

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEE ON FINANCE AND EDUCATION

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November 21, 2008

Start: 1:54 pm

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HELD AT: Council Chambers  
City Hall

B E F O R E:

DAVID I. WEPRIN  
ROBERT JACKSON  
Chairperson

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Simcha Felder  
Lewis A. Fidler  
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James Vacca  
Vincent Ignizio  
Gale A. Brewer

## A P P E A R A N C E S

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Inez E. Dickens  
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Miguel Martinez  
Mathieu Eugene  
Letitia James

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

Kathleen Grimm  
Deputy Chancellor for Finance and Administration  
New York City Department of Education

George Raab  
Chief Financial Officer  
New York City Department of Education

Susan Olds  
Director of Budget Office  
New York City Department of Education

CHAIRPERSON WEPRIN: Committee, we are now joint with the Education Committee, ably chaired by my colleague Robert Jackson. We're about to hear testimony from Kathleen Grimm regarding the Department of Education. Before we hear from Ms. Grimm, I just wanted to just quickly highlight the proposed cuts in the Mayor's November plan as it relates to the Department of Education. For Fiscal Year 2009, the PEG package totals \$180 million. New cuts in the November plan come on top of 180 million mid-year cut made in the annual 2008 plan and the \$200 million cut to Fiscal Year 2009 made at adoption. In the Fiscal Year '09 adopted budget, the Council restored 125 million to the Department of Education so that schools would not suffer a budget cut this year. The November plan includes a proposal to cut 104 million from schools this year and another 256 million next year. The proposal unfortunately just about wipes out the Council restorations. Additionally, 475 jobs will be cut, while these jobs are not expected to be teaching jobs or school jobs, the Department of Education has not provided any detail or

description of the jobs that will be cut or what the impact of on services will be. Hopefully Deputy Chancellor Grimm can tell us a little more detail today about the job cuts. Also, custodial services and school maintenance will be cut, which will likely lead to more job losses among the custodial staff. Summer school will also be cut, now only students who are mandated to attend will be able to go. As you can see, overall this is a big cut package with very little detail at this point. We hope that Deputy Chancellor Grimm can give us some details regarding these cuts and hopefully the Department of Education and Council can work together to minimize the pain. Let me introduce our colleagues that are here: we have Council Member Domenic Recchia from Brooklyn, Council Member David Yassky from Brooklyn, Council Member Jimmy Vacca from the Bronx, Council Member Gale Brewer from Manhattan, Council Member Helen Sears from Queens, Council Member Simcha Felder from Brooklyn--

[Off mic]

CHAIRPERSON WEPRIN: --and Council Member Diana Reyna from Queens and Brooklyn,

1  
2 Brooklyn and Queens. I'm now going to turn it  
3 over to my co-chair Robert Jackson. Oh, and  
4 Council Member Lou Fidler has returned. I'm now  
5 going to turn over to Chair Jackson for a  
6 statement. And Council Member Vincent Ignizio  
7 waving in the background.

8 [Pause]

9 CHAIRPERSON JACKSON: Thank you,  
10 Chair Weprin, and good afternoon everyone and  
11 welcome to this oversight hearing on the  
12 Committees of Education and Finance to review the  
13 administration's November financial plan as it  
14 relates to the Department of Education's expense  
15 budget. Our focus today is the budget cut package  
16 proposed in the financial plan. These cuts target  
17 only the city tax levy portion of the Department  
18 of Education's budget. Out of the \$17.8 billion  
19 education budget for this year, only 7.4 billion  
20 is city-funded. For next year, the overall budget  
21 estimate is 18.7 billion, of which 7.9 billion is  
22 city-funded. The November plan does not reflect  
23 potential reductions in state education aid yet.  
24 This hearing is not about state school aid. The  
25 administration wants to cut \$180 million this year

and \$385 million next year from education. The cuts include reductions and, in some cases, complete eliminations of a variety of programs. The plan to achieve these savings include elimination of at least 475 jobs. The single largest cut is a direct reduction in school budgets. Although the November plan has yet to be approved by the City Council, the Department has already instructed principals to cut spending by \$103 million this year and by another \$256 million next year. For the first time, the Department of Education also has cut budgets of schools serving special needs students in District 75, in essence, special education. Schools will feel the cuts in many ways beyond the impacts of the across-the-board cuts: summer school slots will be sharply reduced, leaving space for only students mandated to attend summer school; core curriculum improvements and purchases will be shelved; professional development opportunities will be limited; quality improvement plans for the universal pre-K programs will be canceled; the school-wide bonus program will be eliminated; teachers will be pulled from classrooms to score

standardized tests; custodial services, school maintenance, food services, and administrative support will also be cut. In all of these school support areas, jobs will be lost. The Department might be able to continue to ensure that all schools have access to essential support services with the proposed cuts, but the Department must demonstrate to us that the school services cutbacks will in no way impede learning and instruction. Cuts to the central administrative offices are also included in the November plan, they total approximately \$25.6 million this year and approximately \$36.5 million next year and they include an elimination of 219 jobs. I think it is important to remind everyone that just last June, when the City Council struggled to shield classrooms from the budget axe, the Department of Education repeatedly affirmed that its central offices have been trimmed to the bone and could not suffer any more--any further cuts. Now the Department of Education has found 219 nonessential jobs in administration to cut. I expect to receive detailed information from the Department showing exactly where these cuts will be made and



who will lose their jobs before this plan is approved. These cuts go deep and will be painful. I know the Department of Education will tell us today that they control only a portion of its spending and that cuts can only be made from the city's share of the budget. The Department of Education will categorize all of these cuts into the term called buckets in order to show that the school bucket contains the most modest cuts. Now we understand all of this, I am not concerned with how the cuts are categorized or what buckets they fall into, we must go even deeper below the surface to understand how the Department of Education came up with these saving estimates to see who will lose a job, to estimate the impact it will have on the schools, and to build confidence that the Department of Education's budget plan will not impede any student's access to a quality education in the New York City public schools. Today is the first look at this package. I expect complete and speedy cooperation from the Department of Education and the administration with the City Council's examination of the budget, if the administration wants to win approval of a

revised budget plan. So we look forward, all of us, in hearing whatever information you can share and, if not, we look forward to getting to those details. 'Cause let me just say right now, as the Chair of the Education Committee, as far as the impact, unless we know the details, I will not be recommending to my colleagues to approve this if we have to approve it in the budget [off mic].

Categories is one thing, the impacts specifically on the schools and the individuals involved is another thing and we look forward to those particular details. So thank you and can we just introduce the people at the table and their titles and then you may begin your testimony. [Pause] Kathleen, press the button, please.

[Off mic]

MALE VOICE: Yeah, we switched the thing, the light has to be on this time to be on.

KATHLEEN GRIMM: Thank you. I'm Kathleen Grimm, Deputy Chancellor for Finance and Administration at the Department of Education. I am joined today by two of my colleagues, George Raab, our Chief Financial Officer and Susan Olds, the Director of our Budget Office. We want to

thank you for the opportunity to be here today to discuss the November modification. We do have a PowerPoint presentation to walk through with you, which details the Department's Fiscal Year '09 budget reductions. But before we turn to the PowerPoint, I'd like to spend just a few minutes discussing the context of our budget and the necessary reductions. First of all, we all know that this is a hard time for our economy and that it's necessary for the Department and all city agencies to reduce spending. This is a time of hard choices, choices nobody wants to make especially when it comes to our schools and the services that support student learning. As we make these choices, the Mayor has instructed us to do everything we can to protect our core services. [Pause] Our priority is putting children first, helping them to learn and to make academic progress. These are tough times, but as the Chancellor has told all of us, our goal does not change in tough times. It guides us. Our aim now and throughout this process has been preserving the fundamentals in our schools and helping students continue to make progress. At the same

time, it is important to understand that all cuts to the education budget affect schools in some way. After all, the central and field offices are responsible for things like payroll, keeping the lights on, busing students, feeding students, and administering required state tests. Cutting back in these areas is better, of course, than making direct cuts to classrooms, but it is not a pain-free reduction. At the Chancellor's request, we have undertaken a detailed and thorough look at every dollar in our \$21 billion budget. [Pause] For this fiscal year--for Fiscal Year '09, we have cuts to our central and field budgets that amount to 6% of those budgets and our school budgets are going to experience a cut of roughly 1%. The central and field reduction includes an 8% cut to staff--the 475 positions already mentioned. I would like to point out very clearly, just as last year, there will be no layoffs at schools in this fiscal year. [Pause] This deep reduction to our central and field budgets continues a trend that has lasted over the last three PEGs. We've worked hard to cut back in our own backyard before we touch schools or classrooms. [Pause] ...like to

think about it this way, over the last three PEGs--that's last January plan, the Exec budget, and this November modification--our central and field offices have taken a disproportionately large cut compared to our schools. [Pause] The central and field budgets represent 8% of the dollars that we can touch in this cost-saving--or cost-cutting effort, while the schools have 66% of the available dollars that could be cut. If we were allocating the reductions proportionately, central and field would have contributed 8% of this cut and the schools would have taken 66% of it. In reality, what we've done is central and field took double that amount, or 16%, of the cut and schools took half or 36%. [Pause] In this round of reductions, we are working hard to continue to maximize student achievement, minimize cuts to schools, and to maintain stability at the schools by avoiding layoffs this year and giving schools the information and support they need to plan for next year. I'd like now to walk you through the PowerPoint, which I think we've distributed to you. As always, some of these slides would be I--

CHAIRPERSON JACKSON: [Interposing]

One second, please. Does [crosstalk] have a copy of the PowerPoint?

CHAIRPERSON WEPRIN: [Interposing]  
[Crosstalk] Council Members have it?

[Off mic]

[Pause]

CHAIRPERSON JACKSON: Yes. Okay, go ahead, Ms. Grimm.

KATHLEEN GRIMM: Okay.

CHAIRPERSON JACKSON: Yeah.

KATHLEEN GRIMM: The first slide is simply sort of to remind ourselves that the financial foundation in our schools is much stronger today than it was when the Mayo--when Mayor Bloomberg took over in 2002. There's more than \$8 billion more in funding in the schools, principals control their school budgets, and we have instituted Fair Student Funding in an attempt to create better equity in school funding and you'll notice from this chart, the dramatic rise in the city contribution to our schools. [Pause]  
On the next slide [pause], we need to remind ourselves that most of the new money has been directed to schools. Principal spending power has

climbed 4 1/2 billion dollars in school-controlled funds. Direct services to schools--that's food and transportation--are up by more than 2.4 billion and the Department has redirected more than 350 million from the bureaucracy to the schools and the classrooms. [Pause] Indeed, we see a 64% increase in school budgets today.

[Pause] That having been said, we all recognize the current economic conditions that require the city to reduce spending across all agencies. The--our PEG targets are \$180 million for Fiscal Year '09 and 385 million for Fiscal Year '10. [Pause]

We set certain priorities for ourselves as we went through this exercise, as we have through all of our budget cutting. The first is to maximize student achievement, we have prioritized programs and functions that have the highest impact on promoting student achievement. The second is minimizing cuts to schools, in other words, cutting as much as we can from central and from field budgets so that schools can keep as much of their money as possible. [Pause] The third tenet is no school layoffs in either Fiscal Year '08 or '09. [Pause] We will continue to minimize

reductions to schools' budgets by cutting central and field. This next slide will give you a look back at the January plan last year, the Exec budget, and today the PEGs we're talking about in the November modification. You will see in the middle, schools in DC--or District 75 schools, schools participated in the last year's January plan reduction. [Pause] In the Exec budget, much as a--much a result of the efforts of the City Council, schools were spared any reduction. And once again, however, we are faced with the need to go back to schools and we are proposing a reduction of \$103 million. [Pause] The next slide is a familiar one to you and I think Chair Jackson referenced it. We put this before you as a reminder that most of the money in our 2.8--\$20.8 billion is in our schools and we have many categories of spending that we cannot touch when we are trying to make budget reductions. The pass-throughs, for examples, debt service, some of the restricted school programs. We look to those two smallest buckets--central administration and field administration--which total together \$700 million. It is not possible to contemplate close



to a \$400 million cut from those two areas alone.

[Pause] On the next slide what we've done is to try to break the 180 million and the 385 million into buckets, as Chair Jackson predicted we would. The first bucket, roughly 40 million, is our reductions from central and field offices.

[Pause] It totals a 6.5% cut overall to those offices. [Pause] In the second bucket, we have what we call indirect impact on schools, these are dollars and budgets that are not in the schools, they're not in school budgets, but we know when we cut them there will be some impact on schools.

That's a \$27 million reduction this year, 1.18% of those budgets. [Pause] From the school budgets themselves, \$103 million this year, that represents a 1.3 reduction in school budgets.

[Pause] Again, as Chair Jackson, mentioned this year for the first time we are asking our District 75 schools to take a \$1.9 million reduction, that is a point two-sixth of a percent of the overall District 75 budget. The fifth budget--bucket is fringe and those cuts come, of course, because of the reduction in headcount, those are the fringe benefits associated. [Pause] In the first bucket

we'd like to give you some examples of the 40--  
what is contained in the \$40 million reduction.  
This is a three--it includes 338 positions, we  
have identified 147 of those positions and we'll  
be happy to share that information, we are still  
working and need to identify 191. A large portion  
of this reduction is coming from a revision to how  
we score the state assessments in math and ELA for  
grades three to eight--that's \$11 million.

[Pause] We are going to reduce the publications  
that are OSEPO office, our Office of Student  
Enrollment produces each year, that's going to  
save us a million and a half dollars. We are  
going to severely cut back on meeting and  
conference expenses, another million dollars.

[Pause] We're going to cancel the mid-year  
Teaching Fellows program and reduce the size of  
the next cohort, saving again almost another  
million dollars. We will eliminate the plan  
Citywide Science Assessments, another million  
dollars. [Pause] Defer other OTPS funding, we're  
going to--training that we planned to have in  
other facilities, we're going to do in DOE  
facilities. We've reduced our technology spending

and [pause] across-the-board in central offices and field offices we have taken reductions.

[Pause] In the second bucket where we have indirect impact on the schools, we have taken a reduction in our facilities work. We are taking a reduction in custodial services of roughly \$4 million--those are the dollars that go to the custodians who keep our schools clean. We are going to eliminate 137 positions in our trade and management workforce and facilities and we will reduce our maintenance and repair contracts and related materials. Altogether, this is of--close to a \$10 million reduction. Some of the details on those positions is we have our 71 trade positions, we have 24 administrative and technical people, and then we have 42 other positions that still have to be determined. We are going to delay the initial trial of our GPS implementation in our buses. [Pause] We are going to eliminate school bonuses that were paid to schools that achieved an A and a Well Developed on the progress reports--that's a \$3.4 million reduction. We're going to reduce family worker positions which are non-mandated positions for pre-K and revise

support and technical assistance for pre-K in public schools. Many of those positions are vacant and are not eliminations of people who are doing a job today. We are going to mandate that schools with Absent Teacher Reserves, excess teachers, use them as substitutes, rather than hiring external per diem substitute teachers.

[Pause] And for Fiscal Year '10, not this year, but for next year, we are going to work to cut-- make a very small percentage cut in our transportation budget. [Pause] Bucket three is the 103, \$104 million, the 1.3% reduction in school budgets and I just want to share with you the process that we're going through. We notified schools of this pending reduction in November, on November 10. Schools have until today to work with their support organizations to identify specific targets. We had provided the schools with guidelines about how best to try to do these cuts without--with a minimum impact on the classroom. We also shared with principals an estimated reduction for next year so they could plan in a context of what was coming next year. We have been holding a series of meetings with

principals asking them to come to Tweed to talk to them. It's been very productive for us to hear directly from the principals and what their concerns are. And, of course, there are no school layoffs this year. [Pause] The next slide shows you how schools actually budget their money. As always, a great proportion of it is for teachers, special needs, leadership and supervision. and other personnel cost. So we are cognizant that schools are as limited as we are in terms of finding places that aren't painful to cut. Bucket four, as I said, for the first time, we have asked District 75 to make a reduction of less than \$2 million, that is on the base of a budget of roughly 800 million and we're quite confident that working with those schools, we will be able to help them achieve that without touching any mandated services. And the fringe, of course, is just the cuts that follow the personal service reductions. The last slide is we've taken everything out of the buckets and we've reshuffled it back into the U of As that we all love to hate, but it is, of course, the way the budget gets laid out and how you'll have to--you will vote on it.

I do want to make just a couple of points here.

First is in the first U of A's 401, 402, they are the General Education, those are what we think of as school budgets, but I want to point out there is more in those U of As than just the school budgets. If you will look at 402, the \$109 million includes the \$103 million coming out of the school budgets. There's an additional \$6 million of cuts coming from there and 16 coming from 401 and that's where the pre-K workers that were eliminate, that's where they were budgeted. They are not in the schools, they are in central, but the money sits in this U of A. The scoring funds, the \$11 million, that's not money in school budgets, it sits in central, but it's in this U of A. If you like, I could spend a little time going through the headcount reduction that the Chair said he was interested in.

CHAIRPERSON WEPRIN: Yes, please.

KATHLEEN GRIMM: In U of A 401, the headcount reduction of 43 represents the family and social worker positions for the pre-K monitoring. These are currently vacant positions, these do not involve layoffs. [Pause] Then we

1 have 54 in U of A 415, that is the field office.  
2 Those are primarily coming out of the Integrated  
3 Service Center. We are also taking some  
4 reductions in our Family Engagement field,  
5 Teaching and Learning, our District 79  
6 administrative office, but as I say, the bulk of  
7 these are coming out of the ISC. They include  
8 extended youth support, a transportation liaison,  
9 analysts, a Youth Development Manager, Youth  
10 Development Specialist, a clerical position,  
11 suspension support, HR support. We took pains not  
12 to cut any safety people and we took pains not to  
13 cut any budget people in the ISC on the theory  
14 that the principals really were going to need a  
15 tremendous amount of budget support at this time.  
16 [Pause] And we have the details on this which  
17 we'll happily share with you. [Pause] In 435,  
18 that is the Division of School Facilities, we are  
19 targeting a reduction of 95 of [pause], that we  
20 have identified 71 in trades and 24 in  
21 administrative and technical services. [Pause]  
22 The next bucket is the big one, of course, and  
23 that is the central office. [Pause] There, we  
24 are going through an extensive and exhaustive  
25

exercise, we have yet to identify 233 positions and that is something that will happen over the coming weeks. But we have identified positions and they include positions coming out of the Office of Portfolio Development, someone who was working with specialized schools and programs, Family Engagement, DIIT, which is our technology unit, another Family Engagement person, again, DIIT, three people from the Special Commissioners Office, one from our Communications Office, one from Division of Contracts and Purchasing, another from Communications, another from Technology, another from OCPD, another from General Counsel's Office, again from Contracts, Communications. I can read on, but it's really every single office in central is experienced some reduction there.

[Pause] And, as I say, we'll happily share the specific details on these and with the cuts that we have not yet identify as we work through our process over the next couple of weeks. Thank you very much, we'd be very happy to take any questions you might have.

CHAIRPERSON WEPRIN: Thank you, Deputy Chancellor. Did you go through all 475 of



the positions that we--were they all covered in that?

KATHLEEN GRIMM: They are, they are not all identified, but we can show you a list of all the ones that are.

CHAIRPERSON WEPRIN: Okay. And let me ask you a question, when you referred in your testimony to minimum reduction to classroom, I'll call it that, minimum reduction to classroom. Now that's a little different than no cuts to the classroom.

KATHLEEN GRIMM: Yes.

CHAIRPERSON WEPRIN: What are you referring to when you say minimum versus no?

[Pause]

KATHLEEN GRIMM: Well, what we've done is we have asked our schools--I'm sorry, George, I didn't want to knock your [off mic].

CHAIRPERSON WEPRIN: While you're doing that, if I could just--let me acknowledge my colleagues that have joined us since our last round of introductions. We have Jessica Lappin from Manhattan, Council Member Dan Garodnick from Manhattan, Council Member Oliver Koppell from the

1  
2 Bronx, Councilman John Liu from Queens, Council  
3 Member--Councilwoman Maria Del Carmen Arroyo from  
4 the Bronx, and we have our Public Advocate Betsy  
5 Gotbaum. As soon as you answer that question I'm  
6 going to ask Ms. Gotbaum to make a statement. I'm  
7 sorry.

8 KATHLEEN GRIMM: Well what we have--  
9 well the guidelines that we issued to all of our  
10 principals was that they should look to OTPS  
11 unscheduled balances, in other words, funds that  
12 they had not scheduled to spend in any particular  
13 way and nonessential procession money that they  
14 might have. I will say that in the conversations  
15 I have had with principals, they have made it  
16 crystal clear that none of these cuts are easy or  
17 without pain, but that they had expected this cut  
18 this year and many were able to plan for it,  
19 either through rolling money over--you will recall  
20 last year we said to schools, if you can keep any  
21 money from last year and roll it over, and OMB  
22 worked with us and allowed us to do this, we'll  
23 give that back to you in this fiscal year and we  
24 have issued back that money, that was almost \$100  
25 million. Now, obviously, that doesn't go to

1  
2 exactly where the cuts are, so not all schools are  
3 able to do that. But many--my sense is that many  
4 of them were planning for this cut and were  
5 actually relieved when it was less than 2 1/2  
6 percent. I will also tell you, like, just as we  
7 are, they are concerned about next year and what  
8 the future brings. So I'm not saying it won't be  
9 painful, it will be, but I think our principals  
10 are managing this year pretty well.

11 CHAIRPERSON WEPRIN: Okay. I may  
12 delve a little bit more on that, but before I do  
13 that, let me acknowledge Council Member Jimmy  
14 Oddo, our Minority Leader who's auditing this  
15 course in the back in the audience there. And I  
16 want to--we all want to hear from our Public  
17 Advocate Betsy Gotbaum, who, I believe, has a  
18 statement.

19 BETSY GOTBAUM: Oh, sorry. Thank  
20 you, Council Member, and Chairman--Chairmen's of  
21 this Committee. I was prepared to make a  
22 statement, but my understanding is I'm going to do  
23 that on Monday, but I will summarize what I was  
24 going to say to the Deputy Chancellor. She and I  
25 have had a conversation last week about this and I

am still considerably disturbed by what happened to my request from the Independent Budget Office to do an assessment of the Accountability Initiative the Department of Education. We asked for this last February and it took until two weeks ago for the Department to start disputing with the IBO, not with me, but with the IBO some of the numbers and the issues around the accountability study. And I still dispute the fact that the Department claims that some of the things that we--that the IBO put in the accountability study report were not part of the accountability study and I am still particularly concerned, Deputy Chancellor, about the issue where I would like to once again to you quote the Chancellor saying that periodic assessments are definitely part of the accountability study--the Accountability Project. And that was just one of the items that you, when you called the IBO back in to dispute what they come up--by the way you were disputing the numbers that you had given them, point one. Point two, we felt, and I felt having listened to you and to the IBO, that still periodic assessments was about \$54 million, not a huge amount in a \$20 billion

1 budget, but enough for some schools to question  
2 it. We had this kind of back-and-forth of  
3 nitpicking and something that I to this day am not  
4 comfortable with what happened, I'm not  
5 comfortable with the way it ended up. I don't  
6 believe--I don't want to speak for the IBO, but I  
7 will speak for myself 'cause I asked them to do  
8 this and I'm still not comfortable with the  
9 results of the report.  
10

11 [Pause]

12 KATHLEEN GRIMM: As well, I know  
13 from our conversations last week. We feel very  
14 strong--I don't know, I assume everyone's familiar  
15 with the report that the Independent Budget Office  
16 put out.

17 BETSY GOTBAUM: You want me to  
18 summarize a little bit about it, Chairman?

19 CHAIRPERSON JACKSON: Yeah, why  
20 don't you do that on behalf of all the members--a  
21 one minute summary.

22 CHAIRPERSON WEPRIN: Briefly.

23 BETSY GOTBAUM: I--yeah, very brief.  
24 At my request, the IBO did a report on the  
25 Department of Education's spending on the

Accountability Initiative. According to the IBO review, the Independent Budget Office review, the Department has spent or will spend 352.2 million from Fiscal Year 2007 through Fiscal Year 2009 on the Accountability Initiative, including periodic assessments. And, in addition to that, at the time of the budget cuts, we noticed that on the website of the Accountability Project, there were still advertisements for high paid--I don't know what it is today, we haven't looked at it today--but for relatively high pay, I think \$175,000 for a assessment person is a lot of money. Those positions were still being advertised last week on the website. And we asked the IBO to analyze the accountability and evaluation process and we did that last February. That's essentially a summation.

KATHLEEN GRIMM: And we did have conversations with both the Public Advocate and several conversations with the IBO before they released the report. We have in the Department of Education an Office of Accountability. One of the things that office does is to oversee our Accountability Initiative. That Accountability

Initiative includes our progress reports, our quality reviews, and our surveys. [Pause] Those are the tools we use to hold our schools accountable for their progress in student achievement. It's the Department's position that the Office of Accountability also has other responsibilities, which includes efforts at moving student performance forward. Those things include the periodic assessments, the state testing, all of the things that would happen whether or not we had an Accountability Initiative or not. And so the Department did take umbrage with the IBO lumping many of those other costs together and calling it accountability because our view of the accountability initiative [pause] that it has the progress reports, the quality reviews, the surveys, and it did have some bonus money, that is one of the things we're eliminating this year, one of the bonus programs. [Pause] So that is--it is certainly a question of how one defines the Accountability Project--

MALE VOICE: [Off mic]

KATHLEEN GRIMM: --and I guess we're going to have to agree to disagree.

BETSY GOTBAUM: Right, I think we are going to have to agree to disagree and I think maybe the Chancellor could explain how come he said himself--I don't want to nitpick, but I feel I have to say this--he said periodic assessments are going to be part of accountability and you know, to me that's what it is. And, frankly, I think spending that kind of money at this time when we are asking for cuts from everybody, I'm not sure that the priorities are straight and that's what I object to.

KATHLEEN GRIMM: I understand that, we feel very strongly, those periodic assessments are a tool to help our teachers identify the needs of the children and help teachers understand what needs to be done to help each individual child. And we just don't see that as part of the Accountability Initiative.

BETSY GOTBAUM: But the Chancellor said, and I quote that it was part of it. I have it right here.

KATHLEEN GRIMM: I don't have the quotes.

BETSY GOTBAUM: I have it right



here, he said [crosstalk]--

CHAIRPERSON JACKSON: [Interposing]

Well, obviously, if, you know, if the Chancellor said it and it's quoted, I mean, obviously that's what he said and so [off mic] the question is whether or not he's going to take it back at this point in time, all things considered. Do you know [crosstalk]--

BETSY GOTBAUM: I mean, and the only reason that--excuse me --

CHAIRPERSON JACKSON: Go ahead--

BETSY GOTBAUM: --Chairman--

CHAIRPERSON JACKSON: --Public Advocate.

BETSY GOTBAUM: --but the reason that I bring this up is, yes, it's a lot of money from all of our perspectives, the 50 million that we're disputing in this assessment, periodic assessments to me are part of accountability, I'm sorry, I may not understand the English language but to me they are. On the other hand, the question is, is this the right thing to be doing at this particular time, is this exactly what people want in the schools, and is this making the

1  
2 education better for the kids in the schools,  
3 particularly now when we're asking for all these  
4 cutbacks. That, you know, that's my point and  
5 because the other--finally, Kathleen, the other  
6 thing is you all were arguing with the IBO to such  
7 an extent that we felt--I felt from hearing from  
8 them that the things you were arguing about just  
9 weren't making a whole lot of sense and that you  
10 didn't really want to show us how much money is  
11 being spent on accountability and evaluation when,  
12 again, we are questioning the use of the  
13 accountability and evaluation at this particular  
14 time. I spent a lot of time out in schools, a  
15 lot, and I know very few principals, very few who  
16 use the system, the ARIS system.

17 KATHLEEN GRIMM: Well the system  
18 actually is just rolling out this year to  
19 teachers. The--we were at the panel meeting this  
20 Monday and we had several of our principals there  
21 talking about this program and the great aid it  
22 was as a tool to help teachers and principals  
23 understand where children are in a learning  
24 process. So I guess we can debate the value of  
25 the tool, we believe it's pushing student

performance ahead and we think, regardless of the tough times, that this is an investment we need to continue to make.

BETSY GOTBAUM: Just to make another point, you just defined assessment to me, periodic assessment. But again, some principals, yes, I have actually gone through the system with a principal who showed me how to use it and she uses it brilliantly. And I think that's a terrific thing, but I would argue that the majority of the principals, certainly the majority of the principals that I've talked to and heard from and discussed this with, it's not so. Now maybe it will be a year and a half from now, but I'm worried at what expense, Kathleen, that's what I'm worried about. What are the kids going to lose in the interim that they're getting these evaluations, very expensive computerized system, which does give data and, in fact, it does help kids do better, fine, but aren't we concerned about some of the things that are going to be taken away during this very tough economic time?

KATHLEEN GRIMM: Well we are--we certainly are concerned, but I think we are taking

the position that this is an investment that is worth making.

BETSY GOTBAUM: Well I guess we disagree.

CHAIRPERSON WEPRIN: Thank you.  
Council Member Lew Fidler had a brief question, I know he has to leave. Council Member Fidler?

COUNCIL MEMBER FIDLER: Right, I want to thank the Chairs for their indulgence, for my colleagues, for their indulgence as well, but I have an appointment at 3 o'clock elsewhere and I just wanted to make one brief comment and raise one possible savings. You know, the Mayor when he announced these cuts indicated that they weren't supposed to affect or impact the classrooms and, as you know, that's been a priority of the Council, we went to great pains in the June budget to make sure that wouldn't happen. Yet, on the day after principals were informed of what their cut was, Assemblyman Maisel and I walked into an intermediate school and were greeted at the door by the principal who said that she had just been notified of her cut and that she had a choice, she had to let a teacher go or not buy supplies for

the rest of the year and that was the way she viewed the choice. So I would--let me be the first one to say, there's a hole in that bucket, okay? It's not exactly as you expect. How much is spent gross per year by the Department for electricity? [Pause] If you know. I'll take a ballpark on it.

KATHLEEN GRIMM: Hundreds of millions of dollars, I think about 130. Don't quote me on it, but I think that's the number.

COUNCIL MEMBER FIDLER: All right. So my question would then be if we endeavored to replace every light bulb in every DOE building that you are paying electric for, perhaps using capital funds, with an energy efficient bulb, how much could we wipe off of that bill every year?

KATHLEEN GRIMM: I don't know, but, you know, in the current capital plan we do have a project where we undertook to do some replacement of lighting like that. We are looking at energy and talking to OMB about that. [Pause] Oh, 202 million, so it's a big expense.

COUNCIL MEMBER FIDLER: I would suggest to you that, you know, I have a neighbor

1  
2 who told me they had replaced every light bulb in  
3 their house with an energy efficient bulb and that  
4 their bill went down over 15% in a month. And  
5 that that if we're looking for that, and I know  
6 that not every fixture that you have is capable of  
7 that immediately, but there certainly would be  
8 hundreds of thousands of fixtures that you could--  
9 it's just a matter buying the bulb, unscrewing the  
10 old one, screwing the new one in and we could be  
11 talking about saving on that number over \$20  
12 million and I would urge that that be done  
13 forthwith.

14 KATHLEEN GRIMM: We'll take a look  
15 at that and I will get back to you on whatever we  
16 are doing [crosstalk]--

17 COUNCIL MEMBER FIDLER: Thank you.

18 KATHLEEN GRIMM: --what we might  
19 [crosstalk]--

20 CHAIRPERSON WEPRIN: Thank you,  
21 Council Member. Deputy Chancellor Grimm, last  
22 year as Council Member Fidler mentioned about our  
23 priority was restoring money so there'll be no  
24 cuts to the classroom, I think the figure we  
25 restored in June was about 125 million. Can you

1 tell me as we sit here today that none of the 125  
2 million is cut in this November plan?

3 [Pause]

4 KATHLEEN GRIMM: The--I can't tell  
5 you that because it's not exactly comparable.

6 [Pause] The 100, I think, and 20 million went out  
7 to schools to make them whole and so it was the  
8 schools, basically, that didn't perceive as much  
9 see C for E money. [Pause] So that money sort of  
10 went out here, the cut is coming out across-the-  
11 board, so I'm not sure there's any way we can draw  
12 a correlation.

13 [Pause]

14 CHAIRPERSON WEPRIN: So very likely  
15 some of that restoration money will actually in  
16 fact be cut.

17 KATHLEEN GRIMM: Some of it may be,  
18 yes.

19 CHAIRPERSON WEPRIN: Okay. Can you  
20 identify for us, which of that money is being cut?  
21 It doesn't have to be today, but, you know, over  
22 the next couple of weeks?

23 KATHLEEN GRIMM: What we will be  
24 able to do is show you what the cuts are on a  
25

1  
2 school by school basis and I guess we could sit  
3 down with you and show you where the 120 million  
4 went and then I guess we could compare the  
5 schools.

6 [Pause]

7 CHAIRPERSON WEPRIN: Okay. On  
8 another area of questioning, we got a little bit  
9 of a reprieve from Albany because my understanding  
10 was that the special session that they just had,  
11 kind of, you know, they punted and, you know,  
12 there weren't any, you know, cuts made, but I'm a  
13 little fearful of what Albany's going to do vis-à-  
14 vis cuts to the New York City school system and  
15 what is our game plan and how do we respond and  
16 what is--what do we do in response to any  
17 potential cuts from Albany and what does that mean  
18 or translate into, I guess, both on the expense  
19 and the capital side for the city?

20 KATHLEEN GRIMM: Well, as I have  
21 said here many times, I never predict Albany and  
22 what's going to happen. Certainly with them going  
23 home, it looks like there isn't going to be a cut  
24 for this year. In a way that's sort of good news,  
25 the bad side is that what's going to happen next



year, it might be worse than what it might've been. We are working very closely with OMB and with our people in Albany and we'll continue to but there just isn't any there there yet in terms of what's going to happen.

[Pause]

CHAIRPERSON WEPRIN: So what could very well happen is you'll be back here in a few months basically saying that the city has to make X amount of cuts because of what Albany did? Is that possible?

KATHLEEN GRIMM: Anything is possible in this world.

[Pause]

CHAIRPERSON WEPRIN: Okay.

KATHLEEN GRIMM: It is not a happy thought, but...

[Pause]

CHAIRPERSON WEPRIN: You know, it's kind of like when Attorney General Cuomo was so proud of the fact that he announced that a number of major firms announced that their top executives were not getting bonuses this year and he thought that was a great accomplishment, I was looking at

it from the point of view of what a disaster that's going to be for the city and state budget because we relied--

KATHLEEN GRIMM: Taxes.

CHAIRPERSON WEPRIN: --those bonuses were direct, you know, reductions, you know, of withholdings of city and state income tax that we benefited from, so I guess it depends on how you look at the glass, you know, whether it be half-full or half-empty. But I'm a little fearful of what, you know, we may have to do to react to Albany. Is there any plan to kind of go to Washington, which might be in a little better shape and a little bit more receptive to cities with the changeover in administration and particularly to New York City and is there a game plan to kind of make up for some of these cuts potentially from the state and the city, I guess, from Washington?

KATHLEEN GRIMM: Well I think that's probably a question OMB could answer better than I can. Certainly--

CHAIRPERSON WEPRIN: [Interposing]  
Not Mark Page.

KATHLEEN GRIMM: You know, the Governor was down there this week and I'm sure that both the city and the state are having conversations.

[Pause]

CHAIRPERSON WEPRIN: Okay. You have a whole plan, I know, and have over the last number of years of private-sector contributions and substituting city money for private-sector money. Is there any kind of major effort being made in light of some of these potential fiscal problems and potential reduction in city and state money to kind of go back to the private sector and try to, you know, do a fund-raising campaign to make up for some of this?

KATHLEEN GRIMM: We do continue our efforts with the private sector. Traditionally, private-sector money has never been available for operating expenses. Funders generally like to focus in on certain areas and programs and I think you'd find most--

CHAIRPERSON WEPRIN: [Interposing]  
Yeah, but money is fungible, if you could take money from, you know, operational to a program

and, I mean, you know, if you get funding, you know, you can dedicate that to programs and use money that would have been used for programs for operating money.

KATHLEEN GRIMM: We are certainly pursuing that.

CHAIRPERSON WEPRIN: Okay. I would think that, you know, in light of, you know, our fiscal crisis and, you know, revenue loss that it might be an effort to kind of, you know, have a major campaign and, you know, anything we can do to help in that, you know, we'd like to work with you. We've been joined by Council Member Bill de Blasio from Brooklyn. I'm going to turn the mike over to my co-chair Robert Jackson, who I know has quite a few questions. Chair Jackson.

CHAIRPERSON JACKSON: Well thank you. I am going to turn it over to our colleagues that may have some questions and I see colleague David Yassky is here and he's on the list, so David Yassky of Brooklyn.

COUNCIL MEMBER YASSKY: Thank you. I notice that you're making an effort to take many of the cuts, or much of the cut, I guess, in the

central and field payroll, I think that's absolutely the place to look, so I commend you for doing that. The schools still pay for their affiliation--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER YASSKY: am I right?

So--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER YASSKY: --

empowerment, the P private, whatever--

Kathleen Graham: PSO, LSO--

COUNCIL MEMBER YASSKY: --PSO--

KATHLEEN GRIMM: --ESO--

COUNCIL MEMBER YASSKY: --

partnership--

KATHLEEN GRIMM: --yes.

COUNCIL MEMBER YASSKY: --or LSO

and, pardon my ignorance, but, you know, roughly, how much is that for a school? I guess it depends on the size of it, but--

KATHLEEN GRIMM: There's a scale that runs from 29,000 to about 60 something and did some of--didn't some of the SSO's reduce below 20, I think. Yes, I think a lot of those School

Support Organizations also reviewed their scales and offered some different opportunities at a lower price for some schools.

COUNCIL MEMBER YASSKY: Could you make that completely optional? If you want the services, you buy them, if not, you don't.

KATHLEEN GRIMM: That is some--

COUNCIL MEMBER YASSKY: What's the matter with that?

KATHLEEN GRIMM: --that is something that we can think about and talk about.

COUNCIL MEMBER YASSKY: What's the downside to that?

KATHLEEN GRIMM: The downside [pause] would be having a principal not having support, instructional support, and not being part of a network where there's--

COUNCIL MEMBER YASSKY: No.

KATHLEEN GRIMM: --an opportunity to share best practices and things like that.

COUNCIL MEMBER YASSKY: I mean, I strongly agree with your administration's, you know, philosophy that the principals and the leadership team at the individual schools are

really in the best position to figure out what works in that school and what's best--

KATHLEEN GRIMM: Right.

COUNCIL MEMBER YASSKY: --for that school, I think that your move in that direction is absolutely right. So why not really do it, I guess, would be what I would say and if--because I ask that--I've just happen to have been in three schools over the past week or so, I visit every school in my district every year and, you know, I ask--that's one of my standard question, I always ask if you could skip--if you could not pay it--and some principals say they would, they think oh, no, we get out of this, it's, you know, if it's--

KATHLEEN GRIMM: Right.

COUNCIL MEMBER YASSKY: --not that much money and it's worth it, but plenty say, and I'm not--want to put anybody on this--but plenty say, no, I'd keep the money and, you know, I'd hire a, you know, a halftime art teacher or more supplies or whatever they would do with it. So why not make it completely optional?

KATHLEEN GRIMM: Well let's take a look at that.

COUNCIL MEMBER YASSKY: Okay.

That's question one. Question two is on professional development, what are you still spending there centrally?

[Pause]

KATHLEEN GRIMM: I don't think I have a composite number. We'll have to get back to you. [Pause] It--

COUNCIL MEMBER YASSKY: I'll take a ballpark, like Lew Fidler said.

KATHLEEN GRIMM: When you say centrally, what do you mean?

COUNCIL MEMBER YASSKY: Not, that is not up to the schools to choose or not to choose.

[Pause]

KATHLEEN GRIMM: Probably not very much because all of the contracts are contracts that are in place so that schools can take advantage of it.

COUNCIL MEMBER YASSKY: Okay. There's no--in other words, it's all--and they have to spend a certain amount on PD and they choose how to spend it.

KATHLEEN GRIMM: If they choose to.



COUNCIL MEMBER YASSKY: Okay.

There's all--there's nothing beyond that that's in the central part on PD.

KATHLEEN GRIMM: Oh, let me get, let me get back to you with a number, I'm just saying I don't think it's a significant number compared to what is spent in the schools.

COUNCIL MEMBER YASSKY: Agreed.

KATHLEEN GRIMM: And we get--what we do is we get contracts so that basically we have sort of pre-qualified vendors and then it's up to the schools, I mean, we don't have to use the contracts, if the schools don't buy it, it doesn't get bought.

[Pause]

COUNCIL MEMBER YASSKY: Okay.

KATHLEEN GRIMM: Requirements contract.

COUNCIL MEMBER YASSKY: So you're saying you'll get back to me on how much--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER YASSKY: --is spent.

KATHLEEN GRIMM: Mm-hmm, centrally.

COUNCIL MEMBER YASSKY: And is that

1  
2 spending entirely on the, kind of, administration  
3 of the qualification--that part? In other words,  
4 whatever number that you get back to me, it  
5 represents the work that needs to be done  
6 centrally to give the schools the PD options. Is  
7 that entirely what that number would be?

8 KATHLEEN GRIMM: No, it was going to  
9 be if there is any money being spent, say in  
10 teaching and learning--

11 COUNCIL MEMBER YASSKY: Yeah.

12 KATHLEEN GRIMM: --where people  
13 require professional development in the arts  
14 office or wherever. Although they're not in the  
15 schools, they still need to keep up in terms of  
16 the--what's going on in any particular curriculum.

17 [Pause]

18 COUNCIL MEMBER YASSKY: Okay.

19 KATHLEEN GRIMM: So we'll find that  
20 for you.

21 COUNCIL MEMBER YASSKY: And what  
22 about curriculum development? Centrally? Is that  
23 still a central function? I may be years out of  
24 date here, is that still--

25 KATHLEEN GRIMM: [Interposing] No,

no, it still is in Teaching and Learning.

COUNCIL MEMBER YASSKY: What's the cost of that?

[Pause]

KATHLEEN GRIMM: Okay. It's in several different offices, so we'll put that together and give it to you with a breakdown of what kind of curricula are been developed.

COUNCIL MEMBER YASSKY: And why not make that entirely at the option of schools to buy or not buy?

[Pause]

KATHLEEN GRIMM: I think in certain areas, for example, in art it's considered really important that we offer opportunities to schools and we make sure that we're providing curricula opportunities. We did undertake a central effort recently in science to better align the science curriculum, unfortunately, one of the cuts that we're taking are the science assessments that were part of that initiative. So I think there's value in sort of focusing on a subject matter.

Certainly, we've done it in math and in English and it seems to have been successful and there has

1  
2 been actually a lot of concern around things like  
3 art and science and also social studies that we  
4 also worked on recently. [Pause] So we can kind  
5 of get you all of those.

6 COUNCIL MEMBER YASSKY: Okay. That-

7 -

8 KATHLEEN GRIMM: And the breakdowns.

9 COUNCIL MEMBER YASSKY: --I'd  
10 appreciate that number for professional  
11 development curriculum development. And then I  
12 guess you'll think about whether to make the  
13 partnership relationship optional--

14 KATHLEEN GRIMM: Optional.

15 COUNCIL MEMBER YASSKY: --what a  
16 great way that would be to kind of, you know, keep  
17 the school budgets whole and let the central  
18 budget, you know, fall or rise, depending if it's  
19 worth it to anybody.

20 KATHLEEN GRIMM: Right. Well that's  
21 sort of entrepreneurial aspect is certainly an  
22 embedded in the SSO concept, so...

23 COUNCIL MEMBER YASSKY: Yeah, let's  
24 take it all the way.

25 KATHLEEN GRIMM: Okay. We'll see.

COUNCIL MEMBER YASSKY: Have the--

KATHLEEN GRIMM: Thank you.

COUNCIL MEMBER YASSKY: --have the courage of the underlying convictions. Thank you.

CHAIRPERSON JACKSON: Thank you, Council Member. Council Member Reyna of Brooklyn.

COUNCIL MEMBER REYNA: Thank you, Mr. Chair. Good afternoon, I just wanted to ask two questions. In your exercise to cut, did you by any chance get an opportunity to review all of your service contracts to compare whether or not outside contracts have been more efficient and where there's an ability to in-house your contracts so that you don't have to have all of these outside consultants, but rather take on the responsibility of all of this work because it's more efficient and more cost effective. Was that part of your process?

KATHLEEN GRIMM: Sure. It's part-- and I don't--is it in this package or the prior package? For example, the quality review is part of the Accountability Initiative. We had a contract for a company to come in and do those quality reviews. We have, or are in the process

of taking that entirely in-house, so there's a contract savings. We review our contracts very carefully all of the time. Many of our contracts, however, are for professional development, which offer opportunities to schools. Our largest contract when we take a look, you know, follow the money, look at the big ones, our major contracts are transportation, food, fuel, IT supports [pause] and professional development. So, yes, it's always a part of the exercise, but so many of the things are--

COUNCIL MEMBER REYNA: Well --

KATHLEEN GRIMM: --do not lend themselves to elimination.

COUNCIL MEMBER REYNA: --how much of a savings or reduction, have you seen applied from your exercise on this specific area?

KATHLEEN GRIMM: Anybody remember what the--

COUNCIL MEMBER REYNA: A total.

KATHLEEN GRIMM: --review was?

[Pause]

COUNCIL MEMBER REYNA: And what is the actual currently and what are you effectively

reducing?

[Pause]

KATHLEEN GRIMM: How much?

[Off mic]

[Pause]

KATHLEEN GRIMM: Oh, that's just central. It's a little hard because it's not all in one place, so if we can get back to you on that.

COUNCIL MEMBER REYNA: And that's why it's hard to follow? A lot of --

KATHLEEN GRIMM: Right.

COUNCIL MEMBER REYNA: --what you've given to us?

KATHLEEN GRIMM: A part of the problem is, you know, the contracts get registered and we look at the contracts in terms of what the maximum amount of the dollar spend is. Most of our contracts are requirement contracts and that means people may buy from that contract up to that amount, but not necessarily use all of that amount. So what we'd have to do, I think, is go back and look at final numbers from last year.

[Pause] Hmm?

[Off mic]

[Pause]

COUNCIL MEMBER REYNA: So this would  
be--

KATHLEEN GRIMM: I see.

COUNCIL MEMBER REYNA: --Fiscal Year  
'08--

KATHLEEN GRIMM: Right.

COUNCIL MEMBER REYNA: --that you're  
going to take a look at and you have that number  
now.

KATHLEEN GRIMM: Not now, but we can  
get that for you.

[Pause]

COUNCIL MEMBER REYNA: How soon  
would you be able to tell us, you know, what is  
the amount--the actual amount versus how much  
savings in total have you been able to produce  
because of your reductions or, you know, you've  
eliminated certain contracts and decided to in-  
house contracts--

KATHLEEN GRIMM: Okay. If I can  
just--we do look at all of our contracts when we  
go through these exercises and what I did was, to



give you an example of one and that savings we do have here, that was a \$1.3 million savings.

COUNCIL MEMBER REYNA: So you can do it--

KATHLEEN GRIMM: But no--

COUNCIL MEMBER REYNA: --per category?

KATHLEEN GRIMM: --if I can just finish.

COUNCIL MEMBER REYNA: Mm-hmm.

KATHLEEN GRIMM: Most of our contracts do not lend themselves to reduction. There's--we struggle with the bus contracts, but they are what they are and there are restrictions on how we can--on our ability to reduce services. We're looking at ways to decrease our spending on food, but we don't want to walk away from the gains we've made in food, we're trying to be as creative as possible. We spend a lot of money in those areas, we spend money on fuel, we spend money on professional development, and we spend money on IT supports. We run it really big IT systems throughout the Department and those things just require support. So while we look at things

1  
2 and in program areas, we look at small contracts,  
3 we have not found a lot of ability in our big  
4 contracts. [Pause] Doesn't mean we don't watch  
5 carefully and try to do something with them. One  
6 of the PEGs--and this was from last time also--was  
7 in our purchase of books and our purchase of  
8 software.

9 COUNCIL MEMBER REYNA: I'm glad you  
10 mentioned books, because I had a specific  
11 question, that was my second question.

12 KATHLEEN GRIMM: Okay.

13 COUNCIL MEMBER REYNA: It seems to  
14 me that every year, a school is purchasing or, you  
15 know, Central purchases for them as they put in  
16 their orders, new books. There's never a  
17 recycling mentality within the Department of  
18 Education to have--I mean, how much information  
19 changes with the exception of, of course, next  
20 year we have our first African-American president--  
21 -

22 KATHLEEN GRIMM: Big change.

23 COUNCIL MEMBER REYNA: --to have new  
24 textbooks every year, where perhaps a sentence has  
25 been shifted to the front of the book rather than

1 the end of the book and they call that the 72nd  
2 Edition. I just want to understand what type of  
3 savings are we looking to [pause] accomplish when  
4 ordering supplies such as textbooks? And, you  
5 know, on another note, I have a school who was  
6 greeted by Deputy Mayor Walcott and one of the  
7 young ladies, 10 years old, expressed to the  
8 Deputy Mayor, why don't we have textbooks? We're  
9 a sixth-grade class, we're a new school, and we  
10 don't have textbooks. These are one of the, you  
11 know, new schools that are being approved that  
12 have very little budgets to order books and so  
13 they have to share books or, you know, don't have  
14 books and they're photocopying materials. So  
15 there's a discrepancy in this line of, you know,  
16 as far as merchandise is concerned, when we're  
17 providing our students with materials that I just  
18 feel there's room to have a cost saving and a cost  
19 efficiency.  
20

21 KATHLEEN GRIMM: Well we're  
22 constantly struggling with that and we have had  
23 some successes in sort of marshaling our  
24 purchasing power because we buy so much, both in  
25 terms of what we call trade books, which are not

the textbooks, and library books. Also, we've been able to do that with software that schools purchase and one of the other things that we're looking at, and several principals have actually mentioned this, schools do get state allocation, NYSTL money to buy textbooks and there are several restrictions on it. And one of the things that we're suggesting to Albany is, you know, there are no cost changes you can make, if you take restrictions off the NYSTL funds, principals have a lot more flexibility in how they spend it. So we are exploring things like that.

COUNCIL MEMBER REYNA: And as far as answering the question, how often do you order books, what would be the answer to that?

KATHLEEN GRIMM: Well since--over the last few years, we went through a process where I think we put more than 24 million books in classrooms, the libraries, in classrooms K through 8?

COUNCIL MEMBER REYNA: I'm referring to textbooks, not libraries.

KATHLEEN GRIMM: Okay. Textbooks, we purchase the core curriculum for schools, but

the other textbooks, principals buy themselves-- purchase themselves. Very often, as I said, with their NYSTL funds, the state funds or, depending on what a principal's choice is, a principal may use other--can use, certainly use their tax levy refunds.

COUNCIL MEMBER REYNA: So each principle has NYSTL, but then Central orders textbooks.

KATHLEEN GRIMM: Central orders certain core curriculum books.

COUNCIL MEMBER REYNA: Which is what--

KATHLEEN GRIMM: Math and literacy.

COUNCIL MEMBER REYNA: Okay. So math and literacy--

KATHLEEN GRIMM: [Crosstalk]

COUNCIL MEMBER REYNA: --how much was spent [pause] this year for math and literacy?

KATHLEEN GRIMM: I think I have to get that number for you. It's certainly less than we spent a few years ago, because we went through introducing the new curricula in both of those areas, but now we have to--

COUNCIL MEMBER REYNA: [Interposing]

So the--I'm sorry, I just want to understand, the last time the math and literacy curricula was ordered [pause] was...

KATHLEEN GRIMM: Well it was initially ordered in '03 or '04. We can get that date for you.

COUNCIL MEMBER REYNA: [Interposing]  
So since '03 or '04, no new textbooks in these two areas--

KATHLEEN GRIMM: [Interposing] No, no, no, what happens is, what happens is we have new schools, we have new schools that come online that have to have them, there are things that are distributed with the books that have to be replaced, workbooks and things like that, that go with the curriculum that don't survive as long as the textbook has, so we have to do some replacements. But it's an area that we monitor centrally very closely because it's an area that it is a lot of money that we spend, we think it's really important to make sure that our children have up-to-date books that reflect an effective curriculum.

COUNCIL MEMBER REYNA: And I can appreciate that point, I just want to focus on the fact that I have parents that tell me, Council Member, I had my child at this school at this grade, come the following year, my second child goes to the same school and there's a new textbook. This is a waste of money, what has changed in this textbook that a new textbook is necessary.

KATHLEEN GRIMM: Okay.

COUNCIL MEMBER REYNA: And so that raises a question here at this hearing because I don't know if we're focusing on making sure that we're recycling and reducing the budget where it's calling for a savings because it's not necessary to order a new book every year for the same grade, unless that textbook is not meeting the standards of what we're teaching.

KATHLEEN GRIMM: And that may be a decision a principal is making. At the school level.

COUNCIL MEMBER REYNA: But at the management level from Central staff, from the highest level, you know, obviously the Chancellor,

this is not being--this is not a point of importance? It's being left up to the principal?

KATHLEEN GRIMM: Yes.

[Pause]

COUNCIL MEMBER REYNA: So if we have an opportunity to save--

KATHLEEN GRIMM: [Interposing] Oh, we are--we try to make sure that we're not spending it and the principal's not spending it unless it's really necessary, but a lot of the decision rests with the principal.

COUNCIL MEMBER REYNA: Right, so we don't know what the principals are ordering.

KATHLEEN GRIMM: Well, we know what they're ordering because it all goes through our systems, but we're not telling the principals what to order.

COUNCIL MEMBER REYNA: And we're looking closely at the fact that they're not ordering the same textbook in a new edition if it's not necessary again for the following year?

KATHLEEN GRIMM: Yes.

[Off mic]

COUNCIL MEMBER REYNA: I just want



to point out, I just referenced a parent who came up to me with a child who just and who just ended that grade, her next child just came in--

KATHLEEN GRIMM: [Interposing] If you want to let Aaron [phonetic] know the details, we'll follow up on that and see what's going on.

COUNCIL MEMBER REYNA: And I'm sure my parent is not the only parent. Thank you.

[Pause]

CHAIRPERSON JACKSON: Thank you, Council Member Reyna. Council Member John Liu of Queens and we've been joined by our colleague Alan Gerson of Manhattan.

COUNCIL MEMBER LIU: Thank you, Mr. Chairman, and thank you, Deputy Chancellor, for joining us. So what is the, what is the current budget and proposed budget for pupil transportation, school busing?

KATHLEEN GRIMM: It's just over \$1 billion a year.

COUNCIL MEMBER LIU: One billion.

KATHLEEN GRIMM: Mm-hmm.

COUNCIL MEMBER LIU: And that's the parents FY '08 budget?

KATHLEEN GRIMM: I think I have the exact figure here if you want to wait one minute. [Pause] Fiscal Year '09 [pause] budget is 1.068.

[Pause]

COUNCIL MEMBER LIU: Fiscal '09, you said?

KATHLEEN GRIMM: Yes, current year.

COUNCIL MEMBER LIU: Okay. And is--

KATHLEEN GRIMM: [Crosstalk]

COUNCIL MEMBER LIU: --there any--is that a part of this equation at all or no?

KATHLEEN GRIMM: Yes, there are a couple of items related to transportation. One is the delay of the pilot for the GPS system, that's a \$1.7 million, that's obviously something we're really interested in, but in tough times we've decided to push it out, although we will continue to work with the City Department of Information Technology do it because they have a system that we may able to piggyback on and so we want to--

COUNCIL MEMBER LIU: Right.

KATHLEEN GRIMM: --keep that alive, so we'll continue those conversations. Then we have a \$5 million proposed cut in transportation

and the details of that are not yet finalized, but we think that, given there are no cuts for this year other than the GPS being delayed. No, no cuts whatsoever to transportation this fiscal year, but we think that between now and next year we ought to be able to figure out how to save \$5 million on a base of a billion dollars.

[Pause]

COUNCIL MEMBER LIU: Well, two years ago, the Department--I'm sorry it was earlier in '07 the department had that--

KATHLEEN GRIMM: Yeah.

COUNCIL MEMBER LIU: --complete rejiggering. Did that actually produce the cost savings?

KATHLEEN GRIMM: It actually did, it produced a cost savings of roughly \$5 million in that fiscal year and that grew to \$10 million in the subsequent fiscal year.

COUNCIL MEMBER LIU: So that's saving us \$10 million in fiscal '09?

KATHLEEN GRIMM: Yes, because we reduced routes by 97, I believe, 96, 97 routes. That was strictly General Ed busing, it had

nothing to do with Special Ed busing. General Ed--I was looking at the numbers the other day, General Ed busing has increased a bit, but I mean, we would have anticipated that to happen anyway. So I think that we were able to reduce what that growth would have been by saving the \$10 million.

COUNCIL MEMBER LIU: Okay. I mean I'll remind you that it cost \$17 billion to do that study. So we still have not yet recouped those costs.

KATHLEEN GRIMM: No, no, the \$15 million that we spent--

COUNCIL MEMBER LIU: Seventeen.

KATHLEEN GRIMM: The contract was for 17, we only spent 15.

COUNCIL MEMBER LIU: So you owe them 2 million?

KATHLEEN GRIMM: No, we only bought \$15 million worth of services, but we actually saved considerable more than just the busing because there were several other initiatives that we undertook with them. And indeed the total savings was 190 million and the Controller, I will tell you, takes issue with that number for

accounting reasons, but even he acknowledges that we saved 170 million a year.

COUNCIL MEMBER LIU: Well, let's--

KATHLEEN GRIMM: So it sounds like a pretty good investment [crosstalk]--

COUNCIL MEMBER LIU: --let's make it very clear, the savings, I could understand if you--if the Department made--I could understand if the Department achieved the cost savings by making the routes more efficient. The vast majority of that cost savings was denying kids rides. So let's not confuse the issues here, we're only talking about efficiency gains and that's as a result of that consulting contract, which by the way was no bid, but it's not--but it would be foolhardy for the Department to claim savings by simply denying kids and the family the rides that they previously received. What I'm trying to get at is not necessarily just the bus issue, because obviously there are grave concerns about how efficient, in fact, things are being run at the Department of Education and while we're talking about all these budget cuts and now some of those cuts are nearing to the classroom, we want to make

sure that the Department is operating as efficiently as possible. The school bus issue is one area where I think the Department has room for improvement, certainly with regard to--not improving by taking kids off the buses, but by making the routes more efficient. I know that we've been in touch with Aaron and some of the people in the Chancellor's office about complaints that we're still getting from the parents with regard to school bus pickups. Another area of efficiency that we should look at is the way in which the kindergarten admissions were administered. This year, the kindergarten admissions were completely rejiggered. How much did it cost to go through all those machinations, only for the Department to basically abandon those changes?

KATHLEEN GRIMM: You're talking about pre-K?

COUNCIL MEMBER LIU: Actually pre-K, as well as kindergarten.

KATHLEEN GRIMM: Okay. Because--

COUNCIL MEMBER LIU: We're just talking about just the admissions process because--

-

KATHLEEN GRIMM: Right.

COUNCIL MEMBER LIU: --it was completely changed--

KATHLEEN GRIMM: The admissions process last year for pre-K was done Centrally and--but not kindergarten. We were going [crosstalk]--

COUNCIL MEMBER LIU: [Interposing] Last year meaning for this school year?

KATHLEEN GRIMM: For this school year, yes. I think we just announced that kindergarten this year is not going to come Centrally, it's going to be done at the schools--

COUNCIL MEMBER LIU: Right.

KATHLEEN GRIMM: --with some guidance from Central but the [crosstalk]--

COUNCIL MEMBER LIU: [Interposing] But there was a fair amount of effort put into centralizing the system--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER LIU: --including mailing applications to someplace in Pennsylvania, I'm assuming presumably getting them back at some

point. I mean there were many changes to the admissions process for both pre-K, as well as kindergarten. Now we find out that the kindergarten change is basically being scrapped. I'd like to know how much money was wasted in that effort.

KATHLEEN GRIMM: [off mic] remember, do you? I don't--we'll have to get, that I don't have a pre---what that was.

COUNCIL MEMBER LIU: I would guess it's at least a couple of million dollars, maybe more than that. But this is the kind of thing where over the years and, Mr. Chairman, I think you will remember this, we have cautioned the Department about announcing and implementing changes prematurely and sometimes in the middle of a school year, where it becomes very confusing to parents and we have said and we've implored the Department to think this through carefully before implementing something like this. And the kindergarten admissions is one clear example of wasted money, that's an example of wasted money. Now I'm going to talk about another thing, I think I'll give you break a little bit here, we have--



KATHLEEN GRIMM: Thank you.

COUNCIL MEMBER LIU: --a new presidency, who has come in with a very strong mandate. He's talked about getting more money back to the state and city levels so that people are not hurt. He's made education a hallmark of his agenda. And so we have--and I think both the Department, as well as Council Members, pretty much everybody has complained about the unfunded mandates from the Bush Administration and the No Child Left Behind policy. The best case scenario, I think, would be that President Obama begins to fund this, either changes it, gets rid of it, or funds it. How much money is the department losing a year because of this unfunded mandate?

KATHLEEN GRIMM: We'd have to quantify [pause]...

COUNCIL MEMBER LIU: How about to the nearest \$10 million? Is it \$10 million we're losing? Is it 50 million we're losing?

KATHLEEN GRIMM: Well some of the mandates are funded and some aren't, so what we would have to get for you in a complete picture is the amount that we're spending on the unfunded

1  
2 portion and then I think there would be an issue  
3 on what we're funded for [pause] could--are there  
4 opportunities lost because maybe what we're  
5 mandated to spend it on isn't what would be the  
6 best thing or the thing we'd want to spend it on.  
7 So we can take a look at those numbers.

8 COUNCIL MEMBER LIU: Okay. But I  
9 mean, even the Chancellor has complained over the  
10 years about this.

11 KATHLEEN GRIMM: Absolutely,  
12 absolutely.

13 COUNCIL MEMBER LIU: Isn't there any  
14 idea how much this costs? How much we're losing  
15 or how much the Department is wasting because of  
16 this ill-thought-out unfunded mandate?

17 KATHLEEN GRIMM: We'll take a look  
18 and see we can find that number. As I say, some  
19 of it is funded, some of it I think there are  
20 questions about how we're mandated to spend the  
21 money. Title I, is a very good example, a Title I  
22 does not follow the child. Those funds, you know,  
23 are--have to be allocated in a certain way and we  
24 have Title I eligible children in schools that  
25 don't receive any Title I funds. So, I mean,

that's not costing us anything exactly but it's--  
we're not convinced it's the proper spend of the  
money.

[Pause]

COUNCIL MEMBER LIU: Okay. Well,  
I'm still thinking that there's got to be some  
idea, but if you're telling me that there's  
absolutely no idea, then I would--

KATHLEEN GRIMM: [Interposing] No,  
no, I'm just--

COUNCIL MEMBER LIU: --and I'm not--

KATHLEEN GRIMM: --I just don't have  
it on my [crosstalk]--

COUNCIL MEMBER LIU: --I'm not  
suggesting that you go back and send five people  
on the team to figure that out or spend a lot of  
effort or money figuring that out, but we've been  
talking for a long time about this silly No Child  
Left Behind policy that has not necessarily  
produced better educational achievements and yet  
is costing us a lot of money. And I'm, frankly,  
I'm a little bit surprised that after all this, we  
don't even have an idea of what the ballpark of  
all this money is costing us. Ten million, 50

million, 100 million? At some point, we need to get an idea, a rough idea of how much it is so then we can ask the new president for how--so that we know how much to ask the new president and the new administration for, so that we can at least make our education system whole with regard to these federal mandates that are coming down.

Thank you, Mr. Chairman.

CHAIRPERSON JACKSON: Thank you, Council Member Liu. Council Member Diana Reyna has a follow up and then we go to Council Member Alan Gerson of Manhattan.

COUNCIL MEMBER REYNA: I apologize, Chairman, I--

CHAIRPERSON JACKSON: No apology [crosstalk]--

COUNCIL MEMBER REYNA: --forgot, I actually forgot to ask you which was on my mind because we had the ACS hearing two days ago and I wanted to find out how much money was sent back to the state for UPK slots?

KATHLEEN GRIMM: Roughly 36, \$37 million.

CHAIRPERSON JACKSON: Was that sent

back or we just didn't pull it down? That's a difference.

KATHLEEN GRIMM: [Off mic]

[Pause]

KATHLEEN GRIMM: We didn't use it, so we couldn't spend it on anything else.

CHAIRPERSON JACKSON: So, I mean, did we--they allocated X amount of dollars, well we registered the children, then we got the money. It was not like we had the money and then--

KATHLEEN GRIMM: No, no.

CHAIRPERSON JACKSON: --we had to return it back.

KATHLEEN GRIMM: It's not like--I don't think we actually physically return it to them, we don't claim it.

COUNCIL MEMBER REYNA: Correct.

CHAIRPERSON JACKSON: [Crosstalk]

COUNCIL MEMBER REYNA: And so \$37 million that we could have claimed--

[Off mic]

COUNCIL MEMBER REYNA: --do we have an accountability as to what children are out there that we didn't put into slots?

KATHLEEN GRIMM: The problem is  
[pause] the state mandates this money for half-  
day--

COUNCIL MEMBER REYNA: Right.

KATHLEEN GRIMM: --because they've  
got a problem upstate.

COUNCIL MEMBER REYNA: Correct.

KATHLEEN GRIMM: We are convinced,  
based on our data, that we don't have any more  
kids who's parents want half-day. Our parents  
want full-day.

COUNCIL MEMBER REYNA: And my next  
question to that is your space utilization  
comprehensive assessment [pause] what does it  
[pause] take in as far as seats available? Do you  
only account for your Department of Education  
facilities?

[Pause]

KATHLEEN GRIMM: When we're looking  
at the data?

COUNCIL MEMBER REYNA: For space  
utilization.

KATHLEEN GRIMM: Well we look at  
our--remember the history on this was when the

pre-universal pre-K became [off mic] ten years or so ago, the--I guess, the Department or the Board at that time was unable to really marshall enough resources, so many CBOs stepped up and became providers, they still do and we work very closely with them. In the subsequent years, we have been able to expand the spaces available for DOE provision of pre-K, you know, we build it in in the capital plan and new facilities in schools that aren't really overcrowded, principals are able to open pre-day [phonetic] classes. The problem is, because we want to have full-day classes, we have to supplement with New York City dollars in order to give the children a full day and if we could get the strings taken off that \$37 million so we could use it for full time pre-K--

COUNCIL MEMBER REYNA: And that's where--

KATHLEEN GRIMM: --it would help the city.

COUNCIL MEMBER REYNA: Absolutely.

KATHLEEN GRIMM: And we would be able to save those dollars.

COUNCIL MEMBER REYNA: So we already

have subsidized seats.

KATHLEEN GRIMM: Absolutely.

COUNCIL MEMBER REYNA: And we're not utilizing those subsidize seats, we're taking it and applying to DOE facilities first. So when I ask you, have you taken a look at the space utilization factor, how many seats are out there, is there a comprehensive approach to counting not just DOE facilities, meaning schools only, but also take into account--

KATHLEEN GRIMM: The CBOs?

COUNCIL MEMBER REYNA: --the CBOs so that you're dealing with the subsidized lots that already get the funding, it's contracted, so we fill those seats first.

KATHLEEN GRIMM: We have all those data, I just don't have them with me. We can provide that.

COUNCIL MEMBER REYNA: But I'm trying to highlight the fact that there are seats that are--according to ACS, they have to--they have an enrollment problem and they have to start cutting classrooms in the CBO centers because there are no children filling those seats and



they're getting paid for these seats. But--

CHAIRPERSON JACKSON: [Interposing]  
You're right, and Diana Reyna is right, they said that as a result of closures, about 3,500 kindergarten students are going to be transferred to Department of Education.

KATHLEEN GRIMM: Right, they're not going to be providing services to five-year-olds and so we are going to be working with them to make sure that all of the parents of the kids who are currently four and who will turn five next year are fully aware of kindergarten facilities. So instead of going to the ACS program, they'll come to our kindergarten program.

COUNCIL MEMBER REYNA: But there's a problem here because we're not taking into account the CBO seats. We're only taking into account the DOE facility seats.

KATHLEEN GRIMM: For...

COUNCIL MEMBER REYNA: For UPK and now moving into the transition plan of the five-year-old kindergarten classes.

[Pause]

KATHLEEN GRIMM: I'm not quite sure

I understand what the--

COUNCIL MEMBER REYNA: It's an accounting deficiency. If we're only taken into consideration that UPK slots are going to be filled first at the Department of Education and we disregard and use the CBO slots last, we have a problem because space utilization under one umbrella, because you receive the funding and it's outsourced through your Department should take into consideration all the seats, not just Department of Education seats.

KATHLEEN GRIMM: Planning does take into account all of the seats for pre-K.

COUNCIL MEMBER REYNA: But in most recent years it hasn't been happening because there was one year where the CBOs were disregarded entirely and the UPK funding is being applied to the Department of Education first, rather than the CBOs that have contracted subsidized seats.

KATHLEEN GRIMM: I'll be happy to follow up with you because I don't think we're connecting on what the problem is.

CHAIRPERSON JACKSON: Okay. Why don't we follow up, have staff follow up on that

because--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --you know, I'm not very clear myself, so I need clarity on this so, and obviously I'm looking at your expressions on your face, as far as you know, I don't think that we're aligned right here. So--

KATHLEEN GRIMM: So we'll follow up and--

CHAIRPERSON JACKSON: --let's follow up--

KATHLEEN GRIMM: --get that straightened out.

CHAIRPERSON JACKSON: --on that. Thank you. Council Member Gerson. And now mind you, this hearing is about the November cuts, so let's just stay focused here, if you don't mind, okay? I know my colleague--and you weren't here so I said that in my opening statement, that's all.

COUNCIL MEMBER GERSON: And thank you, Mr. Chair. And, as you know, I had a hearing, which I chaired earlier. So--

CHAIRPERSON JACKSON: You're

forgiven.

COUNCIL MEMBER GERSON: But if I inquire about any ground which is already covered, please let me know and I'll follow up with the transcript.

CHAIRPERSON JACKSON: Okay. I will.

COUNCIL MEMBER GERSON: And, I thank you. Just referring--I did have a chance though to read and review your testimony and presentation. Good afternoon.

[Off mic]

COUNCIL MEMBER GERSON: Bucket three and I just want to ask first is where you have the bullet point at the end, no school layoffs. Is that a mandate by the Department to each school the principal may not save money by laying off any school personnel?

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER GERSON: Now does that--

KATHLEEN GRIMM: For Fiscal Year '09 [crosstalk]--

COUNCIL MEMBER GERSON: Correct, Fiscal Year '09, as my Chair reminded us, that's

all we're talking--I always follow the direction of our Chair and he always gives--

KATHLEEN GRIMM: You won't go wrong.

COUNCIL MEMBER GERSON: --and he always gives good direction. Now does that--let me ask you though what we include, as you know, as we all know, there are a host of important positions in our schools, which are in instructional or but less than full-time. Many schools share positions with other schools, many schools, for example, share guidance counselors who are part-time and one school part-time and other, other's share art teachers, some even share--and I think this is a shame--Phys Ed teachers, but it's really the guidance where this is very prevalent. The mandate that there be no school layoffs, does that include a mandate that these less than full-time positions in each school not be terminated?

KATHLEEN GRIMM: If--yes. What was-

-

COUNCIL MEMBER GERSON: So--go ahead.

KATHLEEN GRIMM: --what was

suggested to school is that they look at their OTPS, they look at funds that they have not yet scheduled, and they look at non-per session costs, which are paid to staff people. But there are no layoffs in the schools this year.

COUNCIL MEMBER GERSON: So just so we're crystal clear in the area of guidance, there will be no reduction in the number of guidance counselors or the amount of guidance time within any school this fiscal year as a result of these budget cuts.

KATHLEEN GRIMM: Correct.

COUNCIL MEMBER GERSON: And that's true with art, music, phys ed, everything else--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER GERSON: --that's in that category. Okay, then, let me ask you, then we could go to buckets, all these buckets. I believe, yeah, bucket two.

CHAIRPERSON JACKSON: What page is that?

COUNCIL MEMBER GERSON: Page 10.

CHAIRPERSON JACKSON: Thank you.

COUNCIL MEMBER GERSON: Thank you.

1 So family worker positions, because I--even though  
2 I understand their--they may be from a centralized  
3 bucket, to use your terminology, I put family  
4 workers in the same category as guidance  
5 counselors serving a very similar purpose. So how  
6 much money is the Department going to save--well  
7 first of all, reducing family worker positions,  
8 what is the extent of the reduction and secondly,  
9 how much money are we saving?  
10

11 KATHLEEN GRIMM: We're talking about  
12 \$2.2 million--

13 COUNCIL MEMBER GERSON: Just from  
14 the family worker positions alone.

15 KATHLEEN GRIMM: The family worker  
16 and social worker positions. These are all vacant  
17 positions.

18 CHAIRPERSON JACKSON: So, in  
19 essence, there are not going to be any actual  
20 layoffs--

21 KATHLEEN GRIMM: Correct.

22 CHAIRPERSON JACKSON: --as you've  
23 said, but you're going to eliminate vacant  
24 positions.

25 KATHLEEN GRIMM: Yes, these are non-

mandated positions, they would be nice to have, but we're existing without them now and we'll continue to exist without them. We're giving up the lines, they are not actual bodies.

CHAIRPERSON JACKSON: So let's follow up on that, let me follow up [crosstalk]--

COUNCIL MEMBER GERSON: Please, Mr. Chair, please, I'd be delighted.

CHAIRPERSON JACKSON: --do that so you're not, you don't have people in these items right now--

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: And so, in essence, you're not paying them right now.

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: So how--if you're not paying them, you mean you have these items allocated with certain amount of dollar figures--

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: --that are out there so we're just going to eliminate the items and, in essence, pull back that money.

KATHLEEN GRIMM: Exactly



CHAIRPERSON JACKSON: Okay. Then--

COUNCIL MEMBER GERSON: Yeah. Thank you, Mr. Chair, that's a--now the family workers and the social workers that are not being funded, if you will, to which you just referred, they're all for pre-kindergarten?

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER GERSON: So family worker positions and social worker positions at other levels remain unchanged this fiscal year?

KATHLEEN GRIMM: As a result of these cuts, yes.

[Pause]

COUNCIL MEMBER GERSON: So how many positions are we talking--I mean, are we talking about the whole scale elimination of family workers for pre-K?

KATHLEEN GRIMM: No, these are just positions that are currently vacant.

COUNCIL MEMBER GERSON: So just wherever they happen to be currently vacant, it has nothing to do with any needs assessment of schools, schools serving at-risk populations--

KATHLEEN GRIMM: [Interposing] Well

these are all Central positions so our pre-K office will manage this reduction of positions--

COUNCIL MEMBER GERSON: I see.

KATHLEEN GRIMM: --with the people who are still on board and who are still doing this work.

CHAIRPERSON JACKSON: So there'd been no direct, you know, elimination or anything from the schools 'cause that's all Central.

KATHLEEN GRIMM: Right, there'll be no impact on the service--

COUNCIL MEMBER GERSON: Currently.

KATHLEEN GRIMM: --provision of pre-K.

COUNCIL MEMBER GERSON: Okay. I just got to--I understand what you're saying, but I just need to--I don't want to necessarily say take issue, but maybe clarify or take note when you say it would be nice to have. With these positions, it's more than nice. In many communities, I, for example, have in the district I represent, a homeless shelter which serves families with children and one of the big issues has been coordination between the public schools

1  
2 and the shelter and that coordination, which is a  
3 pedagogical--serves a pedagogical purpose, but  
4 indeed almost a life-saving purpose for many of  
5 these kids in many respects, is more than a luxury  
6 and that's the type of work that family workers  
7 and social workers do--

8 KATHLEEN GRIMM: [Interposing] Not  
9 these positions. These positions--

10 COUNCIL MEMBER GERSON: Well, then  
11 that's what I asked for clarification. When you  
12 say--you said family worker position and social  
13 worker positions, so why don't we clarify what  
14 we're talking about that are not going to be  
15 filled?

16 KATHLEEN GRIMM: We are talking  
17 about our pre-K Central office and these are  
18 people who would have been hired by our pre-K  
19 office centrally--

20 COUNCIL MEMBER GERSON:  
21 [Interposing] Hired to do what?

22 KATHLEEN GRIMM: Oversee the  
23 program.

24 COUNCIL MEMBER GERSON: Oh, these  
25 are just overseers, administrators?

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER GERSON: Same thing with the social workers.

KATHLEEN GRIMM: Correct.

COUNCIL MEMBER GERSON: None of the--we're not talking--

KATHLEEN GRIMM: They are--yes, they are not service providers.

COUNCIL MEMBER GERSON: Okay. Okay.

KATHLEEN GRIMM: --no impact on service provision.

[Pause]

COUNCIL MEMBER GERSON: And I guess my last [pause]--is it a fair deduction--last for this round--is it a fair group deduction from the fact that there'll be no school layoffs as a result of FY '09 cuts that there will be no affect the next semester that's going to begin in February or so on class size at any level? Is that a fair...

[Pause]

KATHLEEN GRIMM: We certainly hope so, I mean, we are asking principals and we are working with--we have all our support

organizations working with principals to try have no, or as little impact on the classroom, that certainly includes class size.

CHAIRPERSON JACKSON: Well, if in fact, there is no layoffs--

[Off mic]

CHAIRPERSON JACKSON: --then there should be no increase in class size.

COUNCIL MEMBER GERSON: That's my--I just wanted to make sure, Mr. Chair, I wasn't missing anything. But--

CHAIRPERSON JACKSON: [Interposing] But then again, but then again, if ACS--if those 3,000 students that we were talking about, are they talking about September or they're talking about in January? ACS.

KATHLEEN GRIMM: I believe that's for next year.

CHAIRPERSON JACKSON: Next September.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: I'm not positive, but that's--

CHAIRPERSON JACKSON: Because obviously if it was January, that'd be a different story because you got 3,000 more kindergarten students coming in--

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: --so we're talking about September of 2009.

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: Okay.

COUNCIL MEMBER GERSON: And just to conclude on that note with the same point I made to Commissioner Mattingly and a request for a slightly heightened coordination between his department and yours--

KATHLEEN GRIMM: Yes, yes.

COUNCIL MEMBER GERSON: --and in general, but in one important aspect and that is when children--parents with children are turned away from a school when they are seeking a pre-K enrollment, either 'cause the school doesn't have it or that the school is over-enrolled, that the school have the information to direct those parents not just to 311--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER GERSON: --but to ACS centers where there may be vacant seats 'cause I know when we've received in our district office calls from such parents, they were turned away and it was up to us--and we're happy to do it, but it makes more sense--

KATHLEEN GRIMM: It just happens, absolutely.

COUNCIL MEMBER GERSON: Thank you very much. To be continued. Thank you.

CHAIRPERSON JACKSON: Thank you, Council Member Gerson, and I have a few questions, let me just ask my colleague Gale Brewer had a question and she had to leave and she asked me to follow up about the Life Program.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: It's my understanding there's going to be some reduction in monies in that program. Gale said that that Life was promised when DOE closed school for pregnant girls and that without Life, the girls would have no place to go to, is that true or not true? And how many children have you sent to the Life Program and how many are being served? What

1  
2 details do you have about that?

3 KATHLEEN GRIMM: I'm not sure I have  
4 all the service details, we can certainly get  
5 them. What's happened with the Life Program is,  
6 this program is about 12 or \$14 million program  
7 for a--it's a program in our schools for children  
8 of our students--our students who have babies, we  
9 feel that it's a great encouragement to get the  
10 students to come back to school and to get their--  
11 to graduate if we provide basically a daycare  
12 service for their children. Traditionally, for  
13 some reason, I don't know why, ACS funded a  
14 portion of it and through a intercity transfer.  
15 For this year, ACS is no longer able to afford to  
16 fund us, I think it's a million 6 and that grows  
17 to 3.2 million next year. What we're going to do  
18 is make absolutely no change to the Life Program  
19 this year. All centers will remain open, all the  
20 kids who are coming will continue to be served.  
21 Next year, you know, we have some time to plan.  
22 Frankly, we make close a center or two, but we  
23 will only do that if we can assure ourselves that  
24 we can still serve all of the children, we just  
25 need some time to plan and we do have some time



for next fiscal year.

CHAIRPERSON JACKSON: Okay. Well, obviously we're going to follow up on those details, but the 1.6 million reduction in fiscal '09 is basically monies that were coming from ACS and that's part of their PEG?

KATHLEEN GRIMM: Their PEG.

CHAIRPERSON JACKSON: Okay. And so you're committed to that through June of 2009 and see what happens next year.

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: Now the 3.2 million of next year that you're looking at, is that all money that was from ACS or that is the 1.6, plus your money? Because it says here, and my understanding is that you're 3.2 million next year.

KATHLEEN GRIMM: It's 3.2 million next year.

CHAIRPERSON JACKSON: Whose money is that?

KATHLEEN GRIMM: That's ACS's money-  
-

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: It will not be--

CHAIRPERSON JACKSON: And that's what the commitment was for next year?

KATHLEEN GRIMM: Yes, and it's not going--I believe was that the full commitment? Yes.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: So that monies, we know, we have time to plan and we will be working with people who manage that program to see what we can come up with to make sure that we maintain service levels.

CHAIRPERSON JACKSON: And do you have any information as to how many young ladies you were serving in this program?

KATHLEEN GRIMM: We don't have that with us, but of course, we have it.

CHAIRPERSON JACKSON: If you can just follow up and give us the information--

KATHLEEN GRIMM: Sure.

CHAIRPERSON JACKSON: --for my colleague and for ourselves, you know, how many young mothers you were serving and how many of their children and--

KATHLEEN GRIMM: Sure, absolutely.

CHAIRPERSON JACKSON: --those details. With respect to the November plan proposed to eliminate \$103 million from the school budget, can you explain what guidance did the Department of Education give principals in how to make the cuts? Was there a memo from you as the Deputy Chancellor for instruction in finance or was there a memo from the Chancellor as to guidance to principals as to what areas to cut?

KATHLEEN GRIMM: There was actually a memo from Susan Olds, our Budget Director right here--

CHAIRPERSON JACKSON: Okay. That Susan right there?

KATHLEEN GRIMM: It is.

CHAIRPERSON JACKSON: Hey, Susan.

KATHLEEN GRIMM: That went to all schools and we--schools were given the target for this year and a preliminary target for next year 'cause we didn't want them to be planning in a stopgap way.

CHAIRPERSON JACKSON: And was that-- can you share copy of that--

KATHLEEN GRIMM: Absolutely.

CHAIRPERSON JACKSON: --number one--

KATHLEEN GRIMM: Sure.

CHAIRPERSON JACKSON: --and number two, in your earlier--in your statement, you talked about the schools are going to be taking, you know, less than a proportion, so is it across-the-board 2 1/2 percent this year for all of the schools and is it 5% next year? What percentage, if any, or if it's not a percentage, how do you determine the formula?

KATHLEEN GRIMM: It is, it's a 1.3% cut of their funds.

CHAIRPERSON JACKSON: 1.3%.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: Average.

CHAIRPERSON JACKSON: Average.

KATHLEEN GRIMM: That's the average, you know, it will hit every school differently. And that's all funds, it's a 1.8% reduction of the fund average--

CHAIRPERSON JACKSON: Go ahead.

KATHLEEN GRIMM: --of the funds that

are available to cuts, basically. Right--

[Pause]

CHAIRPERSON JACKSON: All right.  
Say that again, please, I'm a little slow, you  
know.

KATHLEEN GRIMM: Oh, it is the same.  
It is--it's not an average, the 1.8 is the same  
for everybody.

CHAIRPERSON JACKSON: 1.8? Out of--  
so I have a budget of, let's say, \$50 million I  
have to cut 1.8%?

KATHLEEN GRIMM: No, because you  
have to take the cut from your Fair Student  
Funding and your Children First allocations.

CHAIRPERSON JACKSON: Okay. Fair  
Student Funding--

KATHLEEN GRIMM: It's a one point--

CHAIRPERSON JACKSON: --and Children  
First.

KATHLEEN GRIMM: --it's a 1.8%--

CHAIRPERSON JACKSON: Of that.

KATHLEEN GRIMM: --[crosstalk] yes.

CHAIRPERSON JACKSON: Of that  
allocation.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: And what percentage is that of the Fair Student Funding and the Children First Initiative, what percentage of those two programs is of the total school's allocation give or take? 20%? 50%? 75%?

[Pause]

KATHLEEN GRIMM: About 75%.

CHAIRPERSON JACKSON: Okay. So whatever their budget is, they've basically approximately give or take 75%, they have to cut 1.8%, is that correct?

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: And are you-- did you give them recommended areas like obviously you mentioned OTPS--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --as one area.

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: Give me some other citations, if you don't mind.

KATHLEEN GRIMM: Areas--money that they had not scheduled, per session funds that they have available. [Pause] Some schools are

helped by the fact that they rolled money over.

CHAIRPERSON JACKSON: I'm so sorry,  
I was scheduled on a conference call.

KATHLEEN GRIMM: This wasn't in the  
guidance, but in terms of what's happening on the  
ground, some schools are able to take advantage of  
money that they rolled over last year, not all  
schools, of course--

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: --some schools--and  
this works both ways--some schools have a mid-year  
adjustment increase because they have more  
registered than what was projected. Other  
schools, unfortunately, have fewer students and it  
hurts them.

CHAIRPERSON JACKSON: Sure, sure.

KATHLEEN GRIMM: So it, you know,  
it's a school by school basis. I did mention that  
I have met with a lot of principals and well, it's  
not easy. It's--I think they're managing--

CHAIRPERSON JACKSON: Now--

KATHLEEN GRIMM: --very admirably  
this year.

[Pause]

CHAIRPERSON JACKSON: --now as far as implementation of these cuts, is that being done Centrally or is it being done at the school?

KATHLEEN GRIMM: Well, it's being done at the--

CHAIRPERSON JACKSON: [Interposing] And when do they have to implement it because my understanding--correct me if I'm wrong--when does--when do the principals have to submit their specific details? Is it today?

KATHLEEN GRIMM: Today. Today.

CHAIRPERSON JACKSON: I saw [off mic] November 21 and so what's the turnaround time for basically--I mean they have to submit it, but it has to be approved, is that correct?

KATHLEEN GRIMM: Yes, they're working--

CHAIRPERSON JACKSON: What's the time frame on that?

KATHLEEN GRIMM: Well they're working with the ISCs basically and I--as of yesterday, a very large percentage of them are finished and--

CHAIRPERSON JACKSON: Okay.



KATHLEEN GRIMM: --have been approved. Susan, do you want to talk a little bit [crosstalk] process?

CHAIRPERSON JACKSON: [Interposing] So, in essence, they could have submitted it earlier than the deadline. The deadline was today, is that correct?

KATHLEEN GRIMM: Oh yes, many have submitted it.

CHAIRPERSON JACKSON: Okay.

SUSAN OLDS: So we actually put in place a new functionality in the Galaxy budget system in order to track this on a school by school basis and it's sort of--the system is essentially a transactional tracking so you can see where the money had been that they are now putting or proposing for the reduction. That process is one, as Kathleen has mentioned, that is supported by the ISCs who look and ensure that the guidelines are being followed to the extent that we put them out there. And then once they approve it, then the entire population of school cuts which, you know, going to be finished by today will be reviewed Centrally next week. We've done

some preliminary looks and most likely we're thinking that by sometime next week, we'll probably be able to complete the process.

KATHLEEN GRIMM: Of course the process will not be totally complete until the Council votes on the package.

CHAIRPERSON JACKSON: I was saying earlier in my opening statement, you know, buckets and percentages of money is all fine, but the details are what's important. Now I--if principals, I guess, one of the guiding points have been told that they should not be eliminating positions at the school level, so anyone that's submitting a plan to eliminate an art or a music or a theater teacher or--what about school aides or paraprofessionals? Are they being told, no, you can't do that or what?

KATHLEEN GRIMM: They--if it's a--if the position is filled, they are being told they cannot do it. If they have vacancies and they want to give up those vacancies, that's perfectly okay.

CHAIRPERSON JACKSON: Okay. So, for example, if I have a school--a teacher vacancy or

two and that's worth, let's say, 100,000 or 125,000, is that a possibility I can get that back next year even though I know that there's going to be further reductions next year? What if I needed that and I submitted it?

KATHLEEN GRIMM: We'll that's why we've given them estimates for next year's cut--

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: --so that they can plan with a long-term view. So they are not making decisions that, you know, have short-term benefits, but long-term problems.

CHAIRPERSON JACKSON: And is it safe to say that where school leadership teams that are operating, that that has been run by the school leadership teams?

KATHLEEN GRIMM: Pardon?

CHAIRPERSON JACKSON: Is it safe to say that the principals' recommendations that they submitted through ARIS--

KATHLEEN GRIMM: They--

CHAIRPERSON JACKSON: --have been run by the school leadership team?

KATHLEEN GRIMM: --we anticipate

that they are.

CHAIRPERSON JACKSON: Okay. And what about in the process, do they have to communicate that through ARIS or some other methodology to the superintendents in the districts? What role does the superintendents have, if any, with respects to the submissions by the individual principal?

KATHLEEN GRIMM: Oh, all the superintendents have access to these cuts.

[Pause]

CHAIRPERSON JACKSON: I think Council Member Yassky touched on this earlier, but let me ask, will you allow principals to make cuts to their internally restricted allocations, such as Children First, inquiry teams, data specialists, parent coordinators, or any other area that Central has, the Chancellor, or you have deemed to be internally restricted?

KATHLEEN GRIMM: No, those are initiatives that are part of the Children First reform and we believe that they are essential in order to assist us in moving student performance.

CHAIRPERSON JACKSON: So in that

respect, because you're basically saying these are internally restricted, has anyone, to your knowledge--I'm asking the Budget Director or anyone near as [phonetic]--has anyone submitted any items that are internally restricted? And part of the justification is that we feel that this is best overall for your school and we would like to eliminate one of these internally restricted areas?

KATHLEEN GRIMM: Well, we have no information--

CHAIRPERSON JACKSON: Or this thing--

KATHLEEN GRIMM: --not that we're aware of.

CHAIRPERSON JACKSON: --or is the system blocked where they can't even put it in?

KATHLEEN GRIMM: Well I--they would be--

CHAIRPERSON JACKSON: You know what I mean?

KATHLEEN GRIMM: Yeah, they'd be working with their ISC people and, you know, they'd say, we're not going to put--you can't put

that in, got to come--let's go someplace else.  
But we would help them.

CHAIRPERSON JACKSON: Well I just think that since we hear so much as the principals are in charge of their school and in charge of their budgets, that in order to do what they deem--especially they've been evaluated on how they perform, how the students perform, how they perform, and I guess, giving them total, you know, unrestricted ability to do their jobs is, I guess, a question that some people ask.

[Pause]

KATHLEEN GRIMM: Well, they were given specific allocations for those expenses.  
[Pause] I mean, it's not that we made the school--forced the schools, for example, to buy the salary of a Parent Coordinator, we funded it.

CHAIRPERSON JACKSON: Yeah, but isn't that funding in the two programmatic areas that we talked about, the 75% of the budget that they have to cut 1.8%?

KATHLEEN GRIMM: No.

CHAIRPERSON JACKSON: Okay. No, it's not, okay, very good. I'm just trying to

seek clarity here. Now, under special--

[Off mic]

[Pause]

CHAIRPERSON JACKSON: --do you--can you give me, if you know, what is the total value of all of the internally restricted school allocations? So, for example, is it 25% of their budget? Is it 10%? Is it 50% or what?

[Pause]

KATHLEEN GRIMM: We're--we don't know off the top of our heads, but we don't think it's that large.

SUSAN OLDS: We can get that--

[Pause]

KATHLEEN GRIMM: We can get the numbers.

CHAIRPERSON JACKSON: Okay. So it's not that large, meaning what large?

KATHLEEN GRIMM: As large as 25% of their budgets.

CHAIRPERSON JACKSON: Okay.

[Pause]

KATHLEEN GRIMM: Okay. We don't have it, we thought we did, we don't.

CHAIRPERSON JACKSON: Okay. But just saying it's definitely not 25% of their budget.

SUSAN OLDS: It looks like it's less than 10%.

[Pause]

KATHLEEN GRIMM: Less than 10% is what we think.

CHAIRPERSON JACKSON: Okay. So if you can get back to us, we just want to know what the value of the unrestricted--I mean, the internally restricted allocations.

KATHLEEN GRIMM: Sure.

CHAIRPERSON JACKSON: Okay. The November plan includes a proposal to reduce budgets of the District 75 schools by \$1.9 million in Fiscal '09 and 3.7 and fiscal--Fiscal Year 2010. What is the current total budget for District 75 schools and how is each school's budget allocated formulated?

KATHLEEN GRIMM: It's roughly \$800 million. [Pause] The total budget. [Pause] And [pause] we're--the amount is, as I say, about .26% of 1% so--



CHAIRPERSON JACKSON: I'm sorry,  
can--

KATHLEEN GRIMM: It's about a  
quarter of a percent, it's a very, very small  
amount on a very, very large budget and we're  
pretty confident that with the support of our  
budget people, we'll be able to help the  
principals in District 75 schools absorb this cut  
without touching any of the obviously mandated  
services or really vital services that they have  
to provide.

CHAIRPERSON JACKSON: I'm sorry I  
didn't hear what the total budget is for District  
75 schools.

KATHLEEN GRIMM: Over \$800 million.

CHAIRPERSON JACKSON: 800 million?

KATHLEEN GRIMM: Including  
reimbursables.

CHAIRPERSON JACKSON: Okay. And  
you're saying the 1.9 for the Fiscal '09 and a 3.7  
in Fiscal 2010 is approximately what again?

KATHLEEN GRIMM: Well the '09  
reduction of 1.9 is a .26%.

CHAIRPERSON JACKSON: Point--

KATHLEEN GRIMM: Two-six, about a quarter of a percent. [Pause] ...less than 1%.

[Pause]

CHAIRPERSON JACKSON: And--

KATHLEEN GRIMM: And we're not happy about it and we have really worked--we have spared District 75 through all the previous cuts.

CHAIRPERSON JACKSON: And the District 75's schools receive the same memo or a letter from the Chancellor--

KATHLEEN GRIMM: They did.

CHAIRPERSON JACKSON: --or you or-- is it because District 75 has a special population of children with special needs and was there different one for them?

KATHLEEN GRIMM: No, it's in the same letter which we'll happily share with you. The District 75 schools aren't funded the same way, they're funded on a per capita basis basically, they do not participate in the Fair Student Funding.

[Pause]

CHAIRPERSON JACKSON: But also I would--is it safe to say that the District 75

principals are required to develop a cut plan and seek approval like the other principals?

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: Okay. [Pause]  
The impact on the children with special needs, who is going to track and monitor whether or not these cuts are impacting what you had said, you said earlier that they're mandated services in accordance with the IEP's and everything, who's going to be tracking and monitoring the impact on that?

KATHLEEN GRIMM: We'll be working very closely with Bonnie Brown, the superintendent of District 75, to make sure that her principals are able to do this in a way that really doesn't have any impact on the services.

[Pause]

CHAIRPERSON JACKSON: Under the [crosstalk]--

KATHLEEN GRIMM: [Interposing] It will be looking at the same thing, you know, OTPS spending, per session spending, things like that.

CHAIRPERSON JACKSON: Under the Fair Student Funding and Hold Harmless for the '07/'08

1  
2 school year, DOE began using a new school funding  
3 formula called Fair Student Funding and that  
4 allocated money to schools based on their students  
5 characteristics and their educational programs.

6 Well, in my understanding, the Department has not  
7 yet fully implemented this formula, is that true  
8 or not true?

9 KATHLEEN GRIMM: Well, we began it  
10 and we're in our second or third year now. We had  
11 hoped, back in the days when it looked like money  
12 was flowing in from Albany to a greater extent  
13 than it's probably going to do, that we would be  
14 able to create greater equity among the schools  
15 and, frankly, we've had to pause in that effort  
16 because we just have not had the available funds.  
17 You'll remember what we did was, with the schools  
18 that appeared to be under-funded, we funded them  
19 60%, 55%, some percentage that they would need to  
20 get up to where we would say they were funded at  
21 an equitable level. And then the next year we  
22 were going to make up that difference, we weren't  
23 able to do that this year. The schools that we  
24 were considered over-funded, we didn't want to  
25 destabilize so we held them harmless.

CHAIRPERSON JACKSON: Hold harmless.

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: So where does that stand?

KATHLEEN GRIMM: That is still in place and this is the second year and we'll have to see what happens with that next year.

[Pause]

CHAIRPERSON JACKSON: And going back, the original commitment was what? For how long?

KATHLEEN GRIMM: Two years.

CHAIRPERSON JACKSON: Okay. So that's--is that--this is the second year of it?

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: Okay. [Pause] Okay. Council Member Gerson has a follow-up.

COUNCIL MEMBER GERSON: Will the November plan in any way affects or limit the implementation of the Anti-Bullying, School Safety plan announced by the Mayor and the Chancellor not too long ago?

KATHLEEN GRIMM: Not one bit.

COUNCIL MEMBER GERSON: Okay. Thank

you.

[Pause]

CHAIRPERSON JACKSON: Let me turn to custodians, the PEG plan would cut school custodial budgets by \$4.1 million this year and 6.9 million in Fiscal '10. The custodians are expected to revise each school's custodial plan with their principals. What impact will the custodial cut have on school facilities and how would you monitor that impact and can you please put in--your answers in the context of the custodial budget cuts made during the last year?

KATHLEEN GRIMM: Well, last year, custodian--the custodial budgets were cut and then partially restored.

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: And by and large, the custodians were able to manage the resulting cuts, there was an across-the-board cut and that--much of that was restored [coughs] excuse me. Then there were some specialized cuts that we actually negotiated with Local 891 having to do with some special programs that had been in the contract for awhile. [Pause] This cut is, again,

across-the-board. It's a big cut on top of a cut last year--

CHAIRPERSON JACKSON: [Interposing]  
And will they also have to have their cuts approved?

KATHLEEN GRIMM: No, because the custodians, you know, are sort of independent--

CHAIRPERSON JACKSON: Independent consultants--

KATHLEEN GRIMM: --contractors--

CHAIRPERSON JACKSON: --contractors, yeah.

KATHLEEN GRIMM: --and I--we expect that the magnitude of the cut is such that they will have to lay off some of their helpers and assistants. We will work very closely with them and issue guidelines in terms of where we want them to look first in terms of supplies and things like that. In terms of the actual service levels, certain things will just have to be done, that cafeteria has to be cleaned up after every lunch hour, the bathrooms have to be cleaned when they need to be cleaned and routinely every day. There are things that won't get done as often. I always

say we have the best floors in New York City, our school floors sparkle, and maybe they won't sparkle quite as much. But obviously all of the, you know, the real safety and the health concerns are going to have to get done and we will continue to monitor that.

CHAIRPERSON JACKSON: And what about parents associations, students groups, CBOs , will they still be able to use school facilities after hours if these cuts are implemented?

KATHLEEN GRIMM: Yeah, we made no changes there. We didn't do anything to--no, we've made no changes to the extended use.

CHAIRPERSON JACKSON: And did you include, or did you not include, private custodians in this--at this PEG?

KATHLEEN GRIMM: They're not included in this cut. When we go back and look though at what--

CHAIRPERSON JACKSON: [Interposing]  
You know I'm going to ask why not because if everybody else is being cut...

KATHLEEN GRIMM: And it's a fair question, and we knew you were going to ask it so



I actually went back and we looked. They have taken, in the last go around, a more significant cuts than the custodians did because they're under contract, so we can't just cut them, but what we did in the last go around was we renegotiated the contract and reduced the payments to them. So on a percentage basis, they've taken more actually than the custodians have in the last few rounds. But we can't just reduce the contracts--

CHAIRPERSON JACKSON: Because you have a contract, you [crosstalk]--

KATHLEEN GRIMM: We have a contract with them. Now we did have some bells and whistles and we took that away the last time and I think we're down pretty much to the bare bones now.

CHAIRPERSON JACKSON: And when did those, for example, concerning the custodial contracts, expiration date on those?

KATHLEEN GRIMM: I think we just redid them. So they're probably going to be around for awhile.

CHAIRPERSON JACKSON: Okay. 'Cause it's a multi-year contract [crosstalk]--

KATHLEEN GRIMM: Yes, oh yes.

CHAIRPERSON JACKSON: Okay. Skilled trades, does the Department of Education want to cut 95 jobs in school facilities, most of which are school trade jobs or what's the update on that?

KATHLEEN GRIMM: Well 71 of them are in skilled trades.

CHAIRPERSON JACKSON: Seventy-one?

KATHLEEN GRIMM: Seventy-one.

CHAIRPERSON JACKSON: Are.

KATHLEEN GRIMM: Are skilled trades.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: Electricians, plumbers, carpenters. [Pause] And 24 are administrative people, strategic planning, some technical people, I think some quality assurance people. And the impact on the trades is going--I mean, one thing we will protect are the emergency funds, that something happens, we've got to go out no matter what and fix things. Painting won't happen as often, electrical, you know, if you need a new outlet, it's going to take you longer to get it.

CHAIRPERSON JACKSON: So, but will those cuts--do those cuts have to be approved like everything else in the process or, you know, you're saying that the custodians, because they are independent contractors that they don't have to go through the approval process, what about the skilled trades?

KATHLEEN GRIMM: What approval? Here?

CHAIRPERSON JACKSON: I'm just asking--

KATHLEEN GRIMM: Oh, what has--

CHAIRPERSON JACKSON: --a process question.

KATHLEEN GRIMM: --well, because there are citywide titles, we're working very closely with OLR and we have to sort of coordinate that and OLR helps us in terms of outreach to the unions and sitting down because the unions will get the list, they'll have to verify the seniority--

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: --there may be bumping throughout other city agencies, DCAS uses

a lot of these titles--

CHAIRPERSON JACKSON: [Interposing]

But that's a centralized process? So if I'm--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --a principal and my doors don't open and I need someone in right away or I have a bathroom that needs to be repaired, I'm calling it into whoever--

KATHLEEN GRIMM: You call your ISC and they will respond.

CHAIRPERSON JACKSON: Okay. Because are the skilled trades centrally located--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --or borough-wide?

KATHLEEN GRIMM: --no, Centrally.

CHAIRPERSON JACKSON: Okay. [Pause] So, in essence, will the skilled trade cuts impact the Department of Education's school opening and closing programs at all?

KATHLEEN GRIMM: No.

CHAIRPERSON JACKSON: It will not.

KATHLEEN GRIMM: No.

CHAIRPERSON JACKSON: Okay. But it

may take longer to make a repair.

KATHLEEN GRIMM: Absolutely.

CHAIRPERSON JACKSON: And I'm talking about a general pair, not an emergency repair.

KATHLEEN GRIMM: Right, correct

CHAIRPERSON JACKSON: Okay. Private funding [pause] how much public money, city, state, or federal, will the DOE use in Fiscal 2009 to replace private funding? 'Cause, as you know, with the market the way it is, private funding and a lot of program [crosstalk]--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --have been reduced.

KATHLEEN GRIMM: One that comes to mind is the UFT bonus that was private and now we're switching that to public funding. That is the agreement we have with the UFT to give bonuses to teachers and teams in schools. And that's--

CHAIRPERSON JACKSON: What's the value of that?

KATHLEEN GRIMM: That's \$20 million, that was from private funding as an initiative and

we're taking--we're picking that up this year.

CHAIRPERSON JACKSON: Well, I mean, is it because private finding has dried up or is not as much or is it what?

KATHLEEN GRIMM: It's all of the above, I mean, we're very concerned about where private funding is going to go because, like everything else in the world, there's less and less of it. But very often a private funder will give us money for a year or for two years to get an initiative off the ground.

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: You know, to see if it works, to see if it flies, and we think this one's been very successful, so now it's worth the investment of public money.

CHAIRPERSON JACKSON: And is that an agreement within their contract, the UFT's contract or is that as--

KATHLEEN GRIMM: [Interposing] It is an agreement we worked out with the UFT.

CHAIRPERSON JACKSON: As part of their contract.

KATHLEEN GRIMM: Essentially, yes.

CHAIRPERSON JACKSON: Okay. And how long is that agreement for?

KATHLEEN GRIMM: That I'd have to check for you. I don't know.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: The duration of that.

CHAIRPERSON JACKSON: How many ongoing new or soon to be launched program does the Department of Education now run with private support? I mean, I would assume right now that we're just trying to maintain status quo and not really opening up new programs. Do you have any new programs that are being launched or soon to be launched programs that you run with private money?

[Pause]

KATHLEEN GRIMM: There are--pardon?

[Off mic]

[Pause]

KATHLEEN GRIMM: What is that for? You know, I'll just--there are some capital projects that are--have some partnership money, but I'll--let me talk to the fund and our Office of Strategic Partnerships and we'll get that list

for you.

CHAIRPERSON JACKSON: What about early grade testing?

KATHLEEN GRIMM: Early--

CHAIRPERSON JACKSON: My understanding, early grade testing is private money, is that true or not?

KATHLEEN GRIMM: I don't think so. I don't think so, but we'll check--

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: --sure check that for you.

CHAIRPERSON JACKSON: All right well, please check on that, but is it safe to say that there's not going to be really any new programs launched with monies especially with all of the cuts that are taking place? 'Cause I've told constituents of mine that--I was at a Community Board 9 meeting last night and that with the way the economy is, the city, the state, the federal government, we haven't even felt the impact of the state yet. I mean--

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: --that, you



1 know, I'm telling everybody, let's hold on  
2 together and hopefully we will weather this  
3 together, obviously some people will lose their  
4 jobs, some people will be losing their homes, but  
5 if we stay together on this and just maintain--try  
6 to maintain where we are, then we will survive.  
7 So I want to be sure that you're not going to be  
8 launching any new programs that costs money when  
9 we're cutting back and employees are going to be  
10 laid off. That's what I'm asking.

12 KATHLEEN GRIMM: I see, well let me  
13 get back to you. What happens sometimes is that  
14 funders have--

15 CHAIRPERSON JACKSON: Stipulations?

16 KATHLEEN GRIMM: --ideas, you know?

17 CHAIRPERSON JACKSON: Okay.

18 KATHLEEN GRIMM: They are interested  
19 in certain aspects and certain programs and they  
20 want to fund it and sometimes it aligns with our  
21 goals and our vision, sometimes it doesn't. So  
22 there may be discussions going on with funders who  
23 want to fund some programs and I'm not aware of  
24 it, but we can find out for you.

25 CHAIRPERSON JACKSON: Okay. And if

you do have some where someone is funding a program in a school with private money, I think that that's good, but I don't--I'm just, you know, I'm weary as to saying, okay, we accept this money for two or three years and then the commitment, as far as the agreement, that we'll pick it up with public money after that.

KATHLEEN GRIMM: No, oh, I understand, oh yes, I get--I see.

CHAIRPERSON JACKSON: So that's--

KATHLEEN GRIMM: I see the concern, yes.

CHAIRPERSON JACKSON: --an issue of concern.

KATHLEEN GRIMM: Mm-hmm.  
Absolutely, I get it.

[Pause]

CHAIRPERSON JACKSON: I'm almost finished, I'm sorry, I just have to follow up on one or two questions. [Pause] Well let me thank you for coming in and answering questions, whatever follow-up questions we have, we will submit them to you in writing.

KATHLEEN GRIMM: Fine.

CHAIRPERSON JACKSON: I just--I want to say that while you've answered questions concerning buckets and categories and, you know, the impact as far as total dollars amount and total number of layoffs that are going to be occurring, I want to see the fine details and the impact it's going to have on our schools and, specifically, on what impacts it's going to have in the classrooms. So as I said earlier in my opening statement, you know, this is in general the situation as to how much money and, quite frankly, I cannot recommend approval just based on generalities. I need to know detail.

KATHLEEN GRIMM: That's understood and we are prepared to meet with your folks and share the details we do have, we don't have all of them yet--

CHAIRPERSON JACKSON: How soon they should be ready, give or take?

KATHLEEN GRIMM: Well, we have--what we have, we can share with you next week in terms of, kind of, the numbers that I highlighted today. The balance [pause] for Central, especially for the Central cuts, we expect that that's going to

take place over the next five weeks or so, in terms of making those decisions and implementing. The detail for '10 is going to take longer--

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: --because it's going to take more planning, but I think the main interest probably right now is on '09.

CHAIRPERSON JACKSON: I'm really talking about '09.

KATHLEEN GRIMM: Okay.

CHAIRPERSON JACKSON: Because the '09 basically is based on what, a half of a year?

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: Is that correct? Which is about implementation when schools open back up in January, is that correct?

KATHLEEN GRIMM: Not all of it will happen in January. For example, some of the layoffs, because we know, with the union layoffs in particular, we've got a very long process, some of them are scheduled--

CHAIRPERSON JACKSON: Notifications--

-

KATHLEEN GRIMM: --February, I

think.

CHAIRPERSON JACKSON: --seniority, whatever the contracts call for.

KATHLEEN GRIMM: Yeah, you know, we just--they're, just we know it takes time and so we didn't want to put up money--we didn't say it was all going to happen January 1st 'cause then the money's gone--

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: --and if we didn't think the process was complete. So there are varying dates and we'll share all of that with your folks.

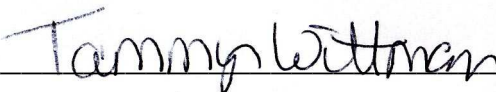
CHAIRPERSON JACKSON: Well I thank you all for coming in and we appreciate you sharing as many details as you could today. I just want to announce that on Monday, November 24th, Finance with Public Safety will take place at 10 a.m. here in the chambers, public's and at 11:30 Fire and Criminal Justice and Finance here in the chambers, at 1 p.m. Cultural Affairs and Finance, and at 2 p.m. the Subcommittee on Libraries and Finance, and at 3 p.m. Monday, this coming Monday, November 24th, will be the public

session, where we will have the opportunity to hear from anyone in the public that wanted to comment on any of the hearings--joint hearings with Finance and the various committees. I want to thank everyone for coming in and to--this ends this joint committee hearing on Finance and Education at 4:10 on Friday afternoon. Thank you.

C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in blue ink that reads "Tammy Wittman". The signature is written in a cursive style and is positioned over a horizontal line.Date December 5, 2008