  
21 often raised when there's an effort to raise the  
22 price of cigarettes. So, let me just take a moment  
23 and remember for the Council and remind ourselves  
24 that raising the price is one of the single-most  
25 effective prevention strategies that we have. It

2 keeps people from starting to smoke, and people who  
3 have to pay more for their cigarettes are likely to  
4 smoke less, and this has been true even in the  
5 presence of the concerns that you've raised. The  
6 Department of Finance and the Department of Consumer  
7 Affairs are the enforcement arms of the package of  
8 legislation that the Council is now going to  
9 consider, and I'm confident that they will make the  
10 necessary requests for additional staff if they need  
11 them in order to meet the enforcement requirements of  
12 these bills.

13 CHAIRPERSON JOHNSON: Is it a real fear,  
14 though? I mean, do we have any data or analysis that  
15 bears out?

16 COMMISSIONER BASSETT: Well, without  
17 trying to minimize the fact that we don't like to  
18 have untaxed products in our city, the fact remains  
19 that the rise in prices has resulted in a reduction  
20 in tobacco use. So, from a public health  
21 perspective, I have every confidence that this, that  
22 your bill will have the impact on smoking rates that  
23 we want it to have, and I have every confidence that  
24 the Sheriff and the Department of Consumer Affairs  
25 will enforce it.

2 CHAIRPERSON JOHNSON: Thank you. During  
3 the Preliminary Budget hearing you stated that the  
4 Department of Health and Mental Hygiene is working  
5 with the Department of Design and Construction to  
6 develop a plan for the construction of the Public  
7 Health Laboratory which is currently budgeted at 72.5  
8 million dollars in the 2018 Capital Commitment Plan.  
9 Can you update us on the status of this capital  
10 project?

11 COMMISSIONER BASSETT: We have been-- as  
12 you know, we've been working with EDC, the Economic  
13 Development Corporation. They have been helping us  
14 to identify a site. We, as usual, always seek to  
15 identify sites on city-owned property because the  
16 process is less cumbersome. So we are in active  
17 negotiations about this, and soon as we have  
18 something that is sure, we'll be happy to tell  
19 Council about it.

20 CHAIRPERSON JOHNSON: Okay.

21 COMMISSIONER BASSETT: It's a real  
22 priority. If I-- and I'm grateful that you've asked  
23 the question, because the Public Health Lab is in  
24 many ways the jewel in the crown of our Health  
25 Department, but it often isn't acknowledged or even

2 known about. So, they really have to have a new  
3 building, and I'm committed to making progress on it.

4 CHAIRPERSON JOHNSON: Great. I'm excited  
5 to see the project get underway and for it to be a  
6 state of the art laboratory, which the Department  
7 deserves.

8 COMMISSIONER BASSETT: Thank you.

9 CHAIRPERSON JOHNSON: So, there's a  
10 hiring freeze, right?

11 COMMISSIONER BASSETT: You know, we are  
12 waiting for a detailed memo, but as you note, the  
13 commissioners have all been informed that this is  
14 happening.

15 CHAIRPERSON JOHNSON: So, the Fiscal 2018  
16 Executive Plan allocates 300,000 dollars to the  
17 Health Department to hire four legislative affairs  
18 staff to track, evaluate and facilitate legislation  
19 related to health. How did the Department determine  
20 the staffing need?

21 COMMISSIONER BASSETT: Well, obviously  
22 the Department has a need in the legislative arena  
23 that advances our goals. I'll turn that to-- that's  
24 really about all. You know, that's-- our intent is  
25 and our expectation is that these staff will advance

2 the Department's goals in terms of legislative  
3 affairs.

4 CHAIRPERSON JOHNSON: But given the  
5 Mayor's interest in managing the City's headcount as  
6 announced as part of the Executive Plan, how does the  
7 Department justify adding four positions?

8 COMMISSIONER BASSETT: You know, this is  
9 a-- we have a staff of 6,000 people. Four positions  
10 is not a very large number, and we have real needs in  
11 terms of ensuring that our department is well-  
12 represented in Washington where you have noted and I  
13 have noted that the fight will continue. So I am  
14 confident that this will be good for the Health  
15 Department.

16 CHAIRPERSON JOHNSON: So, are these four  
17 staff positions for Washington?

18 COMMISSIONER BASSETT: I don't know, but  
19 wherever they are we're having-- we're going to have  
20 a lot more legislative affairs on our plate.

21 CHAIRPERSON JOHNSON: But it would be  
22 helpful to know where they're-- what that's slated  
23 for.

24 COMMISSIONER BASSETT: Okay, I'll do my  
25 best.

2 CHAIRPERSON JOHNSON: No, no, it would be  
3 helpful to know right now. We're in the budget  
4 hearing talking about the budget. There's a 300,000  
5 dollar line. So I'm sure someone has an answer of  
6 what those four people are slated to do.

7 COMMISSIONER BASSETT: Well, their role  
8 is to work on legislative affairs that are relevant  
9 to the Department of Health's needs and interest.

10 CHAIRPERSON JOHNSON: At City Hall? In  
11 Albany? In D.C., or all of the above?

12 COMMISSIONER BASSETT: Wherever they are  
13 placed they will advance the legislative needs.

14 CHAIRPERSON JOHNSON: You're not giving  
15 an answer, Commissioner Bassett.

16 COMMISSIONER BASSETT: I'm doing the best  
17 I can, Health Committee Chair, and I think I'm giving  
18 you the answer that I-- that should be clear enough  
19 for all of us. We have legislative needs. These  
20 staff will help us address them. I can get back to  
21 you.

22 CHAIRPERSON JOHNSON: That would be  
23 helpful. So, diabetes affects approximately 700,000  
24 New Yorkers and contributed to thousands of deaths  
25 each year, but diabetes prevention efforts receive

2 far less City funding that other public health  
3 problems. Has the Department considered implementing  
4 the National Diabetes Prevention Program, an evidence  
5 based program recognized by the CDC in an effort to  
6 stem the City's increasing diabetes rate?

7 COMMISSIONER BASSETT: Absolutely we are  
8 in the process of supporting this program, both in  
9 communities and actually within our own agency.

10 CHAIRPERSON JOHNSON: So, what does that--  
11 what does that mean? What are we-- what specifically  
12 are we doing?

13 COMMISSIONER BASSETT: This is a package  
14 of programs. It's a series of sessions that  
15 individuals participate in who are identified as  
16 people with pre-diabetes. Pre-diabetes is when you  
17 have abnormalities in the way your body handles  
18 sugar, but you are not quite a diabetic, and the  
19 management of it is basically to eat healthier and  
20 exercise more, but we all know that it's very hard to  
21 adjust your life so that you do that, not just for a  
22 week or a month, but for the rest of your life, and  
23 that's what this program has been shown to do. In  
24 trials, it's reduced by nearly 60 percent, the risk  
25 that you will develop diabetes in the future. So the

2 Department has been supporting through, mostly  
3 through CDC grants, the implementation of this  
4 program. There have been some small grants that were  
5 given to community-based organizations to also  
6 promote non-clinical strategies that help people  
7 prevent diabetes. You can understand that while  
8 managing your diabetes when you have the diagnosis is  
9 important. Public Health Agency has as its first  
10 priority the prevention of diabetes, and in large  
11 part that refers to healthier food and more exercise.

12 CHAIRPERSON JOHNSON: So, is this going  
13 to require additional funds, or you can do it with  
14 the current resources?

15 COMMISSIONER BASSETT: We're doing this  
16 with the current resources. We estimate that our  
17 budget spent on this whole area of work and  
18 prevention is about 3.4 million.

19 CHAIRPERSON JOHNSON: Great. Last month,  
20 the Department said it would launch a pilot program  
21 to sterilize female rats using a compound dubbed  
22 "ContraPest." Can you provide any details regarding  
23 the timing, scale and location of the ContraPest  
24 launch?

25

2 COMMISSIONER BASSETT: I really don't  
3 know how this got into the news, but the Department  
4 has not endorsed this product in any way. We, as you  
5 know, have a large rodent control program and there  
6 is a plan which so far doesn't have any details  
7 attached to it to take a look at this product and see  
8 how it does.

9 CHAIRPERSON JOHNSON: No tails attached.

10 COMMISSIONER BASSETT: No tails attached.  
11 No-- that's pretty good.

12 CHAIRPERSON JOHNSON: We have to laugh a  
13 little, Doctor Bassett.

14 COMMISSIONER BASSETT: Thank you,

15 CHAIRPERSON JOHNSON: Thank you.

16 COMMISSIONER BASSETT: Chairman Johnson.

17 CHAIRPERSON JOHNSON: You kind of laughed.  
18 You're laughing now. Okay. Did we replace Doctor  
19 Varma with a permanent replacement?

20 COMMISSIONER BASSETT: No, we have Doctor  
21 Daskalakis who is-- remains acting.

22 CHAIRPERSON JOHNSON: Yes, at the last  
23 hearing--

24 COMMISSIONER BASSETT: [interposing] He's  
25 still acting. He's wonderful.

2 CHAIRPERSON JOHNSON: He's wonderful, and  
3 I want him to get that position fulltime.

4 COMMISSIONER BASSETT: I think you've said  
5 so.

6 CHAIRPERSON JOHNSON: Yes. When's the  
7 decision being made?

8 COMMISSIONER BASSETT: As soon as I can  
9 tell you, we will get back to you.

10 CHAIRPERSON JOHNSON: Are you a lawyer,  
11 Doctor Bassett?

12 COMMISSIONER BASSETT: I'm not, but there  
13 are lawyers in my family.

14 CHAIRPERSON JOHNSON: I can tell. I  
15 don't think I have any other major questions. Just  
16 that I think that the Department should have more  
17 money, and I said that at the press conference with  
18 the Mayor on tobacco.

19 COMMISSIONER BASSETT: You did, and you,  
20 I believe, said it to me the first time that we met  
21 in one of these hearings.

22 CHAIRPERSON JOHNSON: Yes, and you've  
23 gotten more money over the years,--

24 COMMISSIONER BASSETT: [interposing] And  
25 we have gotten more--

2 CHAIRPERSON JOHNSON: [interposing] but  
3 this year there's not that much more money.

4 COMMISSIONER BASSETT: But I think that  
5 I'll use the answer that I've given you the first  
6 time and every time--

7 CHAIRPERSON JOHNSON: [interposing] We'll  
8 always take more money. We'll use it.

9 COMMISSIONER BASSETT: No, Commissioner.

10 CHAIRPERSON JOHNSON: We'll do good public  
11 health work--

12 COMMISSIONER BASSETT: [interposing] We'll  
13 never turn down--

14 CHAIRPERSON JOHNSON: [interposing] when  
15 we get it.

16 COMMISSIONER BASSETT: additional funds.

17 CHAIRPERSON JOHNSON: Yes.

18 COMMISSIONER BASSETT: Thank you.

19 CHAIRPERSON JOHNSON: So, I, you know, I  
20 call upon the Administration and my colleague in the  
21 Council to as we negotiate the budget to ask for  
22 increased funds especially in light of what is  
23 happening in this country right now, in the light of  
24 what's happening to immigrants, and we have the  
25 largest number of undocumented immigrants in New York

2 City than anywhere in the country, in light of the  
3 good things we've seen in keeping HIV infections down  
4 to the lowest rate ever recorded in New York City,  
5 that is because of the investments that we've made.  
6 Whether it be fighting Zika, or diabetes prevention,  
7 or HIV and AIDS, or the work that was done on  
8 Legionnaire's, or the work that was done on Ebola, or  
9 the work that is done on pre-k inspections, or the  
10 work that is done on pest control and abatement,  
11 these are all vital public health programs, and  
12 sometimes the data isn't sexy. So you look at the  
13 data and it doesn't tell you the whole story, but the  
14 human story behind these datasets, the people that  
15 aren't becoming infected with HIV, the young people  
16 who are not being poisoned by lead because of the  
17 inspections that the Health Department is doing, the  
18 human effects that that has is real and tangible and  
19 has a real impact on New Yorkers, especially the most  
20 vulnerable New Yorkers, and so further investments in  
21 public health in New York City, further investments  
22 in the wake of what we're seeing in Washington,  
23 further investments that have paid off over the last  
24 three and a half years I think have really been  
25 remarkable. I'm really proud of the work that you

2 have done and your staff have done on these vital  
3 programs, and the launch of new programs that we've  
4 seen over the last three years. It hasn't been one.  
5 It hasn't been two. It's been a couple of dozen new  
6 things. Some of them have been comprehensive,  
7 whether it be HIV and AIDS work, which I think in New  
8 York City have stepped up in a bigger way than any  
9 municipality across the county on HIV and AIDS over  
10 the last three and a half years, or whether it be  
11 pilot programs like working with mothers to talk with  
12 their children and seeing the effect that that has on  
13 kids, or the Nurse Family Partnership investments,  
14 these are all vital things. So, I really want OMB  
15 and the Mayor to continue to invest in public health,  
16 to continue to invest in these programs, because when  
17 we talk about disparities in New York City and we  
18 talk about a tale of two cities, one of the most  
19 immediate ways we see them is just in mortality rates  
20 across New York City. When you look at the mortality  
21 rates from the Upper East Side to 20 blocks north to  
22 East Harlem, the numbers don't lie, and we have to do  
23 all that we can to bring those numbers down, and the  
24 way we bring those numbers down is investing in  
25 public health, are getting folks that have been

2 marginalized and oppressed and left behind by  
3 societal institutions for many years investing in  
4 those things. That's what this department has done  
5 over the last three and a half years under your  
6 leadership. That's what this Administration has  
7 invested in. The investment isn't big enough this  
8 year. The investment needs to be greater. We can't  
9 start good work and see good results and then not  
10 further invest. So, I along with Chair Ferreras-  
11 Copeland and my colleagues are going to as we did in  
12 the Council's Budget Response call for money to be  
13 invested in all the programs that you do and new  
14 programs so that we can continue to see these rates  
15 go down. I have no further questions. I look  
16 forward to finding out what that 300,000 dollars is  
17 for the four legislative affairs staffers.

18 COMMISSIONER BASSETT: Thank you.

19 CHAIRPERSON JOHNSON: And I thank you for  
20 your testimony today.

21 COMMISSIONER BASSETT: Thank you, and I'd  
22 like to acknowledge my staff, many of whom are here.  
23 It's really to them that all of the success of our  
24 agency's hard work is due. So,--

2 CHAIRPERSON JOHNSON: [interposing] And  
3 Dimitri is fabulous.

4 COMMISSIONER BASSETT: Thank you, Mr.  
5 Chair.

6 CHAIRPERSON JOHNSON: Thank you,  
7 Commissioner.

8 CHAIRPERSON FERRERAS-COPELAND: Thank  
9 you, Commissioner. We will now hear from Council  
10 Member Crowley.

11 COUNCIL MEMBER CROWLEY: Good afternoon,  
12 Commissioner, and thank you to both our Chairs for  
13 having this important hearing. I have a question as  
14 it relates to Neighborhood Health Action Centers and  
15 Health Centers within schools.

16 COMMISSIONER BASSETT: Okay.

17 COUNCIL MEMBER CROWLEY: So, I understand  
18 that some of our high schools-- I'm not sure if our  
19 middle schools have these. I don't have any in my  
20 community or any in the districts that I represent.  
21 Do we know just how much of the City is served and  
22 how much is underserved?

23 COMMISSIONER BASSETT: Well, there are  
24 about 150 school-based Health Centers in New York  
25 City in our schools. These are a critical resource

2 for the children of our city, particularly children  
3 who are low-income, because they are the easiest  
4 access to care. We were very worried about these  
5 centers when the Governor proposed to roll them into  
6 Medicaid Managed Care, but we are pleased that the  
7 State Health Department has deferred this action for  
8 another year. So, these are scattered around our  
9 city. They are a service available to all children  
10 in our city, and in schools that don't have a school-  
11 based Health Center, we have a nurse in every school  
12 that has more than 200 students, and with the  
13 ThriveNYC initiative we have the biggest expansion in  
14 history of our mental health services for schools.  
15 Every single school in our city has access to a  
16 mental healthcare expert. So, these are an important  
17 resource, and I'm glad that you're interested in  
18 them.

19 COUNCIL MEMBER CROWLEY: Right. I know  
20 they are very important resources. For the ones that  
21 are neighborhood-based Health Action Centers, are  
22 they mostly funded by the State?

23 COMMISSIONER BASSETT: Oh--

24 COUNCIL MEMBER CROWLEY: [interposing]  
25 Are they private?

2 COMMISSIONER BASSETT: this is very  
3 different than the school-based Health Center.

4 COUNCIL MEMBER CROWLEY: They are very  
5 different?

6 COMMISSIONER BASSETT: Yes. The  
7 Neighborhood Health Action Centers are-- that have  
8 been launched this year-- actually, I want to  
9 acknowledge that the Speaker was present at a launch  
10 just about a month ago of the East Harlem  
11 Neighborhood Health Action Center, and actually  
12 allocated some funds to help us renovate part of that  
13 center. So there's one in East Harlem, one in  
14 Central Brooklyn in-- actually, it's in Brownsville  
15 and one in the Bronx, the Tremont Center. We have  
16 four additional buildings that are Health Department  
17 buildings that are also being called into action in  
18 these neighborhoods. These neighborhoods were  
19 identified because they have the highest disease  
20 burden in the City.

21 COUNCIL MEMBER CROWLEY: And same with  
22 the high schools or the schools that have Health  
23 Centers, is it because they're the most burdened for  
24 disease as well?

25

2 COMMISSIONER BASSETT: No, the school-  
3 based Health Centers are scattered across the City  
4 and serve-- are in present all across the City. The  
5 main barrier to having a Health Center in a school is  
6 space, the availability--

7 COUNCIL MEMBER CROWLEY: [interposing] Oh,  
8 so it's not funded.

9 COMMISSIONER BASSETT: of space.

10 COUNCIL MEMBER CROWLEY: It's more space  
11 over funding.

12 COMMISSIONER BASSETT: Yes, that's a key  
13 barrier additionally because of the uncertainty that  
14 I described and how Albany is allowing school-based  
15 Health Centers to bill for their-- for the children  
16 who use their center. There is a growing reluctance  
17 of providers, but I would say space is one of the key  
18 barriers. We've had a huge expansion over the past  
19 decade in the number of school-based Health Centers.  
20 They're funded by both the City and principally by  
21 the State. I want to also answer your question on  
22 Neighborhood Health Action Centers. These are funded  
23 entirely with-- by City funds. Although, some of the  
24 projects that run out of them are supported by  
25 Federal or State funds.

2 COUNCIL MEMBER CROWLEY: Now, when you  
3 say each of the schools has a school nurse, I  
4 remember that when I was in school and my kids were  
5 in school, but I think that is really like, oh, you  
6 have a temperature or you don't feel good you go to  
7 the school nurse. School nurse contacts someone from  
8 home; you get picked up. I mean, I really don't  
9 think that it's like a health center or, you know,  
10 could be near the level of a health center such as  
11 you have in high--

12 COMMISSIONER BASSETT: [interposing] It is  
13 not the same, but I am hopeful that our school nurses  
14 are doing a little more than taking temperatures.

15 COUNCIL MEMBER CROWLEY: No, no, no. I  
16 mean, they're one person, and yeah, when you have  
17 over 200--

18 COMMISSIONER BASSETT: [interposing] That  
19 is correct.

20 COUNCIL MEMBER CROWLEY: kids and the vast  
21 majority of our schools are more like a thousand or  
22 more. I just want to make sure that there's a way to  
23 spread the coverage and look at underserved  
24 communities. There's so many communities in our city  
25 that is undeserved, and there could be a way to

2 better catch those in need of services by just  
3 connecting healthcare providers such as Neighborhood  
4 Health Action Centers. I don't have one in my  
5 district. I know that a lot of Queens is underserved  
6 when it comes to access to healthcare. So, I think  
7 that we could have a better coordination with the  
8 Department of Education to try to make sure that at  
9 least every family knows or every student knows if  
10 they're in middle school or high school where they  
11 can go for that vaccination or for that healthcare  
12 service, even if they want to go independently of  
13 their family. So, I would like to work--

14 COMMISSIONER BASSETT: [interposing] I  
15 appreciate that comment.

16 COUNCIL MEMBER CROWLEY: more on that  
17 together.

18 COMMISSIONER BASSETT: Thank you.

19 COUNCIL MEMBER CROWLEY: Yeah. Okay.  
20 Thank you, Chair.

21 CHAIRPERSON FERRERAS-COPELAND: Thank you,  
22 Council Member. Commissioner, I just have two  
23 questions for you. I know that you are an integral  
24 part of the Healing NYC and with the support of H+H  
25 and NYPD and we have the whole list of the roadmap,

2 but I ask you this because you are one of the  
3 partners and you may not have the answer to this  
4 question, but I know that your agency is, you know,  
5 budgeted to get two-- eight positions, right, or  
6 eight new headcount positions--

7 COMMISSIONER BASSETT: [interposing] Yes,  
8 that's right.

9 CHAIRPERSON FERRERAS-COPELAND: for  
10 awareness, the Awareness Campaign, Addiction  
11 Treatment and naloxone distribution.

12 COMMISSIONER BASSETT: Yes.

13 CHAIRPERSON FERRERAS-COPELAND: Is that  
14 correct?

15 COMMISSIONER BASSETT: Yes.

16 CHAIRPERSON FERRERAS-COPELAND: And the  
17 other agencies seems to get-- so there's eight in  
18 your agency, 134 in NYPD, two in DHS to place a  
19 staff, I guess two staffers at shelters, and one  
20 staffer placed at HIV/AIDS shelter. In your  
21 conversations, you know, it seems that NYPD is  
22 getting a very large portion of this new hire or  
23 headcount. Can you talk or walk me through what the  
24 thinking was behind this? This is a potential of 84  
25 new detectives, 50 lab personnel, and I understand

2 the kits. So it's about 20 million dollars, but I  
3 would think that the agency that needs the most staff  
4 is yours.

5 COMMISSIONER BASSETT: Let me just tell  
6 you what the activities will be. I mean, I'm  
7 obviously not in-- I don't think it's of interest of  
8 any of us to frame competitively the different  
9 agencies all of us--

10 CHAIRPERSON FERRERAS-COPELAND:  
11 [interposing] Oh, it's not competitive. I just want  
12 to understand the program.

13 COMMISSIONER BASSETT: have a role to play  
14 what the thinking is. So part of-- a fair amount of  
15 our budget is for the purchase of naloxone.  
16 Naloxone, as you know, is a-- like an antidote to an  
17 opioid and it reverses an overdose. I'm really  
18 pleased that the team was able to leverage the bulk  
19 procurement because we're going to be rolling up  
20 eventually to 100,000 kits a year to get a better  
21 price from the provider. So we're going to be  
22 getting from the company that's brand name Narcan, a  
23 really nice, simple to use kit, but that's a big part  
24 of our budget. We're also going to be doing public  
25 awareness because it's important that people

2 understand, first of all, that they can save a life  
3 by carrying naloxone that they-- that people  
4 understand the risks of opioids that we succeed in  
5 destigmatizing entry into treatment, which we are  
6 promoting and funded to promote. So that's also  
7 another part of our budget. So I think you can see  
8 that the headcount for some of these items is not  
9 necessary. These are activities that are really  
10 important, but will be conducted by our community  
11 partners.

12 CHAIRPERSON FERRERAS-COPELAND: Okay. And  
13 so just so that I understand, do you-- the NYPD  
14 purchased their own kits, or do you purchase? You  
15 know, does every agency purchase their own kits, or  
16 do you purchase kits for--

17 COMMISSIONER BASSETT: [interposing] No,  
18 we're procuring on behalf of the City. It's sensible  
19 to centralize, but we won't be distributing all of  
20 the kits.

21 CHAIRPERSON FERRERAS-COPELAND: Okay. So,  
22 I guess, in the description and maybe this-- it's  
23 only a couple of words, so maybe there's more detail  
24 and that's why I need clarification. It says  
25 naloxone distribution under your line, and then at

2 the NYPD's line it says 84 detectives and naloxone  
3 kits for patrol officers. So--

4 COMMISSIONER BASSETT: I stand corrected.  
5 We're procuring on behalf of everyone, but the  
6 naloxone for the NYPD appears in their budget.

7 CHAIRPERSON FERRERAS-COPELAND: Okay,  
8 okay.

9 COMMISSIONER BASSETT: So, it just makes  
10 sense that we leverage our bulk procurement to  
11 negotiate--

12 CHAIRPERSON FERRERAS-COPELAND:  
13 [interposing] Understood.

14 COMMISSIONER BASSETT: the best price.

15 CHAIRPERSON FERRERAS-COPELAND: We're  
16 just, you know--

17 COMMISSIONER BASSETT: [interposing] But--

18 CHAIRPERSON FERRERAS-COPELAND:  
19 [interposing] From the Finance perspective we're  
20 trying to under--

21 COMMISSIONER BASSETT: [interposing] Yes,  
22 no, I--

23 CHAIRPERSON FERRERAS-COPELAND: just  
24 follow the line.

2 COMMISSIONER BASSETT: understand. So,  
3 but it wouldn't make sense for us not to use the--  
4 take advantage of the fact that we're making such a  
5 big buy as a city--

6 CHAIRPERSON FERRERAS-COPELAND:  
7 [interposing] Of course.

8 COMMISSIONER BASSETT: to negotiate with  
9 the company to reduce the price.

10 CHAIRPERSON FERRERAS-COPELAND:  
11 Understood. And how much is--

12 COMMISSIONER BASSETT: [interposing] So we  
13 succeeded.

14 CHAIRPERSON FERRERAS-COPELAND: How much  
15 are the kits?

16 COMMISSIONER BASSETT: Let me turn you  
17 over to Doctor Hillary Kunins who's leading this  
18 initiative. You have to introduce.

19 CHAIRPERSON FERRERAS-COPELAND: Great.

20 ASSISTANT COMMISSIONER KUNINS: Hi, this-  
21 - my name's Doctor Hillary Kunins. I'm the Assistant  
22 Commissioner for the Bureau of Alcohol and Drug Use.  
23 So we're in the process of negotiating. So the exact  
24 cost of the kit is still a little bit in flux. It

25

2 will be in the low 70's, we believe, when all the  
3 component parts are accounted for.

4 CHAIRPERSON FERRERAS-COPELAND: And the--  
5 can you walk us through the kit? Is the kit like a  
6 one-time use, or is it something that could be used  
7 multiple times, or?

8 ASSISTANT COMMISSIONER KUNINS: Yes, I  
9 don't have my-- so the kit by New York State  
10 regulation contains two doses of naloxone plus sort  
11 of assist devices, gloves, alcohol swab, mask, which  
12 are not necessary but sometimes useful. So each dose  
13 of naloxone has approximately a two-year expiration.  
14 After somebody uses one does, they could still  
15 potentially have the other dose. People are  
16 instructed to use a second dose if the person doesn't  
17 respond in two to three minutes, and they are  
18 instructed at the time they're given the kit about  
19 how they could obtain a refill.

20 CHAIRPERSON FERRERAS-COPELAND: And who  
21 besides NYPD would also have these kits? Who, you  
22 know, where else are they available in our city?

23 COMMISSIONER BASSETT: Well, the-- I  
24 should make sure. I'm not sure that we mentioned that  
25 it's intranasal. So that's-- so it's not an

2 injection. You just stick-- you stick it in the  
3 person's nose and squirt. The kits that we'd been  
4 using that are very effective and will reverse an  
5 overdose required some assembly, but the ones that  
6 Doctor Kunins has and her team have identified don't  
7 require any assembly. We want anyone who is using  
8 opioids, and they may be people who are misusing them  
9 or people who are on chronic opioid use, an elderly  
10 person to have naloxone available because they are at  
11 risk for overdose, and so it's not only first  
12 responders who should have naloxone, it's family,  
13 friends. That's the way we make sure that the person  
14 survives, if someone is around who can reverse their  
15 overdose.

16 CHAIRPERSON FERRERAS-COPELAND: So, right  
17 now your program would give access to whom? Can  
18 someone--

19 COMMISSIONER BASSETT: [interposing]  
20 Anyone can buy naloxone.

21 CHAIRPERSON FERRERAS-COPELAND: Right.

22 COMMISSIONER BASSETT: And it is in many  
23 cases covered by their insurance. Medicaid covers it,  
24 for example at over 700 pharmacies across the city.  
25 Its' effectively over-the-counter at all of our chain

2 pharmacies and many of the independents.

3 Additionally, we are distributing it through a whole  
4 network of overdose prevention programs. It's being  
5 distributed at the Rikers visitor center because we  
6 know that that's an important population to reach,  
7 and if you call 311 you can get information on where  
8 to get naloxone. Doctor Kunins, do you want to add  
9 to that?

10 CHAIRPERSON FERRERAS-COPELAND: Okay.

11 Well, thank you. I'm glad we were able to get that  
12 on the record.

13 COMMISSIONER BASSETT: We'd be happy to  
14 train anyone on the Council in naloxone use. It's  
15 really important that we try and ensure that people  
16 do not die of overdoses.

17 CHAIRPERSON FERRERAS-COPELAND: You know,  
18 it would be interesting because we have so much  
19 interactions with the public, especially in our  
20 district offices, so maybe this is an opportunity we  
21 can follow up and do like a big staff training.

22 COMMISSIONER BASSETT: We'd welcome that.

23 CHAIRPERSON FERRERAS-COPELAND: And just  
24 being able to spread the word to families, and many  
25 of us have great relationships with even our local

2 shelters, and so on and so forth so to continue to  
3 spread the word to save lives. So, thank you for  
4 putting that on the record. Now we have a question  
5 that when it came across my desk I was like, "Is this  
6 seriously happening?" But it is. The Department of  
7 Environmental Protection has begun dumping chlorine  
8 into sewer pipes leading to the water ways in an  
9 effort to treat bacteria and sewage and mitigate the  
10 associated pollution and health risk. Has DOHMH been  
11 involved in the planning or execution of DEP's  
12 chlorination efforts as it relates to the  
13 environmental health of our city?

14 COMMISSIONER BASSETT: Is this EPA or  
15 DEP? I'm not aware of this. I'll have to come back  
16 to you.

17 CHAIRPERSON FERRERAS-COPELAND: So, it  
18 came to us as DEP, and we had the DEP Commissioner  
19 yesterday. We should have asked, but that's how.

20 COMMISSIONER BASSETT: This is a question  
21 that I'd refer to our colleagues at DEP. I'm happy  
22 to come back to you.

23 CHAIRPERSON FERRERAS-COPELAND: No, I  
24 understand that they're-- whether they're doing it or

2 not, but in the event that this were to be happening,  
3 is this something--

4 COMMISSIONER BASSETT: [interposing] I  
5 see.

6 CHAIRPERSON FERRERAS-COPELAND: that you  
7 would evaluate for the health of our water--

8 COMMISSIONER BASSETT: [interposing] Well,  
9 our usual engagement with water is around bacteria.

10 CHAIRPERSON FERRERAS-COPELAND: Right.

11 COMMISSIONER BASSETT: And as you know, we  
12 let people know whether it's safe to go in the water  
13 at the beaches and whether the bacterial counts are  
14 too high, and we can say everybody out of the water  
15 because the water is not safe, but the overall safety  
16 of our waterways is really more of a DEP function.

17 CHAIRPERSON FERRERAS-COPELAND: Okay,  
18 great. And seeing no additional questions, we will--  
19 we actually have a couple of questions, but due to  
20 time I'll just get them to you in a letter from our  
21 committee. Oh, yes, thank you. Thank you for  
22 reminding me. One quick one. You almost got out of  
23 here. So, we have as a priority Summer Youth  
24 Employment, and I'm asking almost every Commissioner  
25 whether you currently have Summer Youth Employment

2 young people at your agency, and whether you have the  
3 capacity to increase the Summer Youth Employment  
4 participation in your agency?

5 COMMISSIONER BASSETT: That's a really  
6 good question, and I assume that you're talking about  
7 Summer Youth Employment through DYCD.

8 CHAIRPERSON FERRERAS-COPELAND: Yes.

9 COMMISSIONER BASSETT: Not whatever other  
10 program--

11 CHAIRPERSON FERRERAS-COPELAND:  
12 [interposing] I know the Mayor sent out a letter--

13 COMMISSIONER BASSETT: [interposing] that  
14 we may be doing.

15 CHAIRPERSON FERRERAS-COPELAND: last year,  
16 I believe, asking agencies to take on some young  
17 people for the experience.

18 COMMISSIONER BASSETT: Yes. I certainly  
19 personally think it's a great idea, but I can't give  
20 you any details on whether or not we have requests in  
21 to hire kids for the summer.

22 CHAIRPERSON FERRERAS-COPELAND: Okay.

23 COMMISSIONER BASSETT: So, I thank you  
24 for raising it with every commissioner, and I'll have  
25 to get back to you.

2 CHAIRPERSON FERRERAS-COPELAND: Great. We  
3 appreciate it, especially since we're looking to  
4 expand the program, and one of the challenges that  
5 DYCD does face sometimes is finding, you know, good  
6 job experiences, and I think, you know, how great  
7 would it be for a young person to work at the Health  
8 Department on one of the amazing initiatives and  
9 projects that you have, that they can say that that's  
10 their experience as opposed to like, you know,  
11 hanging out somewhere that they don't really want to  
12 be.

13 COMMISSIONER BASSETT: [off mic] papers  
14 or--

15 CHAIRPERSON FERRERAS-COPELAND: Exactly.  
16 Well, excellent. Thank you--

17 COMMISSIONER BASSETT: Thank you.

18 CHAIRPERSON FERRERAS-COPELAND: Doctor  
19 Bassett for being here this afternoon with us, and  
20 thank you for your patience. I know we started a  
21 little later than scheduled. I'd also like to once  
22 again thank my Co-Chairs, Council Members Cornegy,  
23 Garodnick, Johnson, and Cohen, and the members of  
24 this committee. Again, a reminder that the public  
25 will be invited to testify on May 25<sup>th</sup> at 1:00 p.m.

2 in this room. If you cannot make it, you can submit  
3 your testimony at [council.nyc.gov/budget/testimony](http://council.nyc.gov/budget/testimony),  
4 and the staff will make it a part of the official  
5 record. Before we adjourn, a reminder to my  
6 colleagues that the Committee on Finance will meet  
7 tomorrow at 10:00 a.m. to vote on two Land Use items  
8 in the Committee Room. I'm saying this to myself. We  
9 will resume budget hearings on Thursday in this room  
10 at 10:00 a.m. in the Committee on Housing and  
11 Buildings to hear from the Department of Housing and  
12 Preservation and Development followed by the  
13 Department of Buildings. We will then meet at 2:00  
14 p.m. with the Committee on Immigration to hear from  
15 the Mayor's Office of Immigrant Affairs, and with  
16 that, this hearing is now adjourned.

17 [gavel]

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1 COMMITTEE ON FINANCE WITH COMMITTEES ON ECONOMIC DEVELOPMENT, SMALL BUSINESS,  
2 HEALTH, AND MENTAL HEALTH, DEVELOPMENTAL DISABILITY, ALCOHOLISM, SUBSTANCE  
3 ABUSE, AND DISABILITY SERVICES 303  
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C E R T I F I C A T E

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



Date May 31, 2017