

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON FINANCE, EDUCATION, HEALTH, MENTAL
HEALTH, SUBCOMMITTEE ON DRUG ABUSE, TASK FORCE ON
HOSPITAL CLOSING

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May 27, 2009
Start: 10:10am
Recess: 7:30pm

HELD AT: Council Chambers
City Hall

B E F O R E:

DAVID WEPRIN, ROBERT JACKSON
Chairpersons

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James Vacca
Peter F. Vallone, Jr.
Albert Vann

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

Joel Klein
Chancellor
New York City Department of Education

Photeine Anagnostopoulos
Chief Operating Officer
New York City Department of Education

Charles Hirsch
Chief Medical Examiner
Office of the Chief Medical Examiner

Thomas Lintern
Deputy Commissioner for Administration
Office of the Chief Medical Examiner

Barbara Butcher
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Alan Aviles
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Louise Cohen
Deputy Commissioner for Healthcare Access and
Improvement
Department of Health and Mental Hygiene

Adam Karpati
Executive Deputy Commissioner for Mental Hygiene
Department of Health and Mental Hygiene

Dan Lehman
Deputy Commissioner of Finance and Planning
Department of Health and Mental Hygiene

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

Andy Ryan
Executive Deputy Commissioner and Chief Operating
Officer
Department of Health and Mental Hygiene

Jessica Layton
Deputy Commissioner for Environmental Health
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Michael Mulgrew
Chief Operating Officer
United Federation of Teachers

Santos Crespo
Executive Vice President
Local 372

Judith Arroyo
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Local 436, DC 37, United Federation of Nurses.

Eddie Rodriguez
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Local 1549

Togba Porte
Second Vice President
Local 420

Barbara Ingram Edmonds
Director of Field Operations
District Council 37

Rochelle Manigault
Dental Assistant
Local 768

Catherine Abate
President and CEO
Community Healthcare Network

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

Myoke Jackson
Parent of two students at PS 21

Marissa Hunter
Fund Raising, Special Events Coordinator
Sickle Cell Thalassemia Patients Network

Fiona O'Grady
Representative
Samaritans of New York

Carmen Collado
Director of Public Policy and Government Relations
Jewish Board of Family and Children's Services

Philip Superior
Executive Director
Coalition of Behavioral Health Agencies

Carol Pittman
Community Affairs Representative
New York State Nurses Association

Barry Leibowitz
President
Doctors Council/SCIU

Leslie Joseph
Director of Dental Services
Children's Aid Society

Judy Wesler
Representative
People for Budget Coalition for Public Health

James Delastin
Pastor
Mt. Mora Baptist Church

Eric Weltman
New York City Advocacy Director
Alliance for Quality Education

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

Charlotte Coestra
Dentist
Oral Health Program

Dan Lowenstein
Director of External Affairs
Primary Care Development Corporation

Randy Anderson
Director of Social Services
SAGE (Services and Advocacy for Lesbian, Gay,
Bisexual, Transgender Seniors)

Sandra Hagan
Executive Director
Child Center of New York

Harriet Blank
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Margaret Mahoney
Dentist
Oral Health Program

Jean Guy Valcourt
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Carol Boyd
Parent Leader
New York City Coalition for Educational Justice

Valencia Grant
Employee
PS 21 Oral Health Program

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

Joyce Hall

Executive Director, Federation of County Networks;
Chair, Citywide Coalition to End Infant Mortality;
Representative, 37 community organizations funded
under New York City Council's Infant Mortality
Reduction Initiative.

Lucina Clark

Executive Director
My Time, Inc.

Matt Shotkin

Public Health Advocate

Danielle Marchione

Director of Communications and Government Relations
Citizens Committee for Children

Ann Bove

Registered Nurse
Bellevue Hospital

[gavel]

CHAIRPERSON WEPRIN: Good morning, and welcome to today's Finance Committee Hearing on the Mayor's Executive Budget for Fiscal Year 2010. My name is David Weprin, I Chair the Finance Committee. Today we'll begin the Executive Budget Hearing with the Education Committee Chaired by my colleague, Robert Jackson, to my immediate right. And we will hear testimony from the Chancellor of the Department of Education, Joel Klein. The Fiscal 2010 Executive Expense Budget for the Department of Education is \$18.3 billion. Although this is nearly \$1 billion more than the preliminary budget, the increase is primarily a result of increased federal stimulus funding from the American Recovery and Reinvestment Act. The Department of Education will however continue to see a drop in City and State funding. City support will decrease by \$66 million and State funding will drop by \$310 million. Among the many affects of these decreases is funding, in funding, are drops in personnel and decreases in universal pre-kindergarten funding. 70 percent, or \$13 billion

of the Department of Education's Executive Budget will go to fund employees' wages, salaries and fringe benefits. Although the Department of Education is committed to avoid laying of teachers, the full time equivalent headcount will drop by 1,225 positions. Universal pre-K funding for public schools will also drop by \$65.8 million in Fiscal 2010 compared to the current modified budget. These changes clearly affect the Department of Education's core responsibility of providing robust primary and secondary educational services to our children of New York City. To discuss just how much of an effect this decreased funding will have on our children, we will hear from the Department of Education Chancellor Joel Klein. In the afternoon, we will be joined by the Health Committee to hear testimony from the Office of the Medical Examiner, the Health and Hospitals Corporation, and the Department of Health and Mental Hygiene. Let me introduce our colleagues that are here. We have Council Member Jimmy Vacca from The Bronx, Council Member Vincent Ignizio from Staten Island, Council Member Alan Gerson from Manhattan, Council Member Lew Fidler from

Brooklyn. And I'm going to turn it over to, and we have Tanisha Edwards, my Counsel to the Finance Committee, and Preston Niblack, Director of Finance. And I'm going to turn it over to my co-chair Robert Jackson.

CHAIRPERSON JACKSON: Thank you, Chair Weprin. But also we have our Education Committee staff members, Aysha Shomberg to my right, who's Counsel to the Education Committee; Regina Poreda-Ryan, who is sitting next to her, stepped up for a second, she's our Finance Budget Analyst.

CHAIRPERSON WEPRIN: I think Regina's shy, she didn't want to be introduced, so she ran away.

CHAIRPERSON JACKSON: And Jan Atwell is our, our analyst on the Education Committee. And welcome to today's hearing on the Committee on Education and Finance, to review the proposed Fiscal 2010 Operating Budget for the Department of Education. The Executive Budget for the Department is \$18.3 billion. \$654 million more than the Fiscal 2009 budget, and almost \$1 billion more than the, more than the preliminary

budget for the Department. And as you know, the preliminary budget came out in, when was it, January, I believe. The growth is due to new federal stimulus aid for the schools. City funding in the Department of Education's operating budget is \$66 million less than this year. State funding drops by \$310 million. As you might recall, in my opening statement for the hearing on the Department of Education's preliminary expense budget for Fiscal 2010, I placed my emphasis on the word "preliminary." Preliminary because it, one, showed no federal funding increase; and two, projected 15,000 teacher layoffs. Clearly, that was a very preliminary budget. Today, the Department's expense budget seems almost fixed, in both senses of the word. The federal government has fixed or repaired the budget by sending an amazing rescue package to our schools. \$961 million this year and next, will fill the State's and City's school budget holes, almost. The doomsday scenario presented in the preliminary budget, whereby 15,000 of the 60,000 or so teachers would be laid off, has been averted, thanks to the American Recovery and Reinvestment

Act, commonly known as the Stimulus Act. The Department's budget also appears to be fixed insofar as the Department has come up with a method of funding schools next year, so that all schools will suffer approximately the same percentage budget reduction, under five percent; changing the distribution of school funds at this point in time, would seem to be nearly impossible. From a certain perspective, the Department's budget does seem to be fixed. The devastating cuts to schools have been avoided, and the school budgets that have been established and presented to principals seems fair. Unlike the situation at this time last year, no particular type of school will suffer huge cuts, while other see their funding grow. However, from another perspective, a longer term perspective perhaps, the school budget does not seem fixed, nor should it seem set. City and State cuts to the school system remains. The new federal funding has not filled all of the holes. And as you know, it's not permanent. Since the City Council adopted the budget last June, the City has introduced cuts known as PEGs, Programs to Eliminate the Gaps.

These PEGs, to the Department's budget for Fiscal Year 2010 totaled \$793 million. Of these PEGs, \$691 million target schools directly. The State, too, has cuts. The Foundation Aid, the funding that goes directly to schools, has been held flat. This freeze amounts to a cut of hundreds of millions of dollars. The State has proposed, has postponed its compliance with the Campaign for Fiscal Equity Decision. These decision by the Administration and the State to cut education funding, has led to direct school budget cuts. The school budgets, established by the Department of Education, include cuts of more than \$400 million. The school cut seems to be more evenly distributed among schools this year than last year. But they are deeper. Teachers will not be laid off, but there will be fewer teachers, and there will be fewer schools aides, and school secretaries, and guidance counselors, and cleaners, and paraprofessionals--fewer people to educate New York City's 1.1 million students. How these decisions and theses cuts will impact our schools and students next year, and in subsequent years, we will discuss today. I look forward to

hearing from the Chancellor, how he plans to achieve these budget cuts imposed on the Department of Education, without impacting student achievement and learning. With that, I am ready to hear from the Chancellor, after we introduce our additional colleagues.

CHAIRPERSON WEPRIN: Yeah, we've been joined by Council Member Simcha Felder from Brooklyn, Council Member Oliver Koppell from The Bronx, Council Member John Liu from Queens, and Council Member Peter Vallone, Jr., from Queens.

COUNCIL MEMBER: Excuse me Mr. Chair, we're expecting written testimony imminently.

CHAIRPERSON WEPRIN: Yeah, Chancellor, do we have written testimony.

JOEL KLEIN: Apparently its on the way, so. Before it got out. [laughter] I'll be happy to do so.

CHAIRPERSON WEPRIN: Just talk slowly.

JOEL KLEIN: Alright. First of all I want to say thank you to Chairman Weprin, Chairman Jackson and the members of the Committee

on Education. Appreciate the opportunity to testify about the education budget for Fiscal Year 2010. I'm joined today by our Chief Operating Officer Photo Anagnostopoulos, and our Chief Financial Officer George Raab. Let me just say at the outset, to both the Chairs, I appreciate the measured nature of your comments, and I know that all of us would rather see a budget growth in the Department of Education. Especially you know how painful this is to you, Chairman Jackson, because of the work you did in the Campaign for Fiscal Equity and your strong leadership in that area. I assure you like you, I would like to see more funds in our operating and more funds in our capital budget, but obviously we have to deal with the realities of the current economic environment. The good news is, when I testified before you in March, I described a budget situation that was considerably worse than it is today. At the time we were looking at numbers that would've forced us to cut school budgets by at least an average of six percent, with some schools taking a cut as big as 13 percent. While our schools were will face cuts this year, by working with our partners in

Albany and here in the City, we were able to reduce the decrease in schools budgets and ensure that no school bears an undue burden. I want to thank you and your counterparts in the State legislature for your leadership, and for your assistance in this matter. As you know, and we all know this, this is a tough economic year, not just in New York City, but across our state and indeed our nation. Tax receipts are down, and the State and City simply cannot afford to spend as much on our schools. As I testified in March, the federal stimulus package makes the situation more bearable, but does not make us whole. In sum, where we now are is as follows: after we take another round of administrative cuts, and after accounting for the \$95 million that our schools were able to roll forward from this year into next year, in aggregate the schools will face a cut of 3.8 percent. While we're able to use federal stimulus dollars to avoid teacher layoffs, our principals will still have to make the hard choices as they decide how to spend limited resources and where to cut back. Just as people are doing across this City and our country, our

schools will have to do more with less. We accept, expect some of our schools will cut back on afterschool programs and professional development; others will eliminate nonteaching staff in their schools. And although attrition will enable the system to avoid teacher layoffs this year, some schools nevertheless will need to reduce the number of teaching positions in their schools in order to meet the budget cuts. In Fiscal '10, our total budget is approximately \$22 billion, and that includes pension and debt service--the numbers the chairman used were our operating budget. All in, that's a total of just under \$1 billion increase from last year. Obviously, in most areas, having a billion dollar increase would be cause for celebration, and we are of course grateful for this increase, and especially grateful to Washington, D.C. But at the same time, as our available funds are increasing, our costs are increasing by more than \$1.4 billion. Most of the increase is in expenses outside of our school's budget. We need slightly more than \$330 million to cover the growth in pension and debt service. We also are

experiencing a \$920 million increase in non-school, non-discretionary expenses including in the executive budget. While these costs are not in the school's budget, they do represent expenditures for services that are vital to providing an education to New York City students. This increase in non-school expenditures includes \$360 million in rising costs for mandated instruction for special ed; increased expenditures on services for students in District 75, our highest need special ed children; related services for special ed students; special education pre-K; and special education instruction for students in contract schools that the Department is obligated to pay. We'll spend an additional \$46 million of this non-school increase to cover higher costs for basic operations, like transporting and feeding our students, and for leasing and operating school buildings. This increase in non-school expenditures also includes dollars to compensate the City's educators at a level that helps to attract and retain a higher quality teaching force, obviously critical to us; with \$515 million to cover increase in fringe benefits in collective

bargaining. In addition to the non-discretionary costs accounted for in the executive budget as just described, we're also projecting an increase of \$187 million in costs related to school budgets and completion of support systems. This includes an increase in actual expenditures of \$170 million, 90 percent of which will pay for a combination of mandated special education costs for collaborative team teaching, and increases in compensation due to the rising seniority of our teaching force. And I think that's a good thing, because it'll mean our teachers are staying in the system longer, and obviously the more senior, the more experienced they are, that helps us. The remaining ten percent of this increase will pay for replacing failing schools with new schools, opening new transfer schools for children who didn't find their first high school to work, and the development of a special ed student information system that's vital to our special ed program, as well as a parent 3-1-1 system. In addition, there is about \$46 million of Title I and IDEA funds. Those IDEA funds are for individuals who, with developmental disabilities

we're required to pass through to non-public schools and charters. And another \$34 million in funding targeted to specific schools to meet the special educational instructional requirements. As noted earlier, we'll see an increase of just about a billion dollars in our overall budget. That increase comes about through a variety of shifts. The City is giving us an additional \$419 million, much of that will cover pension and debt. At the same time, we're facing a \$20 million reduction in grants and a net decrease of funding from the State of \$359 million. That decrease reflects a combination in a decline of unrestricted aid offset to some degree by an increase in funding for transportation and special ed. The largest increase has been mentioned, is the \$952 million that comes from the federal stimulus package. The dollars from the stimulus package come to us in four buckets. For each of the next two years, the DOE will receive a 50 percent increase in Title I funds of \$335 million, and a 60 percent increase in IDEA funds of \$158 million. These are earmarked, and it must be used according to the current set of regulations

governing Title I and the IDEA. The City is also receiving two types of stabilization funds: the American Recovery and Reinvestment Act, known as ARRA, requires that 82 percent of the stabilization funds be spent by the State on education, according to the State's own funding formula. State of New York chose to fulfill this requirement by restoring the funds pulled out of the deficit reduction assessment of \$362 million. The ARRA also allowed states to choose how to use the remaining 18 percent within certain categories. We're grateful to the Governor and the State legislature for choosing to allocate some of those funds to eliminate the shift of pre-K special ed costs to the City, and to other school districts. In effect, this is the equivalent of us receiving an additional \$97 million, and unlike the IDEA and Title I funds, the stabilization funds are unrestricted in their use. Bottom line, when you compare our increases in expenditures, \$1.44 billion, to our new funds, just under \$1 billion, we have a gap of \$452 million. With the limited flexibility in our budget, we must fund this gap from savings

garnered, savings garnered from reductions in central and field budgets, as well as from the schools. To be clear, although we have a budget of \$22 billion, we have limited ability to make reductions to half of the expenses in our budget. Funds for special ed, pension, debt service, cannot be reduced, and we have only limited flexibility, obviously, to cut back on transportation and food. In all, about only half of our dollars are available for reduction and close to 90 percent of those dollars go to commitments under our collective bargaining agreements with our employees. So you see we have very little discretionary money in our budget. To help reduce the \$452 million gap, we're going to take an additional \$20 million in central and field office cuts. In a recent PEG, we took \$27 million that will be rolled into next year. So, all totaled, that's \$47 million, and brings us to a gap of \$405 million. The gap is then reduced by the additional \$95 million at our schools, wisely rolled over from last year. And I give our schools a lot of credit. So in the end, we're down to \$405 million, which is in effect an

average cut of 3.8 percent to our schools. Which is, in dollar terms, about \$310 million from their approximately \$8 billion budgets. Let me remind you in the past three rounds' cuts, we've done all we could to minimize budget cuts to the schools, extracting as much in savings as possible, out of our administrative non-school spending. Since the mid-fiscal year 2008, when the first of the budget cuts was implemented, central and field budgets have been reduced by twice their share of the reducible budget, while school budgets have been reduced by half their share. Since fiscal '08, we have taken a 13 percent cut to the central and field budgets, versus the three percent cut to the schools. In this time, we have eliminated 550 central and administrative positions, which is the equivalent of an eight percent reduction in our staff. Importantly, during this time, we did not lay off school staff. As a result of prior cuts, and this is an important fact, our central and field budget have now been whittled down to just three percent of our total DOE budget. The remaining central costs support critical functions like payroll, human resources, procurement,

technology, legal and accountability. In reducing our budgets, we work to both minimize the cuts to schools and distribute the impact as evenly as possible. Nearly all schools total budgets prior to the roll forward of funds were reduced by the same proportion. Schools receive their Title I and IDEA dollars from the stimulus package according to the statutory formulas. After the schools were allocated those funds, we then allocated stabilization funds that I described earlier, in way that allowed us to equalize the cut to the total budgets. Due to the large increase in Title I that some schools received, due to their very high percentage of students at or above the poverty level, some school's budgets were cut slightly lower. When the funds rolled forward are taken into account, schools will be cut slightly less or slightly more than 3.8 percent, depending on how much they roll forward. Nearly 60 percent of our schools did roll money forward for a total of \$95 billion that they will be able to use in the next school year. By cutting our schools proportionately, as Chairman recognized at the outset, we're basically

implementing a equitable process started by fair student funding formula from a couple of years ago. Underfunded schools are still relatively better off today, but at the same time we want to hold schools harmless so we don't disrupt schools, as well as to make sure they aren't doubly hurt by a budget cut. It would be operationally unmanageable for these schools to lose their hold harmless dollars, in addition to budget reductions at the level we're talking about. This year, even though our budget situation is less than ideal, our principals working with the school communities will maintain the discretion to manage their budgets, to best meet the needs of their students. And I think this is a really critical point. Principals are in the best position to know, working with their communities, what students and schools need to excel, and will give them the support and flexibility they need to focus on academic achievement. While we expect some teaching positions will be eliminated, we're going to manage this at the systems level to ensure that we do not lay off teachers. Even in this economic downturn, we expect that attrition within the

system will absorb those teachers who lose their positions due to budget cuts. We have increased the quality and experience level of our teachers over the last few years. If we were to do layoffs, the first to go would be many of the talented young teachers whom we recruited and worked hard to retain. This is because any layoffs of course are done by seniority, and would require us to force place teachers until the least senior teachers were laid off. This bumping of staff would be bad for our schools, and would cause the kind of disruption that we all agree needs to be avoided. The magnitude of the cut, nevertheless, requires us to place some restrictions on hiring. It's not a hiring freeze; principals can still decide to hire whom, in the system, so long as the teacher comes from currently within the system. Nobody will be force placed on a school, in terms of teachers, guidance counselors, or assistant principals. The available pool for hiring will be composed at the outset of those teachers and other staff whose positions were eliminated due to the budget cuts over the next few weeks. Those who chose to move

to one school to another, through the open market process that we negotiated with the UFT, as has happened in past years, and those who currently are in the ATR, which is the teacher reserve excess pool. We've placed restrictions on hiring and other school based staff, to prevent the size of the excess pool from growing, and therefore to minimize the need for non-teaching layoffs. This is not a preferred strategy, but in the circumstances, warranted. We'll monitor the staffing situation closely, and we'll lift hiring restrictions in shortage areas or parts of the City if it becomes appropriate. That's something we're eager to do, but we must avoid a situation in which the number of excess teachers grows. Already we have 1,100 teachers in excess at a cost of about \$100 million a year. If it were to rise, if that number were to rise, we'd have to take even deeper cuts from the school's budgets. And that's what we're working to avoid. In conclusion, schools received their budgets last week. They've had a month to work, they now have a month to work with their school communities and our DOE reps before submitting their preliminary

budgets to us in June. During this time, we're working hard to support the schools and to help them help our students succeed and build on their recent successes. I've been talking to principals a lot about this in a webcast and two in-person sessions I've had in the past few weeks, numerous emails and personal conversations. I believe our school leaders understand the difficulty in this situation, but are working hard to make the situation work for our students, our schools, and our communities. Despite the downturn in the budget, and the increased challenges our schools would face, we must continue to emphasize that the principals and all other DOE employees remain accountable for further improving student achievement. The results on this year's English language arts test that the State Education Department recently announced are a strong tribute to our schools and our teachers and our school personnel, in their ability to make progress even in the face of the budget cuts of the past 18 months. I am confident this progress will continue. I'm grateful for the important role the Council has played already in keeping as much

money as possible in our public schools for the coming year. And I look forward to working with you in the months ahead to ensure that our schools and students receive the resources they need and deserve. Thank you for your time and attention, and obviously we welcome your questions.

CHAIRPERSON WEPRIN: Thank you, Chancellor, we've been joined by a couple more colleagues. We have Council Member Simcha Felder from Brooklyn, Council Member Dan Garodnick from Manhattan, and Council Member Jim Oddo from Staten Island and Brooklyn. Chancellor, last week the Department of Education sent each school its preliminary budget for the coming school year, which you mentioned in your testimony. Before the unspent school funding from this year, which is about \$95 million, is rolled into Fiscal 2010, the school budget cut is just under five percent. Rolling the \$95 million lowers the school budget to 3.8 percent, which is I believe the number that you referred to in your testimony. Can you run through for us the major allocation or funding streams that fund the school budgets, and tell us the total value of each in Fiscal 2009 and 2010?

JOEL KLEIN: I can run through the streams. It's possible that Photo has the precise dollars. But the critical streams to our schools are obviously City tax levy moneys, which have been decreased. Then there is federal Title I moneys, federal monies under the IDEA, and then State moneys, some of which come to us in unrestricted forms, and some of, like our C4E [phonetic] moneys come to us in restricted forms. And I can either submit to you, line by line, how much each of those are, but those, there's also a couple of categorical federal and state programs. But those things I just called out are the major sources of funding for our schools.

CHAIRPERSON WEPRIN: Okay, can you, if you could provide us with those details, to the Finance and Education Committee before--

JOEL KLEIN: You want to, she can give them to you, you want her to read them - -

CHAIRPERSON WEPRIN: Yeah, if you could give it to us, sure.

PHOTEINE ANAGNOSTOPOULOS: Okay.

CHAIRPERSON WEPRIN: Why don't you run through it.

PHOTEINE ANAGNOSTOPOULOS: Okay, the major funding streams that we have for this current school year are our Fair Student Funding. And that is roughly \$5 billion that will take the largest percentage cut as we allocate out the decreases in the budgets. You then have the Contracts for Excellence funding, which will remain flat for the year, we're not allowed to reduce that. There was no increase in the foundation aid as you pointed out in your opening remarks. And so that stays the same. There's roughly \$520 million of Contract for Excellence funds that are sitting in the school budgets right now. We will see, as the Chancellor mentioned, a 50 percent increase in our Title I funds. There were about \$535 million of Title I funds that were in our school budgets. We will now have an additional \$335 million. In terms of IDEA, there was roughly \$239 million of IDEA funds in the school budgets; we're now going up another \$158 million. And those are your major funding streams. As the Chancellor mentioned there are odds and ends out there if you will, but those are, those make up over 80 percent of our budgets.

CHAIRPERSON WEPRIN: Okay. Can you explain to us how the Department of Education managed to even out the school budget cut amongst schools this year? Last year, the Department of Education's preliminary school budgets left schools with more affluent and higher performing students with larger budget cuts, while higher needs students saw budget increases. Can you explain to us, you know, what happened this year?

JOEL KLEIN: Sure. Well, first of all, let me thank you for last year, because you helped us even out those differences last year, and we're enormously appreciative. What happened this year that was different is under the federal stimulus package, there were certain buckets. Not the IDEA or the Title I, but there were other moneys that flowed directly through the State to us, and we had discretion how to distribute 'em. So when we saw some schools would be taking, as I told you in March, a ten or a twelve percent cut, we gave them more of the stimulus package. So that we distributed basically the cuts equitably. But the way we did it this year, which we couldn't do last year, is through the federal stimulus

money.

CHAIRPERSON WEPRIN: And that money didn't have the same restrictions, you're saying?

JOEL KLEIN: No.

CHAIRPERSON WEPRIN: Okay.

CHAIRPERSON JACKSON: And following up on that question, did you, the schools that you felt needed to be given more in order to equalize it, were those schools that were Title I schools non-Title I schools? Were they in a geographical area? Can you be a little more specific as to how those schools came out to stand out? Was it based on population? Was it based on race/ethnicity? Was it based on reading scores? What brought that about?

JOEL KLEIN: - - All those other factors go into fair student funding, as you know; in other words, reading scores and poverty and so forth. But the way you, if you listen to what Ms. Anagnostopoulos said [laughs] it's a tongue-twister.

CHAIRPERSON JACKSON: Yes, I guess that's why they call her Photo. [laughter]

JOEL KLEIN: Exact--thank you. So

number one, there are requirements for IDEA, there are requirements for Title I. We lowered the Title I requirements because we got a lot of Title I money this year, so in the past you should typically be 60 percent free lunch. Now we took it down and made many more schools, about 180 more, eligible for Title I. But schools that got a lot of Title I money, schools that got a lot of IDEA money, and schools that got the C4E money, those schools tended to be relatively speaking overfunded. And then the other schools, typically like we faced last year, often schools that don't get Title I or C4E, are usually the same schools, have fewer children of poverty. So those schools get more of the distribution of the stimulus package. But in, we start with this core of \$5 billion, which we also distribute, based on need, which takes into account things like lower reading scores or child poverty and background. So, but where we have to compensate, just as we did last year with this Council's help, is in those schools that don't get the three major funding streams that I just mentioned: Title I, IDEA, all of them get some IDEA, but not a lot--and C4E.

CHAIRPERSON JACKSON: How many schools that you equalized through the federal stimulus moneys?

JOEL KLEIN: You mean how many we brought up through the use of--

CHAIRPERSON JACKSON: Yeah, how many you brought up to--

JOEL KLEIN: Do you know the number?

CHAIRPERSON JACKSON: Was it 50, 100, 500? How many?

PHOTEINE ANAGNOSTOPOULOS: Yeah, the way that it actually worked is there were under 100 schools that didn't get any stabilization funds. There were some schools, as the Chancellor mentioned, that receive so much Title I dollars, and actually so much in terms of the IDEA funds, that they will actually have less than the 4.9 percent cut. And then they add the roll, and there'll be even a smaller cut. But on the whole, almost all schools received stabilization funds. A very small percentage didn't. There are 112 schools that are not Title I, and so that they--

CHAIRPERSON JACKSON: In the City overall? 112, or just--

PHOTEINE ANAGNOSTOPOULOS: In the City overall.

CHAIRPERSON JACKSON: Okay.

PHOTEINE ANAGNOSTOPOULOS: Because of the, reducing the poverty level, and also going to reduced lunch. So 112 were fully funded by stabilization funds.

CHAIRPERSON WEPRIN: Well, I appreciate it. I think most of those 112 schools are in my district, 'cause that's been an argument that I've had with the Department for, you know, going back eight years, that, you know, the fact that most of the schools in District 26, which I represent, are not receiving Title I money that they've been shortchanged over the years. So, I'm finally happy to see that there is some equity, at least, as far as the federal stimulus money to make up for some of that, you know, forfeiture over the years. In the schools budgets for next year, what proportion of the funding available to principals is discretionary? And has this proportion changed over the last few years? And

what is the significance of the principals' loss of discretionary spending?

JOEL KLEIN: Virtually all their moneys are discretionary, although as I said in my testimony, most of their money, probably some 88 or 89 percent of it goes to personnel. So they're, other than personnel services, is usually a relatively small part. And obviously, this year, that's why I said, some schools, when we analyze this, Chairman Weprin, by looking at the various schools, some schools have a relatively high cost of personnel, in the 90 percent, and those schools will have to probably cut back by eliminating some personnel positions through attrition, we hope, but if necessary through excess or layoffs. And second of all, those schools that have higher amount of OTPS, they will cut through that mechanism. But overall, our schools have enormous discretion over their budges. But in the end, a 3.8 percent cut really cuts at a significant portion of the flexible part of their budgets.

CHAIRPERSON WEPRIN: Okay, thank you. I think we've been joined by Council Member

Jessica Lappin, from Manhattan. As a follow up, given the midyear school cuts last year, and the midyear cuts this year, and the proposed very large budget cuts for next year, what guidance have you given principals in planning this school budget for next year? And how does that flow of information go, you know, vis-à-vis your office or central administration and the principals?

JOEL KLEIN: We've given 'em very extensive, careful guidance about personnel issues, because as I explained in my testimony, this affects us greatly. And so if people, excess teachers and our excess reserve pool grows, we have to absorb that cost, which will lead to more cuts. We have had a webinar, it's a new modern world, with close to 1,000 principals, in which we discussed these issues at length. We have had two personal meetings, one at Tweed and one at Murray Bergstrom, where several hundred principals attended to talk about the issues. We field lots and lots of emails. But in addition, every one of these schools has through their ISC in the field, a budget liaison and contact, who will be working with them. The guidance we've given them is

basically to look very hard at non-personnel expenditures. And to see which of those you think you can extract cuts from. Some of them probably easier than others, some of them in terms of maybe a professional development program, while we hate to see it cut, school could avoid that. Some of them in terms of sort of certain programs that they have that they think are, shall we say, less essential than others, they'll cut that. Some of them, because of what I just said to you, Chairman Weprin, we'll have to cut some personnel, and we, we know that, as well.

CHAIRPERSON WEPRIN: We've been joined by Council Member Albert Vann from Brooklyn. Just one other area, then I'm going to turn it over to Chair Jackson. When it comes to class size reduction, why did the Department of Education fail to lower early grade class sizes this year? The schools allocated approximately \$84 million or 35 percent of their discretionary C4E funds to class size reduction efforts, yet overall class sizes went up this year, particularly in the, the early grades. Can you comment on that? And--

2 JOEL KLEIN: Yeah, sure. I think a
3 combination of two factors. You mention the C4E
4 funds, but significant numbers of schools didn't
5 get C4E funds. And last year, as you pointed out,
6 we had a PEG in the schools, then as a result of
7 that slightly grew class size in some schools. If
8 you grow it by one or two kids, it has a decimal
9 point impact on the system. The overall growth
10 last year was really very small; nevertheless,
11 nobody likes to see class size grow. But that was
12 probably due more to the fact of the PEG, and the
13 impact on the schools. The other thing that
14 always affects class size slightly, is just the
15 enrollment issues. So in a lot of schools, and
16 you're familiar with this, as their enrollment
17 grows, and where they might've had three classes
18 of 20 in kindergarten, if they get up to 20, if
19 they have, instead of 60 kindergarten kids, they
20 get up 68 kindergarten kids, they go up to 22 or
21 23 in the class. And until they get to the
22 limits, the contract limits, they grow it. So,
23 it's a combination of really of budget cuts. I
24 mean, in the last seven years since we started in
25 the early grades, class size has come down almost

consistently and quite close to 20 to 1. There was a small uptick last year, and I think that was due to the fact that schools absorbed a three percent PEG.

CHAIRPERSON WEPRIN: And what should we anticipate for next year? Are class sizes going to increase next year?

JOEL KLEIN: I think they will increase, not dramatically, and the reason I think that is I expect some schools will not fill vacancies when teachers leave. You won't see layoffs when we are doing everything in our power to make sure where teachers remain in the system are hired. Until I start to see from the schools, which I'll know in the next two weeks, and I'm happy to meet with the Council or talk to any of its members, until I know how the schools plan to achieve their reductions--and I remember last year the Chairman asked me, Chairman Jackson asked me, to explain how they did it. And we'll be aggregating that information for you, then I'll have a better sense of, let's just say there are, don't hold me to numbers, 65,000 classroom teachers, I'll know exactly or roughly how many

there'll be next year. And basically our enrollment from last year, from this year to next, is constant. So, if the teaching core goes down some through attrition, we'll have to deal with that.

CHAIRPERSON WEPRIN: Okay. Well, we'll be monitoring it. And if you could keep us abreast of the statistics as you get 'em.

JOEL KLEIN: Happy to do so.

CHAIRPERSON WEPRIN: Okay, I'm going to turn it over to Chair Jackson.

CHAIRPERSON JACKSON: Thank you, Chair Weprin. I'm going to ask a couple of questions, then I'm going to turn it over to my colleagues, and my colleagues, we're going to put a five minute limit on the first round of questions. And if you exceed that and wish to come back for a second round, we'll put your name on the list for a second round. I want to stay with class size reduction for a minute. I think the, not I think, the Chair asked questions about will class size increase, and I believe your response was, it will, in your opinion, a little. But my understanding is that we still give school

funding that is restricted for class size reduction. And if that money is strictly for class size reduction, then, and if class size is going up, then how is it being used to reduce class size, when class size is going up?

JOEL KLEIN: It's--

CHAIRPERSON JACKSON: I mean, that just, just doesn't seem like [crosstalk] it's like a square peg, trying to fit into, you know, a round hole.

JOEL KLEIN: So, so, this is the problem when you have a budget made up of multiple funding streams that Photo explained to the Chairman. So, your C4E money, which will be targeted to class size, or early class size reduction money, that has to be spent on class size. But if other parts of your budget, such as Fair Student Funding, if those parts are cut, which is basically tax levies, City tax levy money, if those parts are cut, you may, under those parts, reduce your staff, even though you have to use the C4E money for class size. And that's just the fact, one of the great confusions about our budgets are, people look at the streams,

but a school looks at its integrated budget. So if it takes a, let's just say a five percent cut in fair student funding, even if it's got, let's just say it's got a few hundred thousand dollars in C4E, if it takes a \$300,000 or \$400,000 cut in Fair Student Funding, it may have to reduce teacher, even though it got the C4E. If it hadn't got the C4E, they'd have to reduce two teachers. So that's what makes this problematic.

CHAIRPERSON JACKSON: Well, you know, and I understand your explanation, but it still doesn't seem that, that it fits, because obviously if, I can understand a principal or school leadership team working out the fact that this is a pot of money that we have to deal with, in order to staff and educate and make sure the school has supplies. But if money is restricted, can only be used, and principals and you as the Chancellor, are certifying to the State of New York that the money is being spent strictly on restricted activity, how can we see locally and borough wide or citywide, that the money is being spent in order to, for its sole purpose, and in this particular instance the sole purpose is to

reduce class size, when class size is not reduced?

JOEL KLEIN: Sure. Let me see if I can explain it in a slightly different way, but I understand the point you're making, but from the school's point of view, if it targets this money, and we need, and we do follow their money, and we will show you, I'm going to say that every single school did exactly what it needed to do, but the schools take their C4E money, they've got to do several things with it, and they've got some options. But they've got to do class size, or there's several other buckets, one, one dealing with English language learners, one with teacher excellence, and so forth. And we need to show to the State that those moneys, what is it, \$525 million or so, are spent in that way. And the schools got to create the trail that we--and document that. But now lets say they did that, and therefore they hired, let's just say, at the Robert Jackson Academy, they hired two additional teachers to lower class size, with their C4E money. And at the same time, if they got cut in their City tax levy money, they may have to lay off three teachers. So, they would've been down

five if they hadn't gotten C4E; now they're only down one. But they're still down a teacher, and that's just because the driver in our budget, which I've not done a good job explaining to people, is not C4E. Now, if our tax levy were going up, as it was two years ago, then the class size money would be gravy and people would be simply lowering class size with it. But if their main bucket of money is going down, which is their Fair Student Funding tax levy money, they may have to cut even though they had to add under C4E. And it's just a question of how much the budget is impacted.

CHAIRPERSON JACKSON: Now, each school has to certify that they're using that money in order to reduce class size, is that correct?

JOEL KLEIN: They do, they have several variables, it's not just class size.

CHAIRPERSON JACKSON: Okay.

JOEL KLEIN: There's, under C4E, as you know better than anyone, there's several variables. Yes, they do.

CHAIRPERSON JACKSON: And so, a

school leadership team or anyone could ask the school, how much money are you receiving for class size reduction, and how that money is being spent, and they should be able to receive an appropriate answer?

JOEL KLEIN: That's correct.

CHAIRPERSON JACKSON: Okay. Now, I just want to stay on the fact that, you know, as you know, that approximately 3,200 students are being transferred, to my knowledge, or being eliminated from daycare, and they're going into the system, to the New York City public school system. And I held a press conference earlier where about a billion dollars has been spent since the 1990s to reduce class size. And one of the, I believe your proposal is that kindergarten class size could be increased up to 25 per students per class, as a result of this transfer of about 3,300 students to the Department of Education. That seems to go against everything that you've been doing overall, and especially spending over a billion dollars to reduce class size, when you project that 25 students would be in kindergarten next year, as a result of the students that

normally come into the schools, and then subsequently as a result of it, approximately 3,200 more students coming into kindergarten. Can you please explain the logic of that?

JOEL KLEIN: It's not--

CHAIRPERSON JACKSON: It just doesn't make sense to me.

JOEL KLEIN: It's not a question of logic, it's a question of necessity, right. When we have to, I mean, when a kid is not in another program, and he wants to come to kindergarten in our schools, we make it available to them. And so as a result of that, we'll have to absorb those children during a declining budget season. Now, my hope is that the schools that they go to will not have, for example, if they are at 20, and they have to go to 21 or something like that, that's one thing. But under contract, I believe we can go to 25. It's not ideal, it's not a situation I was rooting for or looking for, but it's a situation created by the fact that ACS is no longer providing them the services that they used to provide 'em, in order for them to deal with budget cuts. And so, I've got to provide those

kids the services.

CHAIRPERSON JACKSON: Chancellor, you know, I can understand as a Chancellor you saying that you must provide if in fact ACS decision, but we're not dealing with separate individual, even though they're agencies, we're dealing with one executive budget. And so, your, the Mayor has proposed an executive budget and ACS reports to the Mayor, and you report to the Mayor. As far as I'm concerned, it's one person making the decision: Mayor Bloomberg. As a result of trying to save \$15 million from ACS, we've spent a billion dollars to reduce class size, and class size is going up in kindergarten. It just doesn't make sense, and I'm trying to understand the logic from either you, and I asked that of Mark Page when he was here. And Bill de Blasio asked it, has been asking it. It just doesn't make common sense to transfer these kids, for a saving of \$15 million, when we spent over a billion dollars to reduce class size. It just doesn't--Have you talked to the Mayor about this particular matter?

JOEL KLEIN: Well, as you know, my discussions with the Mayor remain with the Mayor.

But I would invite the Council to discuss as you, as you will during the budget thing. I think the ACS has cuts that it needs to make, and this is an area they decided they had to cut. And of course, as you point out, I have no choice, I have to take those children.

CHAIRPERSON JACKSON: Well, as I said to you, it just doesn't make sense, especially when we spent so much money, and we're getting money from the State to reduce class size, from the federal government, and we've spent hundreds of millions of dollars of our own money to reduce class size, and now we're going to increase class size to save ACS \$15 million. I guess if I was a billionaire, I'd write ACS a check for \$15 million, and it'd be end of the situation. But, now, Photo you had mentioned earlier, in giving the categories, you said that there was \$5 billion in Fair Student Funding. Is that correct? This coming year. And I think that we asked what was it last and what is it this year. I didn't hear a figure for last year. Is it the same figure as last year.

PHOTEINE ANAGNOSTOPOULOS: Okay,

so--The Fair Student Funding, in order to equalize the cuts, it's, the Fair Student Funding is the area that gets cut across the Board. So, all schools will see a reduction to their Fair Student Funding by the same percentage. And then we put in the Title I and the IDEA funds, and then the stabilization.

CHAIRPERSON JACKSON: No, I understand, but you said it was \$5 billion. What was it last year?

PHOTEINE ANAGNOSTOPOULOS: Yeah, I have the--It will be, we will reduce that number. It was roughly \$5 billion last year, and it will be reduced this year, upcoming.

CHAIRPERSON JACKSON: Red--by how much?

PHOTEINE ANAGNOSTOPOULOS: By roughly 19 percent.

CHAIRPERSON JACKSON: By 19 percent. Okay. Now [pause] the schools are facing a more than \$400 million cut next year, and a host of new spending restrictions or requirements are tied to the stimulus funding, as you indicated. Have you give any guidance other

than, you know, trying to first deal with non-staff cuts? I know for example that I asked you a question last year, you know, what staff are untouchable by principals? And you had indicated when I asked the question as far as parent coordinators, you said they were untouchable, meaning that they could not lay off parent coordinators. And I'm not saying that they should, but I'm just saying that option was not there. What other options are not there for principals, that they cannot touch? Is parent coordinators an option they can touch or cannot touch.

JOEL KLEIN: Cannot.

CHAIRPERSON JACKSON: Okay, what other areas they cannot touch?

JOEL KLEIN: Guidance counselors, assist--

CHAIRPERSON JACKSON: They cannot touch guidance counselors.

JOEL KLEIN: They cannot lay off guidance counselors, assistant principals, they cannot lay off teachers. So those are--Now, there are some areas, like paras and depending on the

circumstances, aides, they can; but the core pedagogical staff is not subject to layoff.

CHAIRPERSON JACKSON: What about, for example, nurses? I understand that the nurses are, some are hired or employed by DOH and some by DOE. Are nurses untouchables also in this layoff process?

JOEL KLEIN: We, we did not provide that they would be eliminated. I, I don't know about DOH, but our nurses, we did not, we said had to be, remain in the schools.

CHAIRPERSON JACKSON: I would assume especially now.

JOEL KLEIN: Yeah, no, no. But even before swing flu, we were not going to cut nurses.

CHAIRPERSON JACKSON: And--

JOEL KLEIN: And I don't think DOH is, but I don't want to speak for them.

CHAIRPERSON JACKSON: Photo, do you know how many, what percentage of, how many nurses do we have overall? And what percentage is DOH versus DOE? Give or take.

PHOTEINE ANAGNOSTOPOULOS: I don't

actually know that answer, I'm sorry.

CHAIRPERSON JACKSON: If you can
get--

PHOTEINE ANAGNOSTOPOULOS: I'll
find that out for you.

CHAIRPERSON JACKSON: And get back
to staff on that. And what about custodial staff?
Are they untouchable? And is that a principal's
or school leadership team's decision? Or is that
any custodial staff is under the custodial
engineer? Are any of those positions untouchable?

PHOTEINE ANAGNOSTOPOULOS: They're
not, and in fact in the past several years, we
have cut custodians in the system. The problem is
they're not on the principal's budget, so it won't
affect the principal, they're on essential budget,
and that's just the way our contract works with
the custodial staff. But we have made cuts to the
overall custodial budget.

CHAIRPERSON JACKSON: And so, so,
those decisions, as far as custodial staff, is
made by whom?

JOEL KLEIN: By Central.

CHAIRPERSON JACKSON: You mean, by

you guys?

JOEL KLEIN: Yeah.

CHAIRPERSON JACKSON: Okay. As far as essential meaning the total amount of money, but not as to what positions. So, for example, if I'm a custodial engineer and I'm in a large school, I may have about, I don't know how many - - I'm just giving a guesstimate, let's say five or six staff, to clean and fire and what have you, there's different titles. Do I make my own decisions as far as staff? Or those decisions are made centrally?

JOEL KLEIN: No, those decisions, we, we do not make the decisions for the custodian. The custodian, as you say, hires, he sort of has an independent contractor relationship, and hires his people to do it. And then they make the cuts, or they could cut certain other areas, they could cut certain costs that they incur. But they make the cuts.

CHAIRPERSON JACKSON: And what about skills trades? In my understanding that the November plan included a PEG, to cut skilled trade workforce by 71 jobs this year, in Fiscal 2010,

associated with some monetary savings. Who's decision is that?

JOEL KLEIN: Yeah, that was our decision.

CHAIRPERSON JACKSON: Is that a Central decision?

JOEL KLEIN: That's a Central decision, and that, that affects our, basically the school repair budget, the, and that means that that organization simply absorbed the cuts and I think we're not making any further cuts to them going forward.

CHAIRPERSON JACKSON: Are those individuals that are assigned to schools--

JOEL KLEIN: No.

CHAIRPERSON JACKSON: --or are those assigned to a central location?

JOEL KLEIN: They're assigned to a central location, and detailed to the schools. So if you have a leaky roof, or you have a problem with your furnace, the, that's the team that shows up.

CHAIRPERSON JACKSON: And so, with respects to that, will you guarantee that repairs

are going to be made in a timely manner?

JOEL KLEIN: We will to the best of our ability, of course. I mean, emergency repairs are always made in a timely manner. There are other more discretionary repairs that we'd like to see made--schools that are painted, you know, that's always a positive thing, it's not a leaky roof. Some of that, when you cut 70 people, obviously slows down your timetable some, and that's inevitable.

CHAIRPERSON JACKSON: And as far as the other positions in the schools, what about bilingual coordinators?

JOEL KLEIN: Again, bilingual coordinators, the school will make a determination if they have a bilingual coordinator and they want to keep her. They're not going to fire bilingual coordinators. If the, a vacancy occurs, the school decides whether to fill it or not. But they won't fire or lay off bilingual coordinators.

CHAIRPERSON JACKSON: Let me turn to our colleagues for questions that they may have. And our first colleague is Council Member Fidler of Brooklyn. Council Member Fidler.

COUNCIL MEMBER FIDLER: Thank you, Chairman Jackson. Good morning. Before I ask you some numbers questions, I have a comment about something rather parochial, but it's an opportunity that I did not get last night, when the DOE held a mandated hearing in my district at IS278, Marine Park Junior High School. The gentleman you sent to represent you, I believe his name is John White, deserves front line battle pay, sir. And that hearing was on whether or no you can force a charter school into the IS278 building. And Chancellor, there, my estimate, about 700 people in that auditorium, and I daresay 695 of them were opposed to that concept. And supporting a performing arts high school in the IS278 building, every elected official, whether it was Senator Golden, Assembly Maisel, or certainly myself, is in support of that position. And so I just wanted to take this opportunity to implore you directly to make the right decision, and to find a different location for that charter school. We do not want it, nor need it, in IS 278, and for three years we've been asking for that Performing Arts Academy. So, I just wanted to take this

opportunity to do that directly. On the, you know, I have to tell you, sometimes numbers make my, my mind numb, no less in the morning. But I'm just a little puzzled by, by some of this. What, what is the cut to the classroom budgets in total?

JOEL KLEIN: The schools' budgets?

COUNCIL MEMBER FIDLER: School budgets.

JOEL KLEIN: 3.8 percent.

COUNCIL MEMBER FIDLER: In dollars.

JOEL KLEIN: In dollars, about \$310 million.

COUNCIL MEMBER FIDLER: About \$310 million. So, I'm, I'm looking at the handout we have from Council staff on the operating budget. Granted it's only the operating budget. And that reflects a \$558,577,118 increase from the adopted budget to the executive budget, the 2010 executive budget, in spending on operating. And I've been listening, you know, and I'm trying to, you know, sometimes you use percentages, and then sometimes you use numbers. One way or another, Chancellor, since, since we all know that this is about what goes on in our classrooms, I don't understand why

and how we're increasing operating spending by over a half a billion dollars, and yet the school budgets have to take a \$300 million cut. And I don't, you know, and that is on top of the fact that we all know that the money that is being given to principals will buy less, because of all of the increases, and because of the different funding sources that we're cobbling together, Title I money and whatnot, cannot be used necessarily as freely as cash. And could you, can you walk me through that? I mean, there just seems to be a problem.

JOEL KLEIN: Sure.

COUNCIL MEMBER FIDLER: In my mind.

JOEL KLEIN: Yeah, no. First of all, let me explain. There, we have increased costs that are non-discretionary. And I can give you the big ticket items; for example, on special education. When we project, and our projects are usually reasonably accurate, that the costs of private placement under Carter cases are going to go up, we project that our costs for physical therapy and occupational therapy and speech therapy will go up. We project that our costs for

collaborative team teaching, which is mandated under the IEP, will go up. We also know that we have to make pass-throughs of certain money in our budget to other like private providers under the Carter case.

COUNCIL MEMBER FIDLER: Chancellor, I mean, in your testimony, you said that that was \$360 million of it. So, we're still increasing spending by over half a billion.

JOEL KLEIN: Sure, but there, there's one part of it, there are other--If, I went through it in quite detail in my testimony. For example--

COUNCIL MEMBER FIDLER: Yeah, and I still couldn't follow--

JOEL KLEIN: Yeah, no, that's what I'm saying.

COUNCIL MEMBER FIDLER: There are a lot of numbers you're throwing out here, and it's not like, you know.

JOEL KLEIN: That's, that's why we have Q&A. And I'm happy to engage it. So, for example, we have another, I think it's \$70 million, that we have to pay because the schools

have more senior teachers, or teachers who got their 30 credits.

COUNCIL MEMBER FIDLER: Yeah, but that comes of the school budget, doesn't it?

JOEL KLEIN: No, no, no, no.

COUNCIL MEMBER FIDLER: No?

JOEL KLEIN: We, we pay that.

COUNCIL MEMBER FIDLER: The personnel costs of teachers in a school does not come out of the school budget?

JOEL KLEIN: We, we have, we pay that through their average teacher salary that we reimburse 'em for. So, so in effect, that's a central cost of \$70 million. Then what we have is something that, again, we, we project that there's going to be new collaborative team teaching programs that are opened. And we have to fund those. And that will be a certain number. Then there's what you got, just your normal pay increases that we have to pay our teachers, and for fringe benefits. So, all of those moneys, and I broke 'em down line item by line item in the testimony, exceed the amount of money coming in. And that, and that's what it is. And I'll be

happy again, I don't know that, that we need, you know, we're going to go through it line by line here, but I'd be happy to have somebody sit down with you and show you each of the dollars.

COUNCIL MEMBER FIDLER: Well, my, my five minutes is up, and I'm, I'm, just a moment or two more, thank you. So let me try this a different way, then. You have 1,100 teachers in the excess pool at a cost of \$100 million a year. Do they serve any purpose?

JOEL KLEIN: [laughs] It's not a preferred situation for us, but we negotiated the agreement with the UFT, in which we said that we wouldn't force place teachers, and we don't. We incentivize schools to hire them. So we have 1,100 people who haven't been hired. They serve as substitute teachers. I would prefer a different outcome, but it has to be negotiated.

COUNCIL MEMBER FIDLER: Isn't that a management issue to make sure that you don't hire so many teachers that you have 1,100 excess teachers? I mean, I imagine there's got to be a need to have a few, you know, 100, you know, 200? But 1,100? How does that happen?

JOEL KLEIN: It happens all the time, because I mean, this is for, it's multi-years, you're not talking about a single year now. It happens because what happens is you'll have schools that will decline in enrollment, they, and this happens all the time, they excess teachers, because they have fewer kids. You have schools that are closed, they excess teachers. You have schools that decide they're no longer going to have a - - program, they excess teachers. When I started this job, I would, I'm estimating, I'd say about, during good, good years, 2,000 teachers were excessed a year, 1,800 teachers excessed a year. Most of those teachers are rehired, but over the last three years, under our agreement, approximately 1,100 have not been hired. We provide incentives, we've told schools this year that they should hire from within that pool, as well as other pools. But that's always been a practice that there's about 2,000 excesses.

COUNCIL MEMBER FIDLER: Chancellor, I don't want to take advantage of the generosity of the Chairman, and the patience of my colleagues, but I just want to say this. Ever see

a movie called "Dave"?

JOEL KLEIN: Yes.

COUNCIL MEMBER FIDLER: Okay. Dave is acting as the President of the United States, brings in his best friend who's an accountant, who goes through the budget and finds savings. Mr. Chancellor, you have a \$22 billion budget. I can't believe that in the, the central administration, you can't find \$310 million to spare the school budgets from, from being cut; whether it's excess teachers, or non-mandated services, or network support, or I believe the figure of, from either the Controller's office or IBO, was that there's \$320 million of no-bid contracts at the Board, at the Department. There has got to be a way to find \$310 million to save these classrooms. And I am sure that if somebody with objective eyes came in and looked at it, and kind of quibbled with you over it, and we, we kind of looked over the sacred cows, that we would find out that the thing that we really are here to do is to teach, to reduce class size, which is the most effective thing we could do. And so I would urge you to take another good, hard look before we

have to adopt this budget, to find a way to save that classroom size, without expecting the Council to come over the hill as the cavalry and save it again.

JOEL KLEIN: Well, let me just respond to that, because I don't think it characterizes accurately where we are. You say things like no-bid contracts. Most of our no-bid contracts, which already have been documented by Controller DiNapoli and others, are with things like CBOs that are providing pre-K to our kids. I don't think anybody thinks we should cut those things. So, we have to be careful. Second of all, our entire central and field operation is approximately \$600 million. Find me a school district in which three percent of your budget is for central and field. Things in central in field include things like our payroll, to make sure our teachers get paid on time. I don't assume anybody thinks we should cut that. We have a big expenditure for teachers who have questions about their pensions, questions about their healthcare benefits, and all the other issues that go around. We have mandated federal obligations under the

accountability, No Child Left Behind laws to perform. We have procurement, our schools will constantly need to procure. The Department needs to procure, whether it's textbooks and other things. We have, in fact, during the last several years, and my testimony lays this out, taken about 13.3 percent out of central and out of the field. We've cut our costs, we're taking another \$20 million this year. But I don't think anyone thinks that a three percent central field budget is by any means excessive. And so, with all due respect, sir, I don't think, and I'd be happy to entertain any suggestions you have, but I don't think that we haven't been very, very careful about where we cut and how we cut.

COUNCIL MEMBER FIDLER: Mr.

Chancellor, I am sure you believe that, and I would just say to you that if we are going to squeeze every last drop of juice out of the orange, I would sooner squeeze harder on payroll services, procurement services, to make them do better, than to ask our principals to make them do even more with even less.

JOEL KLEIN: I think we're doing

that.

COUNCIL MEMBER FIDLER: I think that should be our priority.

JOEL KLEIN: I think we have done that, I think we've squeezed that--that's why we've cut 560 positions at central.

COUNCIL MEMBER FIDLER: Okay, I, I give up, I'm not getting the last word, so--

CHAIRPERSON JACKSON: Well, no, I think that clearly, you know, we're going to come to you and ask you to squeeze some more.

JOEL KLEIN: I, I, when people say you ought to squeeze from payroll, and we've squeezed from payroll. And when I started this job, it took teachers months to get paid. And in fact one of the incredible things that has happened, is our teachers now get paid almost immediately. And you know what? In this environment, they're really appreciative of it.

CHAIRPERSON JACKSON: And we appreciate that, too.

JOEL KLEIN: So, I think we just need to be careful with generalizations, that's all. I'm happy to go over any line item.

CHAIRPERSON JACKSON: Well, and we, and we may be making additional suggestions in order to do that, in fact. So, and I'll follow up with some further questions. But let me turn to my colleague, our colleague, Peter Vallone, Jr., of Queens.

COUNCIL MEMBER VALLONE, JR.: Thank you, Mr. Chair. And welcome Chancellor. My daughter was here last week on swing flu vacation to see you [laughs] but you missed that meeting unfortunately. Thank you for your honesty. I mean, when we do the public safety hearing, the administration comes and talks about how there'll be no police layoffs, we're going to hire 200 police officers, whoo-hoo. And have all these great projections for the out years about how we're going to hire more and more police in the out years, and what they don't say is that we actually have less police due to attrition, and we have never had more police in the out years. And you at least have come in here and said, "We're going to have less teachers," and did not paint a rosy picture for the future. Troubling, but honest. Now, I am confused, as is Mr. Fidler,

about some of what you said. Page one, you're talking about attrition will enable the system to avoid teacher layoffs, but some schools will nevertheless need to reduce the number of teaching positions. And a few times in your, in your response to questions, you said, "It's necessary through layoffs," but then you said certain positions can't be laid off, like teachers and guidance counselors. So you've left this decision up to the principals. Now if a principal decides "I have too many teachers," or "This is the worst, the least worst decision I have to make," but can't do that through attrition, what happens?

JOEL KLEIN: So what would happen in that situation, a teacher would go into excess, they can't, they won't be laid off, they go into excess, and what I expect is another school would hire that teacher. So, that, that's what we're projecting. And one of the reasons I've put on this freeze on external hires, is to make sure that we looked inside the system first, because I don't want to grow the excess pool that I was talking with Mr. Fidler about.

COUNCIL MEMBER VALLONE, JR.: Okay,

now I understand. So you've said there's a freeze on external hiring, hires. So basically no one who is not a member of the school system now, can be hired.

JOEL KLEIN: Yes, with certain narrow exceptions, that's correct.

COUNCIL MEMBER VALLONE, JR.:
There's a big "Help Not Wanted" sign out on the Department of Education.

JOEL KLEIN: Which we're hoping--

COUNCIL MEMBER VALLONE, JR.: I'm not saying it's a bad thing, it's just people need to know.

JOEL KLEIN: Which we're hoping to lift it. I mean, we obviously want to increase, but right now we want to make sure that we don't increase this excess pool.

COUNCIL MEMBER VALLONE, JR.: Okay.

JOEL KLEIN: And if anything I'd like to take it down.

COUNCIL MEMBER VALLONE, JR.: Now again, giving principals this choice, so they're going to have to decide whether or not to cut teaching positions, cut staff such as guidance

counselors, cut after school programs you mentioned. It's their decision. Now, I don't disagree with you leaving it up to the principals, it makes our job as an oversight body very, very difficult, because we're sitting here trying to, to know what the, what these cuts will mean, and they could mean less teachers, could mean less guidance counselors, could mean less after school programs, but we just don't know at this point. You're going to leave it up to the principals. Not helpful to us, and I'm not sure how we're, we're able to do our job, not knowing exactly what these cuts are going to mean. We know what they possibly could mean, but not what they mean. When will those cuts have to be made? When do the principals have to make that choice?

JOEL KLEIN: Their preliminary budget is due to us mid-June, and so we'll see then from them what determinations, what programs they will cut, what employees they will cut.

COUNCIL MEMBER VALLONE, JR.: Does that information get to this Committee? Mr. Chair?

JOEL KLEIN: We'll be happy to make

it available.

COUNCIL MEMBER VALLONE, JR.: Mr. Chair, we'll get that, MR. Jackson, we'll get that information prior to when we have to vote on the budget what these cuts will actually mean from the individual principals. And I'd like to see a copy of that, thanks.

CHAIRPERSON JACKSON: Well, let me just say, I sure hope so, because--

COUNCIL MEMBER VALLONE, JR.:
[laughs]

CHAIRPERSON JACKSON: --any time you're dealing with \$22 billion, which is more than on one-third of the entire City's budget, and that's impacting 1.1 million schoolchildren, I want to know the programmatic effect it's going to have in the schools before I pass the City budget.

COUNCIL MEMBER VALLONE, JR.:
Exactly, thank you.

JOEL KLEIN: Just, just to--

COUNCIL MEMBER VALLONE, JR.: Just wanted to make sure we were on the same page.

JOEL KLEIN: You have the day locked, it's June 18th, is when we get the budgets.

June 1-8.

COUNCIL MEMBER VALLONE, JR.: Okay.

So the principals have to make this choice, you know, I think these poor principals are being put in the position of Captain Kirk taking the Kobayashi Maru test, out of Star Trek, where there is a no--there's not way to win, when you're choosing between teachers, afterschool programs, guidance counselors, art programs, you name it. A very bleak prospect, and it's coming from parent of two daughters in, in the public school system. Looks to me like this upcoming year we're going, these principals are going to have to do their best not to slide backwards from the progress they've made, as opposed to doing even better. And that's not a rosy picture. I want to stay within my minutes, I always do, for my colleagues. So I thank you for the job you're doing. I don't look forward to you having to make these cuts, and I have to echo the, the sentiments of Council Member Fidler and the rest of us where we implore you to do what you can to keep these cuts out of the classrooms. Thank you.

JOEL KLEIN: Thank you.

CHAIRPERSON JACKSON: Now, Chancellor, you had indicated, I think the schools have to report back to Central Department of Education, as far as how they're going to deal with their proposed cuts and moneys. They have to report back by June 18th, is that correct?

JOEL KLEIN: That's correct.

CHAIRPERSON JACKSON: And when will the Council receive the programmatic impact on each school? A day later?

JOEL KLEIN: I don't--couple of days is what Photo is saying, since she's going to have to do it. Couple of days, so June 20th.

CHAIRPERSON JACKSON: Okay. Because it's important overall when you're talking about the impact on children in our schools, and knowing that from the City Council must pass an executive budget, which includes this \$22 million of the executive budget for DOE.

JOEL KLEIN: Correct.

CHAIRPERSON JACKSON: So, we have to have that information sooner rather than later.

JOEL KLEIN: We will, we will get it to you, and we're also happy to sit down and

give you what we project, which won't be to the number right, but we're making certain projections that there'll be these many overall fewer of this, and these many of that, that some schools will cut. We, we look at their budgets and we've done a lot of analysis.

CHAIRPERSON JACKSON: Okay.

JOEL KLEIN: I'm happy to sit down with your staff. They won't be the locked numbers, because the school community may do it differently, but they're pretty good at projections, if you want to sit down and look--

CHAIRPERSON JACKSON: But the actual amount of moneys that they have to cut is sort of like locked, is that correct?

JOEL KLEIN: Yes.

CHAIRPERSON JACKSON: Okay. Let's turn, let's turn to our colleague Jimmy Vacca of The Bronx.

COUNCIL MEMBER VACCA: Yes, Chancellor. My first question relates to substitute teachers. I do understand now the, what the previous budget cuts that were made, many schools do not hire subs when there is a teacher

absent. Classes are combined with other classes for the day or for the two days that a teacher is out. Will we be hiring subs, or will that also be left up to the resources that an individual school may have as per their budget? Or is there going to be a citywide policy regarding substitutes? And are you concerned that the, the combining of classes educationally may not often represent a productive day insomuch as the school atmosphere is concerned?

PHOTEINE ANAGNOSTOPOULOS: The, the schools are actually required to keep so much money in what we call a category name per diem, to cover on average anywhere from six to eight days per teacher, per base teacher, if you will, core teacher, so that they can pay for the subs going forward. We also have the, the teachers in the excess pool, the ATRs, that are currently in there, the 1,100, who are assigned, each are assigned to a school, and do serve as substitute teachers there. So, whereas there are some schools that sometimes will do the combination of the classes, in, in almost all cases, though, on the overwhelming number of cases, they are using

substitutes for which they are required to maintain funds.

COUNCIL MEMBER VACCA: I next want to comment on Title I, and I'm very glad that DOE and the federal government this, this year reached agreement to lower the threshold of eligibility. I think it's from 60 percent to approximately 40 percent.

JOEL KLEIN: Right.

COUNCIL MEMBER VACCA: And that will include many additional schools that will be eligible for this money that did not receive it. My next question is that we still have many schools left in our City who do not meet 40 percent. They may have 30 percent or 35 percent, yet there are eligible Title I children in those schools. Can we have discussions about getting services to those schools below the 40 percent, especially to those students who may be Title I eligible but not in a Title I eligible school? Is that a realistic way to draw down more federal money at this time, to help cushion the cuts that we're getting?

JOEL KLEIN: It is not. I wish it

were. The way we cushioned it is those schools that didn't get any Title I money, we gave them other stimulus money, that we're, we had in our budget. So, it balanced out. But the Title I does not follow the child, that's something people have talked about; so if you had eleven percent, you should get eleven percent of the Title I money, but under federal law it does not. And our total amount of Title I dollars is locked. It's just a question of how we distribute it among the schools. And we did it, as you said, by lowering thresholds.

COUNCIL MEMBER VACCA: Let me ask the, the last question I have, and that is regarding pre-K. Does this budget portend more full day pre-K or full day pre-K? Half day pre-K? Where do we stand with our pre-K efforts?

JOEL KLEIN: So, then I will start, and then I think Photo can give you more detail. But where we are is we're expanding pre-K next year, but the problem came up, and I think it was in Chairman Jackson's comments, it may have been in Chairman Weprin's comments. For some reason we have not made a convincing case in Albany that we

1 don't need more half-day pre-K as much as need
2 more full day pre-K. And so, but Albany put
3 qualifiers on there, so we only get half day. I
4 know the Speaker and others, we've all talked
5 about this. If we could get the same money in the
6 future, and use it for full day rather than half
7 day, we could grow our programs. Overall, and I
8 think Photo's looking for the numbers, pre-K will
9 increase next year. Is that right?

11 PHOTINE ANAGNOSTOPOULOS: Yeah,
12 what we, what we've done is the State budget for
13 pre-K actually was reduced. What they did was
14 they reduced the State funding from \$235 million
15 to \$213 million, and that was--Well, that was
16 basically to match what we have used in the past.
17 There was always a cushion there, and a gap if you
18 will, that we didn't use, because we didn't have
19 the half day demand, we had the full day demand,
20 and they won't pay for the full day. We have put
21 into our own budget to use some tax levy for a
22 small increase in pre-K of roughly \$3 million,
23 which will be going towards largely full day. So,
24 we are going to that, there are still areas that
25 have very high need for full day pre-K, we are

trying to meet that need. And we have several schools that are opening up as early childhood schools, and we obviously have to pay for pre-K there, that will be full day.

JOEL KLEIN: This is something, Mr. Vacca, that you would could help with. And what I mean by this is, again, if we were able to keep the pre-K money that we got, but use it for full day, it would really help, because there's a lot of families out there that a half day doesn't work for them, because their kids, I mean, they're both parents are working, or something. And so, but a full day pre-K would work. And so if we could somehow persuade our colleagues in Albany to loosen that restriction on a going forward basis, I think that would help us.

COUNCIL MEMBER VACCA: Chancellor, I certainly would, but I do have to say Chancellor, that in my entire council district, I think I have three full day pre-K classes. In my entire council district. And when I first came to the Council there was a commitment of the Council and the administration to go forth and increase full day pre-K. So, I look to you, I do recognize

you said that there was some additional moneys, but I think that there has to be some equity, because as you said, parents do want full day pre-K, and I think educationally the experience is more inclusive, so I'd like you to take that under advisement.

JOEL KLEIN: We're on the same page.

COUNCIL MEMBER VACCA: Thank you.

CHAIRPERSON JACKSON: Thank you, Council Member. Next we'll hear from Council Member Alan Gerson, our colleague from Manhattan.

COUNCIL MEMBER GERSON: Thank you, very much, Mr. Chair. And I'd be remiss if I did not at the outset acknowledge Mr. Chair your role, and Chancellor your role, in our collective effort successfully to resolve the, you know, kindergarten admission issue, in Lower Manhattan. A classic example of what we can do when we work together. In, in the effort to pursue collective orange squeezing, as we've talked about, let me ask you about a couple of specific items. The budget for periodic testing, which I guess is the, the term of art for--a periodic assessment,

rather, which I guess is the term of art for testing. Could you tell us what the overall budget is? I take it that is under the central, central offices auspices. And how does that translate into number of tests over the course of a school year, for our students, and related to that, do principals have any flexibility at all if, any wiggle in terms of adjusting the number of tests within a particular, you know, grade over the course of the school year in order to, you know, reallocate any funds?

JOEL KLEIN: If memory serves me, last year it was about \$25.5 million. This year the, I think it's been cut by about \$3 plus million dollars to \$22.4 or something like that. I can get you the exact numbers. And we've reduced the number of tests that we give by about 20 percent in that process. Schools have an option but it's, that they can develop their own testing. Some schools have taken us up on that. Most schools use in like the tests that we're using, and I expect that, I mean, if you look throughout the state, almost everybody else is now following our practice in this regard. So, I

expect that this use of what we call "interim assessments" is going to grow, but we've actually cut it back this year.

COUNCIL MEMBER GERSON: So the--the \$22.4 million or so dollar budget for the interim assessments, let's say, let's take it at the elementary grade level. How many such tests does an elementary school student receive over the course of a school year? Or will they over the course of the upcoming school year?

JOEL KLEIN: I think it's going from five to four.

COUNCIL MEMBER GERSON: Five to four. And those four, will they be, cover the same subject areas, or will they be in four distinct subject areas, or a combination?

JOEL KLEIN: They're four each in math and in reading.

COUNCIL MEMBER GERSON: So, eight in total, but--

JOEL KLEIN: Right.

COUNCIL MEMBER GERSON: And is, is the number roughly the same across the upper grades, middle and el--and high school?

JOEL KLEIN: That's correct. I need to check on high school, I think it's different in high school, but it is--

COUNCIL MEMBER GERSON: More, more or less in high school. I mean, high school they--

JOEL KLEIN: Fewer, fewer I think.

COUNCIL MEMBER GERSON: Of course in high school, they start in with the Regent's Program.

JOEL KLEIN: Right.

COUNCIL MEMBER GERSON: Okay. You mentioned earlier in response to questioning, you covered what the bulk of the contracting budget pertains to, and I certainly agree we don't want to cut back on the CBO's that provide essential services. Let me ask you, though, what, I understand the Department typically has a budget, I don't know if it's within contracting or a separate line, for consultants. These are non-CBOs, but either experts, often retirees, and without meaning to cast any qualitative, make any qualitative evaluation of, you know, their value, but what is the consultant budget for projected

for the upcoming fiscal year, and roughly what functions do these consultants cover?

JOEL KLEIN: Photo has it, so let me defer to her.

PHOTEINE ANAGNOSTOPOULOS: Okay, so there are several different--

COUNCIL MEMBER GERSON: I see why Photo gets her name. That's--

PHOTEINE ANAGNOSTOPOULOS: Okay.

COUNCIL MEMBER GERSON: Photo--

JOEL KLEIN: Laser like focus.

COUNCIL MEMBER GERSON: Absolutely.

PHOTEINE ANAGNOSTOPOULOS: Sorry, okay. There are several categories of consultants, if you will. The largest is for direct services to our students. And we actually characterize for, under professional services, those who provide occupational therapy, speech therapy, and so on--the other related services. That's, that's \$453 million dollars worth of consulting contracts there. We have another group of professional services and other which will go under professional--

COUNCIL MEMBER GERSON: I'm sorry,

just for, for qualification, for clarification rather. The direct services you just provide, for example, speech teachers.

JOEL KLEIN: Speech therapy.

PHOTEINE ANAGNOSTOPOULOS: Speech therapists.

COUNCIL MEMBER GERSON: Okay, so there's a distinction now, the speech therapists are for those who require the extra level; speech teachers are covered with the overall personnel.

JOEL KLEIN: The bulk of that will go for occupational and physical therapy, for students with special needs.

COUNCIL MEMBER GERSON: I see.

JOEL KLEIN: And those are all classified as consultants. Those are not people who work for the Department.

COUNCIL MEMBER GERSON: Okay, I got you.

JOEL KLEIN: And that's a big ticket.

COUNCIL MEMBER GERSON: Okay, as my, as the beeper has gone off, let me just ask Photo if she could continue with it, Mr. Chair, I

reserve time on the second round. If you could just finish the response, though.

PHOTEINE ANAGNOSTOPOULOS: Oh, sure, okay. There's \$92 million of professional services other, which would be largely professional development work and a continuation of some work with students, afterschool programs and so on. Sometimes those are mom and pop shops that are one person, and they get labeled as consultants. Those are the, the two largest areas, in terms of professional services. So you have roughly almost \$600 million there.

COUNCIL MEMBER GERSON: And that \$92 million figure, that is contracted at the central level, not at the school level? Is that--

PHOTEINE ANAGNOSTOPOULOS: No, no, no. The, our contracts are covered, cover both central and school.

COUNCIL MEMBER GERSON: Okay, so the \$92 million, what proportion would be through, at the central level and what--

PHOTEINE ANAGNOSTOPOULOS: That I don't have here.

COUNCIL MEMBER GERSON: Could you

get back to us with it?

PHOTEINE ANAGNOSTOPOULOS: I'll get back to you on that.

COUNCIL MEMBER GERSON: Okay, thank you, thank you Mr. Chair.

CHAIRPERSON JACKSON: Thank you, Council Member. Council Member Jessica Lappin of Manhattan.

COUNCIL MEMBER LAPPIN: Thank you, Mr. Chair. I, good morning, Chancellor.

JOEL KLEIN: Good morning.

COUNCIL MEMBER LAPPIN: I wanted to ask about the 3.8 percent cut. Is that every school receiving the exact same cut? Or is it tailored per school?

JOEL KLEIN: It's the average cut to all the schools, and with a few small exceptions, which I'll end with, that whether it's 3.8 or a little bit lower, a half a point, or three-quarters of a point lower, or higher, depends on whether the school rolled over money last year, and how much they rolled over. Some of our school--altogether, 95 million. And again, some schools in every neighborhood and every

community, rolled over money, about 60 percent of our schools and about 40 percent didn't. If you didn't roll over any money, your cut would be approximately 4.9 percent; if you rolled over money, you could be 4 perc--3.2 percent, 2.9 percent; some schools rolled over even more money. And there are a few schools, just because the way the funding formulas work, they get so much Title I money, that they will see less of a cut a maybe even a smaller--

COUNCIL MEMBER LAPPIN: But everybody's a cut.

JOEL KLEIN: Everybody, a few schools, 'cause they get this huge amount of Title I, may see a little growth.

COUNCIL MEMBER LAPPIN: Right. I mean, here's what I don't, I mean, I know you and Photo know very well our issue in District Two, and, and when we have anywhere between 139 to 150 kids on waitlists, even with a new PS 151 taking 80 kids this fall, which aren't on the waitlist, and even 60-70 kids go to gifted and talented, we're still going to have 60-70 kids in our schools that are already overcrowded, well, over

100 percent, so that we're even looked at doing an annex, now, potentially for PS 290. So how are these schools, that are already over capacity, going to have higher class size, more classrooms, and less money to do it with.

JOEL KLEIN: If they get more students, they'll get additional dollars. In other words--

COUNCIL MEMBER LAPPIN: But they're still going to get less money than last year, and have more children than last year.

JOEL KLEIN: They are going to have, yeah, but to the extent they get more children they will get more money. I appreciate the concern, but that, that concern is true in, you know, even if they don't get additional children, if we were able to clear the entire waitlist without them getting additional children, they're still going to have to cut. So it's--

COUNCIL MEMBER LAPPIN: I guess, I just don't understand how they're going to deal with this crisis with less money. I mean, running an annex is expensive. Bussing children and transporting them, which we may have to do,

because we're going to shut the doors, that costs money, too. And I, instead of bussing kids and spending money that way, it'd make more sense to spend more money in the school to keep those kids in their locally zoned school.

PHOTEINE ANAGNOSTOPOULOS: It's important, it's important just to understand, just for a second, the, the mechanics of how the reduction is done. We actually realize we have to increa--do first an increase in school budgets where we are seen as, as the Chancellor said, an increase in the register. So where there is an increase in enrollment that you would have in the schools you're talking about, where there is an increase in the facilities with the, with the potential annex, if there were increases in the needs of the school, of the students that we're attending, such as special ed or ELL, we would actually put more money into the school budgets, and then we take the cut from there. So their cut is coming off of a higher base. So I think it's really important, it's not like we're saying, "Okay, last year this school had \$7 million, and it had 500 students, and now next year, and we're

going to cut the \$7 million even though they're going to have 550 students" that's not how we do it. We take their budget up and then we cut it. I think that's important to - -

COUNCIL MEMBER LAPPIN: Yeah, I guess I'd like to, and I think it was Council Member Vallone who made the same request. And, and often I'll go to PTA meetings and the principals will say, "Here's what our budget is, and here's what we're cutting." And what the parents are hearing is, there are more kids crammed into the building, that doesn't have room for them, and there's less money to serve them. And by the way, the teachers' aides that we used to have, we're not really going to have any more either. So, maybe when we have a better sense of how it's going to impact each and every school, I'll be able to understand it better. But I'm still hearing more kids and a cut. Is that--I mean, is that not accurate. There are going to be more kids, but there are going to be fewer teachers, 'cause they can't hire new teachers, right. I mean, they can hire teachers from this pool.

JOEL KLEIN: No, no, they can hire them from anywhere in the system. And, and some of the schools you're talking about, people who are easy to recruit to, and, and there maybe more kids and the same number of teachers, not necessarily fewer teachers. And--

COUNCIL MEMBER LAPPIN: But they're going to have higher class size, is what it's going to mean.

JOEL KLEIN: One possibility is to have higher class size; the other question is whether they have non-teacher personnel that they're going to lay off. They, and this is true in all schools, not just in those schools.

COUNCIL MEMBER LAPPIN: I understand, but I don't, all schools aren't this overcrowded. I mean, that's the issue here.

PHOTEINE ANAGNOSTOPOULOS: I think one of the other points that's important for folks to understand is that, when we're talking about the schools actually taking a reduction in the number of teaching positions, in their buildings, in general, when we've modeled this out, and, and as, as Joel said, this, it's a model, so who knows

where the projections actually go. But based on that, we're seeing that at least half of our schools are not going to actually have to reduce any teachers. That they have enough in OTPS and in the role and so on, to handle the cut. The other piece is those, the other point is that those schools that are going to have to see that we believe will have to eliminate some teachers, most of them are taking out one and two teachers. There's a small percentage that have to take out any large number of teachers. So I do think it's really important to understand, this is not going to be massive increases in class size, across all grades. We're talking maybe one, maybe at maximum two grades affected.

COUNCIL MEMBER LAPPIN: I hear you, and I know my time is up. I guess even if you, you held it at the same level, when you have 60 more kids and the same number of teachers, that has an impact, you're going to have more kids in the class. Okay, thank you, Mr. Chairman.

CHAIRPERSON JACKSON: You're welcome. I forgot to introduce earlier, we were joined some time ago by Helen Diane Foster of The

Bronx. We're going to turn to our colleague Al Vann, and then Helen Diane Foster.

COUNCIL MEMBER VANN: Yeah, thank you Mr. Chair, good morning Chancellor.

JOEL KLEIN: Good morning.

COUNCIL MEMBER VANN: Yeah. Actually, Council Member asked the line of questioning that I was going to follow through with, but since I got the mic I'll add something anyway.

JOEL KLEIN: [laughs]

COUNCIL MEMBER VANN: Under the gap on page two, in the second paragraph, I just want clarification. Are you saying that half of the \$22 billion is basically where you have some flexibility, but 90 percent of that, 50 percent is basically meeting the contract obligations, which if that is correct, you're saying you're near the ten percent where you have flexibility to make reductions.

JOEL KLEIN: That's correct.

COUNCIL MEMBER VANN: Well, what does that ten percent represent. What, what is the--

JOEL KLEIN: That ten percent, the total budget, our total budget, is \$22 billion and so about \$11 billion is things we can't control, and out of the \$11 billion, approximately ten percent, which would be one, a little over a billion dollars, are things that we can cut from.

COUNCIL MEMBER VANN: And what is it that you can cut, then? Is that administrative and--

JOEL KLEIN: You can cut that or you can, that's why our schools are absorbing the cut that they're absorbing, which is about 3.8 percent, because they're going to have to cut either programs or certain personnel.

COUNCIL MEMBER VANN: Alright. So, whether you rolled over or not from last year, that will depend on the size of your cut this year?

JOEL KLEIN: Correct. Right.

COUNCIL MEMBER VANN: If I got more Title I and more IDEA funding, that reduces the possibility of a cut based on that increase?

JOEL KLEIN: No, everybody, it doesn't reduce the possibility of a cut. If you

got more Title I or IDEA funds, you would've gotten less of the stimulus package money. We try to make every cut the same, except for what was rolled over. So everybody we try to say, each school would take the same cut. And they got more IDEA money, or more Title I money, they would get less of another funding source. But that they would take approximately a little, a 3.8 cut, depending on whether or not they had to roll.

COUNCIL MEMBER VANN: But isn't there a reason why they got more Title I and more IDEA.

JOEL KLEIN: Well, again, this is, there are reasons they, but--

COUNCIL MEMBER VANN: In the regulations.

JOEL KLEIN: What we're trying to do is to be, it's not just in the regulation, obviously, we do it under Fair Student Funding. Students with greater needs, we try to fund at a higher level, and we generally do that. However, as several of your colleagues pointed out, when you're in the middle of a budget cut, and it's impact on the school, we try to be equitable. If

we had some schools, and this happened last year, until the Council helped us, that had a 12 percent or a 14 percent cut, while others had a two percent increase, it would really have a destabilizing impact. So that's why we have made the policy, and the Council worked with us last year, to support the policy of doing the cuts across the board.

COUNCIL MEMBER VANN: I hope I didn't vote for that, 'cause I think that's inequitable. If, if a, if the school districts, the schools receive funding based on a special need, and you get that money through Title I, IDEA, whatever, and then you're making reductions based on the lack of funds in your budget, you should not consider the fact that they received money for their special need. It would seem to me. That seems unjust, if I understood you correctly.

JOEL KLEIN: Well, I understand what you're saying, but I do think our obligation is to look at all the schools, and I understand the point you made during the growth time, that's an easy point to address; during a time of

contraction, it's hard.

COUNCIL MEMBER VANN: That's when people with special need need the money, when times are rough, not when times are good. But I mean, I understand your problem, but I think that's, that's unjust to those schools that have a high number of kids with special needs. So, well I know you're not going to change it, but--

JOEL KLEIN: Kids with special needs will get funded. They, 'cause that's based on the IAP, but for example, the Title I moneys get offset. That's a little--

COUNCIL MEMBER VANN: Yeah, I said special needs, that maybe be a Title which I didn't really mean, I meant that children who are receiving Title I and IDEA based on the special needs of their population, when you're cutting, you're cutting in disproportionate, because they got that special money, that's, that's the point I'm making, which I think is incorrect. The other point, special education, do you get the same expense no matter what schools they attend? Like--

-

JOEL KLEIN: No. It's all, it'll

depend on the program that the student has, as well as on the related needs that the student has. All of which are decided by an IEP, Individual Education Plan. But if you're in a, let's just say a six-to-one-to-one program, which is a very intensive program, then your costs would be different from somebody who's in a twelve-to-one-to-one program, or collaborative team teaching program. So, it would, it would vary based on the program, not so much based on the school, but on the program the child got.

COUNCIL MEMBER VANN: Right.

Lining up my last question. Are all special ed students placed in all schools, some schools? Is there, is there an average number of special ed youngsters who are placed in each school?

JOEL KLEIN: There, there is, it's not an average number, but we try to, and we're constantly looking at to make sure the special ed students are equitably distributed. There are some programs, obviously, a specialized high school program, where in general special ed students would not be admitted if they have admissions criteria. But in community schools

which don't have any admissions criteria, we try to ensure that they be equitably distributed. I look at the numbers, if I see one getting a disproportionate amount, then I ask my team to redirect some students as they move forward. I don't want to tell you that it's perfectly even right now.

COUNCIL MEMBER VANN: Do, do special, do charter schools receive a percentage of special ed?

JOEL KLEIN: We don't assign them, the charter schools do have a reasonably high percentage of special ed students, it's grown over the last several years.

COUNCIL MEMBER VANN: Really?

JOEL KLEIN: In the charter schools, and I think right now, don't hold me to a number, it's one or two points below what the City averages, in charter.

COUNCIL MEMBER VANN: But where you find an inequitable distribution, then you would tend to make those - -

JOEL KLEIN: The difference with charters is we can't assign--

COUNCIL MEMBER VANN: I'm not talking charter schools now, public schools.

JOEL KLEIN: We are, and indeed one of the things we did was put together a committee that's working now to address, among other things, that issue, the equity, and the transparency, so that you and everybody else knows how many special ed kids, and what the growth was, or diminution was.

COUNCIL MEMBER VANN: Alright, okay, I'm going to request a meeting with you, with the Advisory Board, from a high school that would like to discuss that and a few other issues, so--

JOEL KLEIN: Be happy to do it.

COUNCIL MEMBER VANN: Offline I'll make that contact.

JOEL KLEIN: Thank you very much.

COUNCIL MEMBER VANN: Thank you, Chancellor.

CHAIRPERSON JACKSON: Thank you, Council Member. We've been joined by a bunch of interns that are working here at the City Council this summer, and we wanted to recognize them. I

1
2 don't know their names, but as you know,
3 Chancellor, when you have interns, they are part
4 of the, the workforce that gets the jobs done, so
5 we appreciate the interns for volunteering here at
6 the City Council for this summer. And next we're
7 going to hear from our colleague Helen Diane
8 Foster of The Bronx.

9 COUNCIL MEMBER FOSTER: Thank you.
10 Good morning, Chancellor. Just to follow up
11 Council Member Vann's line of questioning, in
12 terms of schools that require more, or get more,
13 like Title I, due to needs, I think that it's,
14 it's important for us to understand, and again,
15 I'm like you, Councilman Vann, I hope it's not
16 something I voted for--Fair is not giving
17 everybody the same, fair is giving what someone
18 needs. And in this case, if a community or an
19 area requires more, then more should be given
20 without it being cut from the other, the other
21 end. And we need to look at that, because equity
22 across the board is not what is required,
23 especially when you have communities that have
24 systematically been denied funds, better teachers,
25 and proper equipment, for years, it won't just fix

1
2 itself in a matter of two or three years. And
3 whether we are in a crisis or not, the same people
4 that we decide we can cut from now, are going to
5 be the same people we need to provide for later.
6 So, I think that's something we need to look at.
7 Can you explain to me just the comment you made
8 with the, the special education students not being
9 in specialized high schools? And for example, if
10 a student had dyslexia, it does not mean they
11 can't compete, it means that the teaching has to
12 be done differently. So I would assume in all the
13 high schools, we have students with dyslexia, that
14 the high schools can address.

15 JOEL KLEIN: All I meant to say by
16 that is there are some schools that admit people
17 by specialized criteria, and if a special
18 education student meets those criteria, then of
19 course they're admitted and they'd be part of
20 school. But what you would see is far fewer
21 children in a specialized high school, who are,
22 have individual education plans. And you would
23 see it in traditional community high school.
24 That's the only point I--but anybody who meets the
25 criteria of special ed, general ed are admitted.

COUNCIL MEMBER FOSTER: Right, but my, but an individualized academic plan, would not therefore exclude someone from these specialized schools. So, for example, if I have dyslexia and have been given accommodations, and want to test to get into Stuyvesant and Bronx Science, those same accommodations would be applied, yes?

JOEL KLEIN: Yes, if you, if you meet the criteria.

COUNCIL MEMBER FOSTER: Okay. And with, just to make sure I understand, with the principals having the decision making in terms of who to be cut and what to be cut in the schools, that is due to DOE on June 18th?

JOEL KLEIN: That's correct.

COUNCIL MEMBER FOSTER: And on June 18th, I assume you or whomever will go through that list to see if in fact it meshes up. For example, if you have a school that has received some criticism because they're tending to not take schools, students from within their zone, because these students might need specialized plans, and then they cut the special ed coordinator, bulbs would go off and you would say, "That's not a cut

you can do," or how does that work?

JOEL KLEIN: That, that should actually, what the month process is, is the principals meeting with their school leadership teams, and, and their staff, talking about this, and then also working, every one of them has a financial liaison from the Department. So those issues would surface in that discussion, and if in fact it were an impermissible cut, then we would address that during the process. And then finally, we will review it as well. Obviously, we want to get the results to the Committee quickly, 'cause they want to know exactly where the cuts are being taken; but if we saw, and we would deal with that through assignment, as well. If a school were excluding students, and you knew about this, then we should be talking about that. We would take remedial action.

COUNCIL MEMBER FOSTER: So just, so the steps, I just want to make sure, principal meets with finance the school leadership team, comes up with these cuts, and then it comes to DOE, you guys review it, and then it will come to us, and we will be able to see cuts by schools and

by districts.

JOEL KLEIN: You can see 'em all, yes, by school. What we were hoping to do is give you an aggregate picture, too, but you can see the cuts by the schools.

COUNCIL MEMBER FOSTER: Thank you. Chair, I think that it's very important, as we move forward, before we even look to pass a budget, that those cuts are seen by this Committee first, so that we in fact do have oversight. Thank you.

JOEL KLEIN: Thank you.

CHAIRPERSON JACKSON: In fact, Council Member, we talked about the fact that since DOE's budget is \$22 billion, more than one-third of the entire City's budget, in order to pass the, an executive budget, by June 30th, we have to have programmatically the impact of all of the schools. I mean, the actual numbers as far as dollars amount per school, that's already out there, and that they have to deal with. But we want to know programmatically, and has, as a respondent to my questions, assistant principals are not touchable as far as layoffs; guidance

counselors, teachers--

JOEL KLEIN: - -

CHAIRPERSON JACKSON: Parent coordinators, so forth and so on. So, we want to see that also. Let's turn to our colleague, Domenic Recchia of Brooklyn. And then Simcha Felder.

COUNCIL MEMBER RECCHIA, JR.: Thank you, good morning, Mr. Chancellor.

JOEL KLEIN: Good morning, or good afternoon.

COUNCIL MEMBER RECCHIA, JR.: Good afternoon, I'm sorry, I'm, I'm late, but I was at my daughter's school, she had a performance this morning.

JOEL KLEIN: Oh, good.

COUNCIL MEMBER RECCHIA, JR.: The, one thing I want to talk about, I have two questions. One is about rollovers. Is it right that the principals are now allowed to roll over as much money as they have for next year?

JOEL KLEIN: Correct.

COUNCIL MEMBER RECCHIA, JR.: And the, the problem with that is that why did it take

so long? Because like, principals were told two months ago that they couldn't roll over, or that they could only roll over a small percentage. So principals started spending money.

JOEL KLEIN: I'm curious, we, we have never told, in fact we were the ones several years ago that went to OMB, and said we want to encourage rollovers, because this way they don't have to force the money out. If a particular principal was told by somebody that they were going to be restricted in how much they could roll over, I'm surprised. And it was an erroneous statement. All in, the schools rolled over, even with the cuts last year, \$95 million. So, most of them certainly got the message.

COUNCIL MEMBER RECCHIA, JR.: And those schools that rollover money, they will not be penalized?

JOEL KLEIN: No.

COUNCIL MEMBER RECCHIA, JR.: It will not be used against them.

JOEL KLEIN: No.

COUNCIL MEMBER RECCHIA, JR.: Okay, thank you. And my second question deals with

1
2 substitute teachers. Okay. I know we have a
3 great deal of excess teachers, and we want to
4 place as many of those as possible. But you have
5 a new procedure that's supposed to take effect in
6 November, for substitute teachers. And this is
7 going to be very harsh on graduates who are coming
8 out of school today, who are education majors.
9 Because they won't be able to get a job, but in
10 order for them to become a substitute, okay, even
11 if they're certified, according to your rules and
12 regulations, in November, they have to take a
13 special test in November, because you haven't
14 placed, right. If, in order to become a
15 substitute, a principal has to nominate you for
16 that particular school, and you could only
17 substitute in that particular school. Okay. But
18 come November, you're going to have them take a
19 test, if you want to be a substitute. I'm looking
20 at, you're looking at me like I don't know what--

21 JOEL KLEIN: It's something I'll
22 have to get back to you on. I'm just not--you
23 know, I don't, I, you may, I'm not saying you're
24 not correct, I'm just saying, this is news.

25 COUNCIL MEMBER RECCHIA, JR.: Well,

right now, in order to be a substitute teacher, right, if somebody goes down to the Department of Ed to become a substitute teacher, they need a letter to be nominated from a principal. Is that correct?

JOEL KLEIN: I, I don't know that.

I--

COUNCIL MEMBER RECCHIA, JR.: Okay.

JOEL KLEIN: I'm happy to follow up with you on it, but I don't know the process.

COUNCIL MEMBER RECCHIA, JR.: I just have to bring to your attention, this is a problem, it's a problem not only for principals, because you're restricting who they could hire, because I know people that went down to be processed as a substitute teacher, they got nominated by a school, and they were told that you can only be a substitute in that school. You can't be a substitute in any other school. Okay, so that's number one, we are hurting these teachers. Okay. We're hurting them, to experience of the schools. Okay. That's number one. And then, number two, is that they're told that if they wanted to go to other schools,

besides the one that, they have to take a test, in November. Now this is a new procedure that you came out with.

JOEL KLEIN: You know--

COUNCIL MEMBER RECCHIA, JR.: I, I, my, my office has been flooded with this issue. And I would really, who could we speak to, to set up a meeting to address this?

JOEL KLEIN: We'll set up a meeting with Larry Becker, our head of Human Resources.

COUNCIL MEMBER RECCHIA, JR.: I'd like that, thank you very much, Mr. Chair.

JOEL KLEIN: Thank you, sir.

CHAIRPERSON JACKSON: Thank you. Council Member Simcha Felder of Brooklyn.

COUNCIL MEMBER FELDER: Thank you. First of all, I wanted to thank the Chairs, particularly Chair Jackson, who is humble and allows everybody else to ask many questions before he has time to ask many of his own. And then it's too late. So, I thank you very much. I, I've been asking many of the commissioners the same questions, I want them to know whether you're in favor of medicinal marijuana.

JOEL KLEIN: Am I in favor of medicinal marijuana?

COUNCIL MEMBER FELDER: Right.

JOEL KLEIN: Why would anybody care about my opinion on medicinal marijuana?

COUNCIL MEMBER FELDER: Do you want to answer the question or not?

JOEL KLEIN: I prefer not to answer the que--I haven't thought--

COUNCIL MEMBER FELDER: Well, I'd like you to talk to your people and get it back to me in writing.

JOEL KLEIN: Alright, we'd be happy to do so.

COUNCIL MEMBER FELDER: Alright, now that, now that you evaded the first question I asked you. [laughter]

COUNCIL MEMBER RECCHIA, JR.: What about non-medicinal? Never mind. [laughter]

JOEL KLEIN: Well, at City Council hearings in particular, is that what he--

COUNCIL MEMBER FELDER: That was, that's not, Chairman, that's not off my time, I was rudely interrupted. Okay. I wanted, I wanted

to ask you what, it says, what is a data processing equipment? What does that mean? Do you know what data processing equipment is that--

JOEL KLEIN: Where, where are you reading from?

COUNCIL MEMBER FELDER: I'm reading out of a piece of paper.

JOEL KLEIN: No, sure, data processing would be, you know, we do an analysis of--

COUNCIL MEMBER FELDER: But what's "equipment," equipment, data processing equipment?

JOEL KLEIN: It could be a server, it could be--

COUNCIL MEMBER FELDER: A computer, perhaps?

JOEL KLEIN: Yeah, yeah, a computer.

COUNCIL MEMBER FELDER: Those are items that, that, under the current system, the administration does not allow non-public schools to use City money for. Are you aware of that?

JOEL KLEIN: I am not aware of that.

COUNCIL MEMBER FELDER: Okay, so I'm not going to be as good as my friend, Council Member Recchia, but I want to know, I'd like you to look into that. I'm telling you as a fact that the City does not allow us, Council Members, to use our own discretionary, slush, cap, whatever you want to call it, pork or anything else, chocolate danishes--

JOEL KLEIN: - - you know.

COUNCIL MEMBER FELDER: Yeah, okay, that's why I said chocolate danishes, to use, to help non-public schools with essential needs, and you, and we see that there is funding for it, because under the, the 474, I think it's called 47--UA funding and UA 474, I assume it's not a theater, United Artists, UA 474 to non-public schools. I'm just giving a reference to your staff, I would like to know, I think that is the case, and why not? If you give them money yourself, which is wonderful, that's question number one. No, two, the other--

JOEL KLEIN: Two.

COUNCIL MEMBER FELDER: Question number three, is I want to know whether you would

be in, do you know, or does your staff know, how much we spend on transporting children to school, per child, what does it call, cost the City to take a kid to school?

JOEL KLEIN: It costs the City close to a billion to transport children to school.

COUNCIL MEMBER FELDER: Yeah, but one child.

JOEL KLEIN: Well, it, it depends whether it's a special ed child or--

COUNCIL MEMBER FELDER: No special ed, a regular child.

JOEL KLEIN: Regular general ed kind of a student, so it could--we transport by bus, so it could cost us in the course of a year, are you doing the arithmetic? How much?

COUNCIL MEMBER FELDER: About.

JOEL KLEIN: Probably cost us \$5,000-\$6,000 - -

COUNCIL MEMBER FELDER: That's a good estimate. So, it's costing you about \$5,000 or \$6,000, to transport children from central stops, that's the way things work these days, that

people, no matter what, they have to somehow get their kids to a central stop. Would you be in favor of a pilot project to privatize transportation? I believe costs would be very, very much less than that. Would you be in favor of trying that out, for example, at least for special education children, where you would voucher the transportation to the parents of those children, to be able to get their kids to school on time, without the City having to spend as much money as they are?

JOEL KLEIN: I would be happy to look at that and discuss it, and I would be happy to hear the views of others of your colleagues on that. But we would be happy to look at that.

COUNCIL MEMBER FELDER: But does that mean you want me to, you want to set up a meeting for me?

JOEL KLEIN: Let's set up a meeting and discuss that, and--

COUNCIL MEMBER FELDER: But I don't want it to be the same meeting with Recchia.

JOEL KLEIN: No, no, believe me--

COUNCIL MEMBER RECCHIA, JR.: Why

not, Simcha, come on, Simcha.

COUNCIL MEMBER FELDER: I want my own meeting.

JOEL KLEIN: You get one, Vann get one, Recchia gets one.

COUNCIL MEMBER FELDER: No, I, I don't mind being with Vann, but I don't want to be with Recchia's meeting.

JOEL KLEIN: Alright, to answer your questions, I'm for medicinal marijuana, okay.

COUNCIL MEMBER FELDER: Excellent!
[laughter]

JOEL KLEIN: It may be, it may necessary.

COUNCIL MEMBER FELDER: Excellent!
Did you hear that? We finally got a straight answer. Very good.

CHAIRPERSON JACKSON: We did get a straight answers.

COUNCIL MEMBER FELDER: Thank you.

CHAIRPERSON JACKSON: That's good.
And so am I, by the way. But I have some questions, and I know that we are now moving into the time of the Department of Health, so I'm going

to be as quick as I can in asking these questions. And hopefully you'll be as quick in response, so we can move forward, Chancellor. Chancellor, can you, can you tell, they are, my understanding that the English language learners incentive grants are being cut, despite the English language learners drop out crisis. Everybody knows that English language learners drop out, half drop out after seven years, and only about one-tenth receive regent's diplomas. Why is the Department of Education cutting these English language learners incentive grants, knowing that ELL students are the highest dropouts among any students altogether?

JOEL KLEIN: I don't think we're cutting the grants. I could be wrong about that, but my information is we're not. Photo?

PHOTINE ANAGNOSTOPOULOS: The ELL grants that, if you're referencing that ones that were part of the City Council agreement last year.

CHAIRPERSON JACKSON: Yes.

PHOTINE ANAGNOSTOPOULOS: Those actually, that was for a one year agreement, and then we're rolling over, they didn't use all of

their funds yet. So those roll forward. The unpaid balance, if you will, rolls forward into the year, we're not cutting them off.

CHAIRPERSON JACKSON: Okay. And so, and what about funding them, is the rollover, is going to handle everything that's supposed to be done, or more money is needed in order to fulfill that for the--

PHOTEINE ANAGNOSTOPOULOS: No, no. It's, it's, they were each, I believe they were roughly \$100,000 apiece, and if they, let's just say one school spent only \$20,000 of it, they will get the other \$80,000 in their budget.

CHAIRPERSON JACKSON: Now, you know, last year there was the middle school funding initiative, I believe it was \$5 million targeted for 51 schools, needy schools. Is this funding in the budget for this year?

JOEL KLEIN: Yes, it's going to roll over.

CHAIRPERSON JACKSON: That's going to roll over also. Okay. And what about funding for full day, universal pre-K classes, in ACS centers? And CBOs. This was, my understanding

was about \$2.6 million last year, in Fiscal 2009, that the DOE paid for, and it, it helped about 1,000 slots. What about in 2010?

JOEL KLEIN: It's in the budget.

CHAIRPERSON JACKSON: It's in the budget for 2010.

PHOTEINE ANAGNOSTOPOULOS: Yeah, but it, it was only 557 slots, that's all it funded.

CHAIRPERSON JACKSON: It's not, not 1,000?

PHOTEINE ANAGNOSTOPOULOS: No.

CHAIRPERSON JACKSON: And was the amount of money correct, though.

PHOTEINE ANAGNOSTOPOULOS: Yes, the amount of money's \$2.--Actually \$2.2, \$2.2 million.

CHAIRPERSON JACKSON: Okay. Now, question as far as junior ROTC: How much City tax levy funding will the Department of Education spend on this program this year and next year? This is an issue that is a controversial issue, with many advocates that are against the war. And, and for myself, I'm against the war, also, so

it's a very important issue to me.

JOEL KLEIN: I don't have the number, I'd be happy to supply it to you. For what we pay specifically for the JROTC, and which schools it's in.

CHAIRPERSON JACKSON: I mean, I would, I thought that Photo would have that information, since this is an issue that has been raised before. This is not a new issue, Chancellor.

JOEL KLEIN: This is honestly the first time anybody in the seven years I've been here asked me a question about JROTC, since I've--

CHAIRPERSON JACKSON: Really? I'm surprised that you staff didn't mention that, since clearly we have mentioned this in the exec-- in the, with, I believe with Mark Page, we've mentioned it before. The fact is, in the preliminary budget hearings, we've mentioned it. That my understanding, we are spending approximately two, \$2 million of City tax funding to support this program, when there's so many people that oppose it, because it's based on a militaristic type of format, which many of the

individuals go into and sign up for enlistment into the service. And, and as you know, overall the situation, the City Council years ago took out a resolution opposing the war.

JOEL KLEIN: Well--

CHAIRPERSON JACKSON: And in fact, so, especially when we talked about laying off staff, why are we spending money on a ROTC program, \$2 million, when that can be put towards school aides and paraprofessional and, and other school staff in order to education our children? That's really the question.

JOEL KLEIN: I'm happy to look into it, and discuss it further with you. I, I--

CHAIRPERSON JACKSON: Okay.

JOEL KLEIN: You know, it's just--

CHAIRPERSON JACKSON: Okay. So the question, I guess, and staff will follow up on that.

JOEL KLEIN: Yep.

CHAIRPERSON JACKSON: Is how much City tax levy funding the DOE spent on the program this year, and how much they plan on spending next year? Which it should be pretty easy. And how

much federal funding does DOE receive to support this program in each of those years, meaning last year and this year? And why, why have you, I guess, as the Chancellor, because the buck stops with you, why have you decided to allow this program to operate in City schools?

JOEL KLEIN: Happy to get back to you on all this.

CHAIRPERSON JACKSON: Okay. Now, Chancellor, with respects to, you know, we have asked, the staff has asked, for some time, what, what is the situation with kindergarten waitlists? And as you know, there was an article in the Daily News, just I think yesterday or the day before yesterday, indicating that, that the waitlist problem, and, and overcrowding, is not only in District Two, but is in many districts throughout the City. And staff has asked for some time now, and I believe back in April, a list of all of the waitlists and all of the schools in the City of New York. And in fact yesterday morning, we faxed a letter to Deputy Chancellor Grimm, about this particular matter. And we've gotten an answer that they should have that information by

Thursday. And in my opinion, Chancellor, based on everything that I know, and based on the fact that pre-kindergarten registrations were due in April, that information should be readily available. And I don't understand, and maybe you can explain to me, why isn't that information given to the City Council so we can analyze that? And why do we have to wait until tomorrow, when I really wanted the information before this hearing?

JOEL KLEIN: The reason is, is very simple, let me put this in context, 'cause I think there's a lot of confusion on this. Until this year, schools managed their own waitlist. Right? So this is very important, because I think a lot of people are drawing an inference that actually is the wrong inference. And what I mean by that is, parents would sign up for school, and the school would say, "Well, we'll see where we are in September." And each individual school manages its own kindergarten waitlist. If in September the school didn't have enough seats, they would call Central and say, "I need another school in the community that has vacancies," and parents would be sent there. It was called a capping

order, that we put on a school, to place on a cap on admissions. We decided this year that first of all that process was neither transparent nor was it equitable, because some people could get into a school and some people couldn't, and the waitlists weren't followed properly, and so forth. So we decided to centralize that process. And in doing so, it became apparent to us that the schools, in keeping their waiting lists, some of them were keeping it in a way, and we've been back and forth with 'em, in a way that provided us very little information. So we don't have all the information, we're still ascertaining it, because people not only do they sign up in April, they sign, they sign up in May, and so forth. When we have the information, we will give it to you, and we've agreed, I believe with the, with the, your office, or the Speaker's office, we will sit down with you and address every waitlist. There's a misconception out there that people were always getting into their community schools. And lots of people in lots of communities were not. And that, that's what caused, I think, the confusion, long ago. And, and what was happening was the waitlist

was being managed in a non-transparent, equitable way. This year changed it. We will get you the data and we'll look at every waitlist and what our proposals are for addressing, just the way we did in Lower Manhattan successfully.

CHAIRPERSON JACKSON: I, I appreciate that. But Chancellor, it's, I guess it's, it's hard for me to understand, as the Chair of the Education Committee, knowing that the Department of Education, I can understand you or whoever's in charge making the decision that you're going to centrally manage the waitlist situation, so that it's fair and equitable. And that you know exactly what the situation is, as far as the number of children on the waitlist for a particular school; especially since citywide of the transfer of about 3,200 students from ACS to DOE, and the impact that's going to have on, on the waitlists and schools throughout the City of New York. But I can't see why, when you're talking about elementary schools, approximately, what, how many, 500?

JOEL KLEIN: 700.

CHAIRPERSON JACKSON: 700

elementary schools.

JOEL KLEIN: Right.

CHAIRPERSON JACKSON: Inputting the numbers is taking so long, since especially, you know, registrations were closed for preregistration April 20th. This is already over a month. And that's what I, I cannot understand why that information is not available, when basically everything is being input into a computer.

JOEL KLEIN: So now, a lot of this information, the schools don't have, they have it in, they don't put it in the computer on April 20th, they send it to us, they send it with handwritten things on spreadsheets and stuff, so we have to get it. It's the first time they ever had to give it to us, and that's what I think has changed it. As soon as we have it, Mr. Chairman, we'll get it to you. There's nothing here that we're trying not to work with you, 'cause we've already found the process to be an engagement that's been constructive and helpful, and we're going to continue to do it. And when we have the information, we're happy to get it to you.

CHAIRPERSON JACKSON: Okay, now, as

far as when, when the schools report back on their budgets, around June 18th, as far as their proposed cuts, what about District 75 school budgets. How is that going to be impacted overall with respects to the June 18th deadline.

PHOTEINE ANAGNOSTOPOULOS: The D75 budgets are only being cut by \$2 million in total, and that \$2 million cut will be spread based on the, will be distributed based on the per capita. So, it's, it's a very, very small cut, it's not even a half a percentage point, I believe. And we will be working with the schools, just as we do with the community schools, we'll be working with the D75 schools. But this is a minor cut.

CHAIRPERSON JACKSON: Okay. Now, this is a budget oversight question, for you Chancellor, or--Will the Department of Education participate in routine PEG monitoring in Fiscal 2010, as do other City agencies?

JOEL KLEIN: Will we get additional PEGs in 2010, is that--? No?

CHAIRPERSON JACKSON: No. Will you participate in PEG monitoring in Fiscal 2010? Other City agencies participate. We're asking you

whether or not you're going to participate in the monitoring of PEGs for Fiscal Year 2010.

JOEL KLEIN: PEGs in our schools?

CHAIRPERSON JACKSON: PEGs in your school, PEGs in central administration.

JOEL KLEIN: Sure.

CHAIRPERSON JACKSON: You will?

JOEL KLEIN: Yeah.

CHAIRPERSON JACKSON: Okay. Now, overall, my understanding is that the financial status reports, where you have been giving that out approximately every six weeks or so. Do you understand what I'm talking about, Photo? One has not been issued since March. Why aren't you continuing to do that? And will you voluntarily publish the financial status reports for Fiscal 2010 according to the customary schedule, originally established in the budget terms and conditions?

PHOTINE ANAGNOSTOPOULOS: Right.

CHAIRPERSON JACKSON: Because the-- go ahead.

PHOTINE ANAGNOSTOPOULOS: Yeah. Honestly it's a bandwidth issue, right now.

CHAIRPERSON JACKSON: It's a what?

PHOTEINE ANAGNOSTOPOULOS: It's a bandwidth issue, trying to get through what has been probably the most complicated budget time, in trying to determine that. So, the April FSR, if it's not already on the web, should be out in the next day or so, because I have it, I have a copy of it already. So you will be getting those on a more regular basis, once we get past June 20th.

CHAIRPERSON JACKSON: Okay, so, the April one should be out any day now.

PHOTEINE ANAGNOSTOPOULOS: That's any day now.

CHAIRPERSON JACKSON: And then the subsequent ones will be based on the time schedule?

PHOTEINE ANAGNOSTOPOULOS: They should be. It will be, I just want to warn you, it will be a little bit tough, we have, we have cut back staff, and we are stretched a little bit thin. So, the next, and through June 20th will be a little bit tougher to get them out as quickly as possible, but then after that we'll be on a more regular schedule.

CHAIRPERSON JACKSON: Okay. One second, please. [pause] Chancellor and Photo and Mr. Raab, let me thank you. Mr. Raab, did you say anything at all today?

GEORGE RAAB: No.

CHAIRPERSON JACKSON: Why don't you say hello to everyone, then.

GEORGE RAAB: Hi, everyone.

CHAIRPERSON JACKSON: Hi, everyone. Well let me--Are you in favor of medicinal marijuana.

GEORGE RAAB: I refuse to answer.

[laughter]

CHAIRPERSON JACKSON: Thank you very much, and I look forward to working with you, this budget process, which is going to be a difficult one for all. Thank you.

CHAIRPERSON WEPRIN: Alright, Finance is going to take a five minute recess and we're going to reconvene joined with the Health Committee, and we're going to hear from the Chief Medial Examiner. [gavel]

[pause, background noise]

CHAIRPERSON WEPRIN: The Finance

Committee is back in session, and we are now joined with the Health Committee, chaired by our majority leader, Joel Rivera. We are joined by a few Council Members, we have Council Member Bill de Blasio from Brooklyn, and Council Member Olive Koppell from The Bronx. I'm going to turn it over to the Health Chair for a Statement, Joel Rivera.

CHAIRPERSON RIVERA: Thank you very much, Chair Weprin. Good afternoon, ladies and gentlemen, my name is Joel Rivera. I Chair the City Council's Committee on Health, and today's topics joined - - with the Council's Committee on Finance, Mental Health and Mental Retardation, Alcohol, Drug Abuse and Disability Services, and the Subcommittee on Drug Abuse in the Mayor's Fiscal 2010 Executive Budget for the Chief Medical Examiner, the Health and Hospital Corporation and the Department of Health and Mental Hygiene. This afternoon we will hear first from the Office of the Chief Medical Examiner, on the Mayor's Fiscal 2010 Executive Budget. I am joined this morning by my colleagues, obviously the Chair of the Finance Committee, and of course my colleagues, Chairman Oliver Koppell, and also Chair Annabel

Palma, as well. The Chief Medical Examiner's Fiscal 2010 executive expense budget is approximately \$73.1 million, which is an, an increase of 5.4 percent from the Fiscal 2010 preliminary budget. We will discuss a number of budgetary issues, including but not limited to CMEs proposed personal services and other than personal services efficiencies, and hope to receive an update on the impact on OCME services by the State Fiscal Year '09 and '10. In addition, we will discuss OCME's capital budget. This morning, we are joined here by Chief Medical Examiner, Dr. Charles Hirsch. We are joined by Council Member Kendall Stewart, Council Member Simcha Felder, as well as Council Member Bill de Blasio, and actually before we start, I just wanted to recognize the fact that one of our legal counsels on the committee, is his birthday today. Joseph? Please stand. Your birthday. [applause] Chief, the floor is yours.

CHARLES HIRSCH: Good morning, I'm Charles Hirsch, the Chief Medical Examiner. Seated on my right is Barbara Butcher, our Chief of Staff; seated on my near left is Thomas

Lintern, the Deputy Commissioner for Administration; and on my far left is Jody Lipton, our General Counsel. Chairs and members of Council, first things first, when I testified before the Committee on Health on March 25th of this year, I expressed our grave concern over the threatened loss of Article Six reimbursement in the New York State budget. I must begin by expressing the gratitude of all of us at the OCME for your concern and your efforts in helping us avoid that potentially devastating reduction of our budget. We pledge to respond to your efforts in the only meaningful way that we can: by continuing to provide your constituents with timely, technically excellent service, delivered in a manner that's compassionate and sensitive to the special needs of the bereaved. By the measure of New York City Government, we're a small agency. But every facet of our operations has an impact on the quality of our service to the community, and on the criminal justice system. Therefore, our actions to meet budget reductions must be carefully measured, small bites. I'll quickly outline the steps we've taken to meet the

requirements in the FY 2010 budget. Our current modified FY'09 budget is \$85.4 million, comprised of \$54 million in PS and \$31.4 million in OTPS, which includes various federal and state grants. The proposed FY 2010 operating budget is projected at \$68.5 million, \$48.2 million for PS, and \$20.3 million for OTPS. We've moved forward with plans to eliminate our cleaning and security contracts, and are completing the process of hiring City staff to fill these functions. This saved the City \$2.7 million. We undertook a number of actions in order to reduce our PS budget. We eliminated 16 positions across the agency resulting from staff attrition, and will not refill college aide positions in the coming year. These actions saved approximately \$775,000. We eliminated nearly \$200,000 of funding intended for the purchase of new vehicles. We were able to reduce \$400,000 by streamlining forensic patho-- forensic biology, DNA operations, and working with the NYPD and district attorneys offices by revising guidelines for the submission of evidence; thereby creating efficiencies in this process. Finally, we were able to reduce \$165,000

of City tax levy, by increasing State Article VI funding for a medical unit of our DNA laboratories. Our plans for a new facility in The Bronx continue to move forward. Currently, the OCME is the largest contributor of DNA profiles to the criminal justice system in the United States. Over 90 percent of our matches are within New York State, and provide links to convicted offenders. This work is scientific and unbiased. It helps to convict the guilty and exonerate the innocent with an even hand. Despite budget reductions, we've been able to carry on another mission we consider sacred: the recovery and identification of remains from the World Trade Center. You may recall that in late 2006, we undertook a large scale re-excavation of the area surrounding the former World Trade Center, after new finds were made in the hall road. Since then, we have removed and sifted more than 15,000 cubic yards of material, recovering an additional 1,773 small fragmented remains. The result? Eleven new identifications and the linkage of 741 bone fragments to previous identified persons, all through DNA testing. In addition, recent advances

in DNA technology have been used to retest World Trade Center samples that previously yielded insufficient DNA to make identifications. The results of that retesting have provided twelve new identifications and the linkage of 923 bone fragments to previously identified persons. Of the 2,752 victims, we now have identified 1,627. The work continues. Mr. Chairman, that concludes my prepared remarks.

CHAIRPERSON RIVERA: Thank you very much. We've also been joined by Council Member Mathieu Eugene, as well as Council Member Robert Jackson. Real quick, I just wanted to ask a couple of questions on the Article VI. It's good to hear that we got the Article VI funding from the State, but in terms of recouping from the previous years, it's approximately about \$15 million. What's the status on that?

THOMAS LINTERN: I'm sorry, I apologize, I--

CHARLES HIRSCH: Mr. Lintern has laryngitis, but even with laryngitis he's better with the numbers than I am. So--

CHAIRPERSON RIVERA: Okay, perfect.

THOMAS LINTERN: Oh, yes, you're referring to the State audit, I believe? Which is still underway, there have not been any substantive findings that affected us. So we're working with the Department of Health on that.

CHAIRPERSON RIVERA: Okay. If you could just get the information to us when you have it with you. Now on the capital side, you know the Mayor has requested all City agencies to come up with 30 percent reduction on all projects. Now, how does this affect projects that are in design and shovel ready within your Department?

THOMAS LINTERN: Sorry, it reduced our Bronx project by \$2 million, but otherwise we're still on, moving forward and we've moving forward with the Bronx project. We think we can do that within the money that remains. That's the main, that's our main capital project. And we have an IT laboratory information system as well, which is, was not affected.

CHAIRPERSON RIVERA: Okay. At this point in time, I'm going to turn it over to Council Member Jackson and then Council Member Felder. Thank you.

COUNCIL MEMBER JACKSON: Thank you, Mr. Chair, and good afternoon, Chief Medical Examiner. I'm, I'm just curious on whether or not, I understand that, that all of, all agencies are taking cuts, but I guess my concern is whether or not you, you still have the ability in order to carry out the work that you're doing, in order to, you know, additional information and additional testing concerning to identify the victims of 9/11. And I know that's a, that you're using technology, DNA and what--Are you doing that at the lab, or you're sending that out for analysis?

CHARLES HIRSCH: Both.

COUNCIL MEMBER JACKSON: Both. And so, is, is the work that you're doing on that going to be reduced as a result of the budget?

BARBARA BUTCHER: Yes, sir. The work that we are sending out, increasingly we're taking back in-house, as we develop the in-house technology. Obviously, as the, the private laboratories have economies of scale, they have been ahead of us. We're closing that gap rapidly. As far as the ability to continue to identify remains, the work we've done so far to lay the

base for that work has been of such a magnitude that the current work is largely in scientific review and retesting, which is not radically affected by the budget. But it remains to be seen, as we bring out new fragments, how that will be affected in the future.

COUNCIL MEMBER JACKSON: And as far as, are you almost racked up as far as equipment to do the type of analysis, and--Or are you still purchasing equipment, especially the high advanced technology equipment, in order to do the analysis.

BARBARA BUTCHER: We have the equipment. The, the real work of DNA is not in the extraction, so much, but as in the scientific review. It is a very, very time consuming, labor intensive process, to, to review the DNA samples, and then compare them with the millions of samples that we currently have.

COUNCIL MEMBER JACKSON: And so from a staffing point of view, is the staffing in that area, has that been negatively impacted by the budget reduction?

BARBARA BUTCHER: Not at this time. I think, at this time, we are holding steady. We

1
2 have not seen any decline in performance. But I
3 would, if there are further staff reductions, then
4 yes, I think we would see a marked decline in
5 performance, in turnaround time not just for World
6 Trade Center remains, but for our day-to-day case
7 work in homicides, sexual assault and robbery.

8 COUNCIL MEMBER JACKSON: And I ask
9 questions on that, because obviously there are
10 still many families that, you know, have no
11 remains of their, their loved ones. And, and that
12 is something that, as far as they are concerned
13 and we are concerned as, as legislators, part of,
14 they have not come to closure because they have
15 nothing. I believe, well I was going to mention a
16 name, but I'm not going to mention the name, but
17 even in my district where I represent, there were
18 a good 30 some odd people that perished in 9/11,
19 in which we've had so many street co-namings on
20 behalf of those individuals. And that's still an
21 open issue for, for many, many people. And I,
22 know that we would not want staffing to be reduced
23 in that area, so that we can continually identify
24 the remains of those people that are still
25 unaccounted for. But also, as far as like, you

talked about in your normal work, you know, in murder cases and other cases, I guess the expectation is the Chief Medical Examiner's office will turn around and do that type of autopsy and analysis right away, because in certain religions you have to bury your dead within a certain period of time. In the Jewish religion, in the Islamic religion, you know, people, they bury their dead right away. And to, to have to wait, it just goes against their religion and cultural beliefs.

CHARLES HIRSCH: Council Member, we--I think you're mixing apples and oranges. If we talk about--

COUNCIL MEMBER JACKSON: Oka, well why don't you separate them.

CHARLES HIRSCH: If we talk about a backlog in the DNA lab, it may take a little longer to, to characterize the DNA in a sample from a crime scene; that has nothing to do with the rapidity with which we do an autopsy.

COUNCIL MEMBER JACKSON: Okay.

CHARLES HIRSCH: And in, to my knowledge, in the last 20 years, we have not waited more than a day to do an autopsy when

there's been a religious necessity to, to release a body promptly.

COUNCIL MEMBER JACKSON: Okay, well, I'm glad to hear that. But I had read in the papers, and, and let's talk about that, I read in the papers that the cuts in the Chief Medical Examiner's Office may have a negative impact on, on you know, returning bodies to their family in a timely manner; more specifically, as I indicated, concerning religious traditions, as far as burying their dead within a certain period of time.

CHARLES HIRSCH: I believe the, that was in reference to my opening paragraph about the threatened loss of Article VI reimbursement. That would've cost us \$18 million, and if that had happened, we certainly would have been very slow to respond, and there undoubtedly would've been instances in which people's religious beliefs would've been frustrated by our tardiness. But fortunately, that didn't happen.

COUNCIL MEMBER JACKSON: Okay, so that's, that's not going to be a problem, then.

CHARLES HIRSCH: Long as Article VI are, you know, as long as we don't have to take

some, some devastatingly large cut.

COUNCIL MEMBER JACKSON: I just, I was looking at your, your testimony, and I'm, I'm glad to see that, that you indicated that, that you have moved, or plans to eliminate your cleaning and security contracts, and are completing the process by hiring City staff to fill these functions. And this is saving the City about \$2.7 million.

CHARLES HIRSCH: Yes, sir.

COUNCIL MEMBER JACKSON: I'm, I'm very, very pleased overall that City employees are being used where outside contractors were in place. Now, I know that everybody needs to have a job, but quite frankly, you know, our obligation is to make sure City employees are employed first over the municipal employees. So, are you going to be hiring City employees to do this, or you already have them in place?

THOMAS LINTERN: We are hiring City employees to do this, and we actually were able to hire for our security side, some other people that were being let go from another City agency.

COUNCIL MEMBER JACKSON: Okay.

THOMAS LINTERN: And we're in the process of, for the cleaning staff, we still are filling those positions.

COUNCIL MEMBER JACKSON: Well, overall, let me just say I think that that's good, and I appreciate the fact that, that you're doing that, because clearly we want to try to make sure that City employees stay employed from the first point of view. Thank you, thank you Mr. Chair.

CHAIRPERSON RIVERA: Thank you very much. We've also been joined by Council Member Maria del Carmen Arroyo, as well as Council Member Helen Sears and Council Member Mitchell, as well. Next we have Council Member Felder, who will be followed by Council Member Sears.

COUNCIL MEMBER FELDER: Thank you very much, Chairman Rivera. I think Councilman Jackson addressed the question that, that I was going to pose, but before anything I just want to thank you very much for the work that you do regularly. I don't, I don't think it's the type of work that gets a lot of attention, unless there's a problem. But at the end of the day, we believe that the kindness that you show the dead

is, is of the greatest, and deserves the greatest compliment because it's kindness that will never be returned, certainly by the people that you're dealing with. So, I just wanted to say that, that I think New Yorkers in general owe you and your Department a great debt of gratitude, despite the fact that you don't get the thank yous often, and you won't. We appreciate very much the work that you do on a regular basis, when there's no crisis, there's no murder scene, there's no emergency.

The regular, day-to-day work, we want, I want to make sure that you take that message back to the people who work with you. Having said that, I think that based on the budget news that we've heard from Albany, I think, I think the Speaker of the Assembly deserves a big, deserves a lot of credit on this particular issue of making sure that funding is appropriated, so that you're able to respond in a timely manner for those that have religious needs, in, in those cases, and we're delighted about that. The, and we appreciate that very much. The only part of my question that, that, that I'd still like to dig at a little bit, is the issue that you mentioned, you still

hesitated, even though it seems like the funding is there. Are you, are you still concerned? My, my understanding is that the funding is there, that it's been appropriated. Is that accurate? Or were you like just being, or were you just being like, saying like, unless the thunderstorm comes about? I, I didn't catch that, that nuance.

CHARLES HIRSCH: I didn't throw that nuance, so I'm surprised you didn't catch it. But I, no, the funding is there.

COUNCIL MEMBER FELDER: So, so in other words, that issue doesn't exist.

CHARLES HIRSCH: Correct.

COUNCIL MEMBER FELDER: That concern doesn't exist.

CHARLES HIRSCH: We're always concerned, but, but, no--

COUNCIL MEMBER FELDER: So you did throw in that nuance.

CHARLES HIRSCH: The Article VI reimbursement was, was kept intact.

COUNCIL MEMBER FELDER: In other words, you're as concerned as you'd be concerned about anything else.

CHARLES HIRSCH: I, I make a living being concerned. [laughter]

COUNCIL MEMBER FELDER: Excellent. You like to worry. [laughter]

CHARLES HIRSCH: Love it.

COUNCIL MEMBER FELDER: Excellent.

CHARLES HIRSCH: And I have people all around me who love to worry, also.

COUNCIL MEMBER FELDER: Very good. Do they worry for other people, for--

CHARLES HIRSCH: [laughter]

COUNCIL MEMBER FELDER: Thank you very much, I'm just, I really appreciate it.

CHARLES HIRSCH: Thank you, I appreciate your kind remarks, by the way, thank you so much.

CHAIRPERSON RIVERA: Thank you very much, Council Member. Next we have Council Member Helen Sears.

COUNCIL MEMBER SEARS: Thank you, Mr. Chair. And good morning. I, I have to echo my colleague, Simcha Felder's remarks, because you really run your department with such sensitivity, because I know I've basically had some

constituents that have been involved. And, and they just could not have been treated better than you have treated them. And I think that sensitivity, as was said, could never be replaced. So I want to publicly thank you, for all that you do, and for what you show the families; because at such a time, they need that tenderness and that caring, and you do that. So, I thank you for that. When you were here last, you mentioned something about, when you do autopsy, sometimes you find a health issue that may not have been reported. And that you then began to track it with the aid of the police department, to see exactly what unfolded, if it was infectious or what. And my question is, with the cuts, will you be able to continue to do that? Or are those cuts going to stop what I think is very essential for the public health?

CHARLES HIRSCH: The public health follow up of unrecognized infectious diseases is done with the Health Department. I don't know if the police would be involved in helping us to identify potential contacts, but the primary, the primary partnership that we have in that regard is

with the Department of Health, and we work very closely with--

COUNCIL MEMBER SEARS: I see, okay, so then that won't be such an issue for you. I-- yeah.

CHARLES HIRSCH: It, it wont' be, no.

COUNCIL MEMBER SEARS: Okay. I also, in reading, I think you have done remarkable with the remains of the world trade center victims. I think that that's amazing how you continue to unfold and are able to identify those that really have not been identifiable.

CHARLES HIRSCH: Well--

COUNCIL MEMBER SEARS: Do you see that working, that work going on much longer? Where are you with that?

CHARLES HIRSCH: I doubt that in my professional or personal lifetime, I will see the end of that process. The technology will, will never be static, it will continue to improve. And as it continues to improve, it has been our commitment to the world trade center families that we would pause when we had exhausted the limits of

technology and resume when technology improved;
and that we would never abandon our efforts to
identify their loved ones.

COUNCIL MEMBER SEARS: That is
really remarkable. Thank you very much. Thank
you again.

CHARLES HIRSCH: Thank you for your
for your kind remarks.

COUNCIL MEMBER SEARS: Thank you,
Mr. Chair.

CHAIRPERSON RIVERA: Thank you very
much. We've also been joined by Council Member
Helen, by Council Member Gale Brewer. Seeing no
other questions, thank you very much.

CHARLES HIRSCH: Thank you Mr.
Chairman, thank you.

CHAIRPERSON RIVERA: And we're
going to move forward with the HHC portion of our
hearing, so we'll have them come up.

CHAIRPERSON WEPRIN: If the Health
and Hospitals could come up please.

[pause, background noise]

CHAIRPERSON WEPRIN: Mr. President.
Go ahead, and if you could introduce your team as

well.

ALAN AVILES: Good afternoon, Chairpersons Koppell, Rivera and Weprin, and members of the City Council. I am Al Aviles, President of the New York City Health and Hospitals Corporation. I'm joined today by Senior Vice Presidents LaRay Brown seated to my right, and Marlene Zurack seated to my left. Thank you for the opportunity to discuss the Fiscal Year 2010 executive budget, and, and I'd like to provide an update of HHC's financial plan. At the preliminary budget hearing in March, I spoke about the many accomplishments that HHC has achieved over the past year. I also highlighted the significant financial challenges that we face. In today's testimony, I would like to focus on our budget and give you an update on our response to the H1N1 flu. As New Yorkers have become concerned about the recent outbreak of H1N1 flu, and as many have experienced flulike symptoms, thousands have come to our emergency departments across the City, seeking reassurance and treatment. From the beginning of the outbreak, HHC has served a critical role in the City's

coordinated emergency preparedness, preparedness efforts, and we took immediate action to ensure that patients were properly cared for, our employees remained healthy and facilities stayed fully staffed, to accommodate the surges in patient volume in our emergency departments and clinics. We continue to coordinate our response with local, state and federal public health authorities, and have conducted briefing session with administrative and clinical leadership at each facility on a regular basis. At the very outset of the outbreak, we also arranged for the immediate purchase of supplemental infection control supplies, including surgical masks and gloves, and ready access to a stockpile of Tamiflu as needed. Emergency department staff across HHC have been quick to adjust triage protocols, identifying patients with flulike symptoms as soon as they arrived in the emergency departments, and prioritizing their examination based upon the severity of their symptoms. Although the initial spike in ED volume included a disproportionate number of asymptomatic worried well, over the last two weeks a greater number of pediatric and adult

patients with mild flu symptoms have presented in our emergency departments. Volume was heaviest at both of our Queens hospitals earlier this month, and while the emergency departments at Elmhurst and Queens remain much busier than normal for this time of year, the number of patients presenting with flulike symptoms at both hospitals has been decreasing in recent days. At the present time, we are seeing sustained, high volumes of patients with flulike symptoms at most of our facilities, but especially in The Bronx, northern Manhattan, and northern and central Brooklyn. Although there have been four reported flu-related deaths in New York City since the H1N1 outbreak began late last month, nearly all patients seen in our facilities have presented with mild symptoms that end in a few days. We continued to monitor the situation closely and are proud of the way in which our dedicated staff have handled and continue to handle the flu related challenges over the last several weeks. Now turning to the budget. As you know, in March I alerted the Council that we needed to implement \$316 million in cost containment initiatives to address recent, non-

discretionary cost increases, as well as revenue losses stemming from midyear Medicaid cuts enacted by New York State. I also emphasized that we were facing significant out year structural deficits that, that proposed State Medicaid cuts would exacerbate. The first phase of our cost containment actions included \$105 million in operating efficiencies, better coding and billing, spending reductions, and service consolidations. By the end of the current fiscal year, these actions will result in workforce reductions of 400: 270 through a continuing hiring freeze, and 130 through layoffs. I've also asked our affiliation partners to reduce their contract costs by three percent. Additional actions to address the remaining \$211 million budget gap are currently under review. Final decisions on these plans will be made in the coming weeks. However, as I explained in March, the immediate \$316 million budget gap only addresses a part of HHC's longer term financial problems, our financial plan had sought to address a further structural deficit through federal and state actions of \$514 million, \$416 million of which consisted of a request to

New York State to restore disproportionate share of Medicaid funding to HHC, to the maximum level permitted by the federal government. HHC had received maximum dish funding in Fiscal Years '06 and '07; however provisions in State law making these maximum funds available sunset in Fiscal '08. Since the preliminary budget hearing, New York State enacted its final state budget, while the State budget contains many commendable healthcare initiatives, such as expansions in public health insurance coverage, and investments in primary care services, it also includes deep cuts that unfortunately disproportionately impact HHC. As a result, in Fiscal '09, we will receive \$45 million less in Medicaid funding; in Fiscal 2010, we will receive \$109 million less in Medicaid funding; and in Fiscal 2011, we will receive \$150 million less in Medicaid funding. In addition, in response to our request that the State increase dish payments to HHC, to the maximum level of \$460 million, New York State authorized \$300 million for two years only. This additional dish funding consists of \$150 million in federal funds, which must be matched by \$150

million in City funds. The bottom line is that the State used no State dollars, and none of the increased FMAP funding received as part of the federal stimulus package to mitigate the deep reimbursement cuts to HHC. To reverse these losses to HHC's funding, the State would have to identify new funds and modify existing legislation. Over the coming months, we will be working with members of the State Assembly and Senate, as well as the Governor's office, to identify ways to mitigate the cuts to us and to ensure that we do not incur additional Medicaid cuts. We will share this information with the Council and ask that you advocate with your State colleagues towards these same ends. Turning to the City budget, the Executive Budget includes a new four percent PEG that's valued at \$3.5 million for HHC, based upon the \$89 million City tax levy portion of our budget. We will achieve this new target by reducing the subsidies for HHC's diagnostic and treatment centers, our Sexual Assault Response Teams Program, and our medical malpractice unit, as well as our non-care subsidy and our unrestricted City subsidies.

Additionally, we will increase our reimbursement to the City for agency wide allocated overhead costs. These reductions will yield the City PEG savings of approximately \$3.5 million in Fiscal 2010 and \$3.4 million per year beginning in Fiscal Year 2011. In addition, we received a cut of \$1.5 million from the Department of Health and Mental Hygiene for child health clinics and mental retardation and developmental disability programs. The combined PEG actions and cuts will result in a, in a reduction of approximately \$5 million in Fiscal Year 2010. In the aggregate, the PEGs from the November, January and executive plans eliminate \$19.1 million in funding for HHC for Fiscal 2010, of which \$3.8 million, which State matching funds is for behavioral health programs. Our current City tax levy funding for Fiscal 2010, for Council funded initiatives is \$7 million less than it was in Fiscal '09. In the Fiscal '09 adopted budget, many of the Council initiatives cut were not restored; notably, we lost \$6.2 million in mental health and substance abuse program funding, and \$2.4 million in funding to support prescription drug subsidies for the

uninsured. Since then, we've had to close those mental health and substance abuse programs for which funding was not restored. Patients who were enrolled in those programs were placed into alternative treatment programs; although in the case of the substance abuse programs, the enhanced vocational support that patients received through those programs is no longer available. We have continued to provide prescription drugs to our uninsured patients despite the deep deficits we incur, because providing the service is intrinsic to our core mission. Unless the \$7 million in Council funding is restored in the Fiscal Year 2010 budget, we will receive \$5 million less for the operation of child health clinics. These clinics provided primary care services to nearly 33,000 children who made 87,000 visits last year. And we will receive \$2 million less for our HIV testing expansion. More than 160,000 patients were tested in Fiscal Year '08, a 20 percent increase above the number tested in Fiscal Year '07. Of those tested, nearly 1,800 patients tested positive, these patients have been linked to necessary treatment services. I'd like to

thank the Council for restoring funds for, for its initiatives in prior years and urge the Council to again make restorations this year for these vital child health HIV and prescription drug programs.

Our financial plan for Fiscal 2010 projects \$6.7 billion in disbursements, and \$7 billion in receipts. A significant portion of the \$7 billion in cash receipts, approximately \$1.6 billion, is non-recurring. It consists of federal outpatient upper payment limit, or UPL funding, of \$861 million for Fiscal Years '06, '07 and '08; federal and patient UPL of \$138 million; and additional federal dish payments of \$600 million that the State enacted for only two years, that is Fiscal Years '09 and 2010. As of today, we're still awaiting federal approvals for these payments; accordingly, we are facing a potential cash, cash flow crisis this summer. Even if these payments are received as planned, we can only sustain reasonable cash balance levels through the end of Fiscal 2010, and the initial months of Fiscal 2011. In Fiscal 2011 and beyond, we are projecting a \$1 billion above the line budget gap.

This structural deficit is the result of three

years of Medicaid reimbursement cuts, increasing labor and fringe benefit costs, inadequate Medicaid reimbursement for outpatient services that continue to be well below our actual costs, increasing numbers of uninsured patients, and the unstable nature of dish and UPL funding. Our gap closing program relies on the cost containment actions we are currently implementing, as well as pursuit of additional federal and State funding. Dish and UPL funding has become a lifeline for HHC, and supports our ability to provide open access to uninsured patients. The troubled economy continues to drive more people into our system. In 2008, we served nearly 450,000 uninsured patients, an eight percent increase from 2007, at an estimated cost of \$850 million. Dish and UPL funding also supports Medicaid shortfalls. As you know, our facilities operate an expansive ambulatory care network, which supports the City's primary and preventive health agenda. Our facilities provide nearly \$5 million outpatient visits a year; however, these services cost us \$900 million more than the reimbursements we receive from insurers, principally Medicaid.

While the recently adopted State budget increased Medicaid reimbursement for outpatient care, the decrease in HHC's Medicaid reimbursement for inpatient services was far greater than the increase in its outpatient rates in the aggregate. And the increased outpatient rates still do not cover HHC's costs providing outpatient care. We will continue to identify further cost containment measures that can be achieved in the near term, and some will necessarily entail further service and workforce reductions. However, the cuts resulting from the State budget, on top of our structural deficit, require that we consider a fundamental restructuring of our system to achieve the magnitude of expense reduction required over the next two years. Unless we rethink our delivery of services, and for example find ways to thoughtfully reorganize and consolidate aspects of core service delivery to achieve greater efficiency, we risk great damage to our ability to sustain our mission. My senior staff and I are in the process of identifying consulting firms with relevant experience and expertise, and a deep understanding of the New York City healthcare

environment to assist us with the complex analysis that is required to develop a feasible restructuring implementation plan. I commit to the Council that our focus will be in devising a restructuring plan that achieves substantial cost savings and efficiency gains, while remaining faithful to our mission, preserving the access required to meet the needs of our patients and sustaining our hard earned quality and patient safety advances. Turning the Council's attention to our capital program, work on HHC's healthcare infrastructure continues, but moving forward, projects at every facility will be modified, reduced or eliminated in order to meet the required 30 percent reduction in capital expenditures. For Fiscal 2010 through 2019, we must identify a total of \$334 million in capital project savings to meet the 30 percent mandated target. \$185 will come directly from HHC, and \$49 million will affect FDNY EMS ambulances. In particular, the recently mandated 30 percent reduction in capital expenditures will severely limit our ability to continue with certain outfitting and renovation work, which were to be

the final stages of our major modernization projects at both Harlem Hospital and Gouverneur Healthcare Services. At Harlem, we are proceeding with a new main hospital building, which will house new diagnostic suites, emergency departments, operating rooms and critical care units that will serve as the centerpiece of the campus wide modernization. However, a \$47 million shortfall now exists for the proposed renovation of the Martin Luther King Pavilion. The MLK Pavilion has not undergone a major modernization since it was first constructed in 1969. In addition to ongoing, undergoing a much needed upgrade in its mechanical, electrical, HVAC and other critical systems, the major modernization was to result in the conversion of the existing six-bedded ward type patient rooms, into semi-private one and two bedded rooms with private bathrooms. The MLK modernization project would also have integrated certain clinical service operations through greater efficiencies. Elimination of this phase of the modernization project will have an adverse effect on our expense budget, as we will be limited to conducting

repairs, maintenance and upgrades of MLK on an as needed basis. I understand that hospital leadership has submitted to Council Member, I think it's a \$5.6 million capital funding request for some MLK system upgrades, and a limited number of equipment projects. We are appreciative of the Council Member's consideration of this funding request; however, assistance in obtaining federal stimulus infrastructure funds from New York State to complete the MLK modernization is critically needed. Our effort to maintain the scope of the Gouverneur healthcare services modernization faces similar challenges. This project is slated for \$11.1 million reduction. This reduction would limit spending significantly for the necessary outfitting, that is fixtures, furniture and equipment, of the new facility. Similar to, to Harlem Hospital, Gouverneur has not undergone a major modernization since its inception in 1972. Unless these funds are identified for the latter years of the project, the facility will face challenges in its ability to deliver the services that were intended in its original design. Individual HHC facility leadership have made other

specific capital funding requests of their Council representatives, or their borough delegations.

For example, Gouverneur has submitted requests totaling \$8.3 million for various upgrades to its telecommunications infrastructure, medical equipment purchases, and program areas outfitting in the diagnostic and treatment center, and for a glass wall curtain as part of the construction project for the nursing home. Coney Island Hospital has asked for \$3.3 million for various diagnostic equipment upgrades, and improvements to radiography rooms in the emergency department.

Kings County Hospital leadership has conferred with Council Members Eugene and Stewart about the need for \$1.5 million in Council funds for the purchase and installation of monitoring equipment in the hospitals' intensive care units. To respond to the continuing growth in outpatient services demand at Elmhurst Hospital, the facility leadership has requested additional capital funding for the planned women's health center.

The Council has already provided \$5.7 million in capital funds; however, we cannot complete this important project unless we can obtain the full

amount of funding that is necessary. Capital funding is also sought to facilitate our restructuring and cost containment efforts. Specifically, \$2.4 million and \$1 million respectively are needed for the relocation and renovation to new space of the Sydenham Health Center in Manhattan, and the Recovery and Treatment Center in South Bronx. Also, Coler-Goldwater Specialty Hospital Nursing Facility is seeking \$480,000 in capital funding to purchase a new digital mammography unit to better serve the residents at all levels of mobility within that long term care facility. In addition, in order for us to provide effective and rehabilitation focus psychiatric emergency services, we are in need of capital funding for the expansion of three comprehensive psychiatric emergency programs or CPEPs, at, at Jacobi at a cost of \$7 million, Woodhall at a cost of \$1.2 million, and Bellevue at a cost of \$900,000. As we work through these difficult financial times, HHC will advocate strongly at all levels of government for an infusion of financial support, to continue our mission as a the City's critical safety net

provider for all New Yorkers. We have consistently enjoyed strong support for our mission from the Mayor, our elected officials here in New York City, and Albany, and in Washington, D.C. I would like to thank the Council for the support and assistance you have provided HHC in the past, and I look forward to working with you as we steer our public hospital system through these challenging times. That concludes my written testimony, and I look forward to listening to your comments and answering your questions.

CHAIRPERSON RIVERA: Thank you very much, President Aviles. I just had a couple of questions myself, just wanted to find out. In the HHC's Fiscal 2010 preliminary plan, the projected closing balance of Fiscal 2009 was \$1.4 billion. Now it's down 83 percent to \$237 million. And taking into consideration the need to have a cash flow balance, you know, to pay for payroll and other of the key expenditures, what impact is that going to have on direct services?

ALAN AVILES: Well, hopefully it will not have an impact as long as the supplemental Medicaid payments that we were

expecting this fiscal year come in very early next fiscal year. That is what accounts for that very big swing of hundreds of millions of dollars.

There are outstanding upper payment limit payments that we are expecting. There has been some delay with the federal government approving those payments. We are expecting them to be ultimately approved. We're hoping that they'll be improved, approved in the early summer months.

CHAIRPERSON RIVERA: Okay. And now, you know, you mention in the, in your testimony about the dish funding, and we know it was a maximum of \$460 million that we were able to, to potentially receive from the State. Now, in terms of, you know, and we did finally receive \$150 million from the federal with the \$150 million City match. Now in terms of the, the \$160 million balance, is there still a concerted effort State side to receive, receive the funding, that funding source? Or--

ALAN AVILES: We're certainly advocating for that, but unfortunately, as things stand at the moment, the City has largely committed that additional \$160 million. The

State, rather, has largely committed that \$160 million that was the dish room that they had in the New York State location. Certainly, if some of what they intended to use that money for does not come to fruition or is not approved by CMS for dish use, then, then we are arguing that that money should be redirected back to HHC. We would need further, further legislative authority to raise our, our cap beyond the \$300, closer to the \$460.

CHAIRPERSON RIVERA: And the legislative authority would come from the Council or from the state side.

ALAN AVILES: From the State.

CHAIRPERSON RIVERA: From the State side. Okay, and in terms of the federal stimulus program, we were originally anticipating a \$2 billion, \$2 billion towards the City of New York. And we only received \$1.6 billion. The shortfall of \$400 million, what does that account?

ALAN AVILES: That, that's a, you know, that's a calculation that the State made, the City does not agree with it, in terms of how much of what percentage of the federal stimulus

dollars should have been allocated to the City, and also to other counties. I believe that there is, there's, you know, there's still argument going on about that, but that is really independent of us, that's between the City and the State.

CHAIRPERSON RIVERA: And those federal stimulus dollars wasn't earmarked from the federal government to the City, as \$2 billion straight? Or--?

ALAN AVILES: No, there was, there's a formula or calculation or, or just a language subject to interpretation, in the stimulus package, and it's being interpreted somewhat differently by the State than, than the City.

CHAIRPERSON RIVERA: Okay. Now what can we do in terms of, the interpretation, does the City, the City has no authority to, you know, to negotiate with the State in terms of the reinterpretation for the--

ALAN AVILES: I know the Law, the City Law Department has been involved in making the arguments. I don't know whether or not

anything in the way of legal action has been taken in connection with that. The Corporation Council would have to respond to that question.

CHAIRPERSON RIVERA: Okay. Now, in terms of the capital budget, obviously a 30 percent cut was asked by, for all City agencies and non-agencies. How, in terms of the modernization projects in Harlem, the 47--\$47 million deduction, what aspects of that are going to be included in the, in the reduction?

ALAN AVILES: It is, it is principally focused on the modernization of the MLK Pavilion, which is the existing bed tower, not part of the new building construction. The new building construction is going forward as planned, but the \$47 million was intended to do significant renovation of the, the older bed tower, including converting six bedded wards to one and two bedded units with private bathrooms, as well as doing systems upgrades, to elevators and HVAC, and electrical and the like, all of those are aging systems that do need to be upgraded.

CHAIRPERSON RIVERA: Okay. And now, on the child health clinics, what impact will

the Department of Health and Mental Hygiene cuts to the child health clinics have on HHC services?

ALAN AVILES: Well, at this point every cut just adds to the challenge. We have been, we continue to be, committed to the child health clinics. We certainly think they play a vital role in the communities that they serve. So the pass through cut of a \$150,000 we will deal with, without that prompting any drastic action on our part in terms of reduction of those services. We are more concerned, quite frankly, about the restoration of the \$5 million. That would be, I mean, failure for us to receive that \$5 million would have a significant impact on the, on the child health clinic program.

CHAIRPERSON RIVERA: Thank you. At this point in time I want to turn to over to my colleague, who's co*chairing, Council Member Helen Sears, and then we'll be followed by Council Member Dickens.

CHAIRPERSON SEARS: Thank you, Mr. Chair. I'll be very quick, actually. You know, as Chair of the Council's taskforce on the hospital closings, I am very concerned about the

clinic closures, the health service and staff reductions proposed by HHC during Fiscal 2010. We have experienced a number of school closures, and we've also experienced, in the clinics, and with the hospitals that are closing, I have big concerns about exactly how do we fill that gap? We really can't afford to lose any more, the HHC has been inundated in Queens with the closing of those three hospitals. And to have more cuts in the vital healthcare, so maybe you might have to tell us, I know you've been giving a very strong picture on exactly what is the future of HHC. Yes, we're dealing with stuff now, but what is to come in 2011, and there, and I'm very concerned about just how you get to meet these as the State cuts and the federal government cuts. And the fact that you may get a rise in, in the outpatient and you get a cut, the inpatient with Medicaid, which affects the HHC very severely. So, I think that we need to look at those clinics that you're, you're looking at closing, and what we could do about that.

ALAN AVILES: It certainly is very challenging, particularly in Queens, where we are

dealing with not just the most recent H1N1 flu epidemic, which is putting tremendous pressure on both emergency departments at those two hospitals, but also following the meltdown of the Caritas system, and the closure--

CHAIRPERSON SEARS: Exactly.

ALAN AVILES: --of both hospitals that were in the backyard of Elmhurst, and then of Queens Hospital Center, it has increased demand at both facilities. So we have, you know, we are doing the best we can under the circumstances. We have granted both hospitals some greater flexibility in terms of the hiring freeze that we have put in place, so that they can assure that they're maintaining adequate staffing, particularly in the EDs, and particularly in the primary care clinics that are dealing with the brunt of a lot of that increased pressure. But the reality is that we are facing such a large budget gap that it is going to require us to make difficult decisions that we would rather not make, quite frankly. In, in the first instance, we are trying to minimize to the extent possible, the impact on an actual service delivery. So for

example, in Westin Queens, although we are closing some community based ambulatory care programs, there is additional capacity available at both, at Queens Hospital Center, but also at two other community based sites: the Communicare site at Parsons Boulevard and the South Queens Multiservice Center, that can absorb those patient demands. But clearly you reach a point where you have saturated the additional capacity, and all of this does, to some extent, creates inconvenience for patients who are now accessing sites that are closer to their homes. But we're trying to balance, as best we can, the critical need to reduce expense while still maintaining basic access to services for the patients who are affected.

CHAIRPERSON SEARS: Now, of course, where you're really redirecting them, does not have the public transportation as available as it does, that's in Westin Queens. So that, in itself, creates a hardship, that those that are using those Westin Queens facilities do not find. Where--

ALAN AVILES: Some of the bus, I

mean, we have done a mapping of, of the bus lines, so for, for the areas that most of the patients come from, for example, from Springfield Gardens, they do have a bus line access to South Queens Multiservice Center. To the extent that we are consolidating some services between Elmhurst and Queens, for example, the child development center services are being consolidated under Queens Hospital Center site. We are also making available the, the shuttle that runs on an hourly basis between Elmhurst and, and Queens Hospital Center, to patients, to be able to, to make that, that trip. But there certainly are tradeoffs, there's no, there's no question about it.

CHAIRPERSON SEARS: I know, though, because I, I think you do a remarkable job, and I always say that, because your cuts get deeper and deeper, and yet no one need go without quality healthcare. And you manage to do that, which continually amazes me. I have one question in your statement, about the number test. You're, it had to do with, that you had a 20 percent increase above the number tested in HIV in 2007, and so of those tested, nearly 1,800 patients tested

positive. My question is, do you keep the age and the sex of those you test?

ALAN AVILES: Yes.

CHAIRPERSON SEARS: Is it possible for us to get what you have among the teenagers?

ALAN AVILES: It, it runs that gamut, actually, from adolescents to, to those who are seniors.

CHAIRPERSON SEARS: I, I understand. And yes, and our seniors do as well, because we know that it's on the rise in teenagers and, and when we, as a Council meet, that's of great concern to a lot of our colleagues. So it may help in redirecting some funds if we know exactly the, the range of the adolescents and those a little bit older. Just the, the increase in that, that could help.

ALAN AVILES: We can provide you with that, that breakout.

CHAIRPERSON SEARS: Thank you. That, that could be helpful in budget negotiations. Alright, thank you, and thank you again for everything you do.

ALAN AVILES: Thank you.

CHAIRPERSON SEARS: Amazing. Thank you, Mr. Chairman.

CHAIRPERSON RIVERA: Thank you very much. Before we go on to the regular Committee members, I want to give an opportunity to the other Chairs who are here, that are co-hosting this hearing today. But before we do that, I just wanted to make a notation for everyone that on June 11th, the Health Committee will be having a full hearing on the H1N1 flu situation in the City of New York, and therefore anyone who's interested in having detailed information, that would be the day that we'll be having that hearing on. So, at this point in time we're going to go onto Council Member Koppell, and then Council Member Palma, and then we'll go onto the original members.

COUNCIL MEMBER KOPPELL: Thank you, Chairman. I want to say that I'm pleased that we're having this hearing jointly with the Health Committee, because at the preliminary budget hearings, we didn't have a joint hearing, and so we didn't have the benefit of hearing from President Aviles at that time. So I'd like to ask a question that kind of combines what is proposed,

or was proposed in the preliminary budget, and proposed today, and ask in the aggregate, how much reduction is being faced with respect to mental health services? In, in, from last fiscal year, between 2008, 2009 rather, and 2010.

ALAN AVILES: The, the reductions that stem from our, the initial \$105 million phase of our cost containment initiatives is about \$2.9 million. The reductions from the PEGs amount to about another \$3 million. So the total is about \$6 million.

COUNCIL MEMBER KOPPELL: And can you, can you give us a relatively contained description of what is being cut?

ALAN AVILES: We have, we have, I mentioned the consolidation of the child development programs, in Queens, that is, that is one of the, the cost containment initiatives. A, the psychiatric continuing day treatment program at Harlem Hospital is being eliminated. As is the day treatment program at Metropolitan; there's actually a consolidation there of two day treatment programs at Metropolitan hospital. There is a, currently a discreet, bilingual

inpatient psychiatric unit Bellevue Hospital, that is being eliminated and integrated into the main inpatient psychiatric units, when that unit was first created there was an issue of having sufficient bilingual, bicultural psychiatric staff; in the main inpatient units that's no longer the case. There are four school based mental health clinic in South Brooklyn that are being closed. And [pause] and then [pause] we have a program for adolescents out of Lincoln Hospital, the Leap Program, that lost its grant funding. We continued to operate it for a year looking for alternative funding. We were unsuccessful in obtaining that funding. And then there are six MMRD clinics that have incurred a cumulative cut of almost \$1.9 million. So, four of those are being closed, that's based upon our review together with DOHMH of the service utilization and community need, and alternative services in various communities. So, the Morrisania and Kings County Clinics will remain open. Those--Queens, Elmhurst, Coney and Renaissance--will close.

COUNCIL MEMBER KOPPELL: But are--

are you finished?

ALAN AVILES: There's also, there are pediatric, AIDS and mental health services, both at Harlem and Woodhall, which will no longer function as separate services; those mental health services will be provided as part of the mainstream services for pediatric patients in our behavioral health program. And then there is a program at Gouverneur, which was a drop in clinic, which also is being restructured and downsized.

COUNCIL MEMBER KOPPELL: Are there, are there, in each case, are there alternatives available to the individual patients who are being serviced?

ALAN AVILES: In, in each case, we are required to submit a closing plan to the, to State Office of Mental Health, and the State Health Department. Part of that submission requires us to identify the alternative service options to which patients, existing patients, can be linked. In some instances, those are within our system, and in some instance those are elsewhere in the community.

COUNCIL MEMBER KOPPELL: Have you

prepared those closing plans?

ALAN AVILES: Yes.

COUNCIL MEMBER KOPPELL: Can you provide us with copies?

ALAN AVILES: Yes.

COUNCIL MEMBER KOPPELL: And would, I think that it would be very useful if you could provide the immediately, within the next day or so, because as we consider possible restorations, and I'm not promising anything, I don't know if we can make any restorations, but I think we would like to focus the restorations, if we are able to make any, in those areas where there are either no alternatives or what appear to be inadequate alternatives? So we'd like to have that, right as soon as possible.

ALAN AVILES: Okay, we can provide you, I'm being reminded that there are, there are a couple that are in preparation, but have not yet been finalized and submitted. The majority have in fact been submitted, and those we can provide to you immediately.

COUNCIL MEMBER KOPPELL: And the ones that aren't finished, provide them as soon as

they're finished.

ALAN AVILES: Sure, absolutely.

COUNCIL MEMBER KOPPELL: I'm particularly concerned, not to say that some of the other things like day treatment for, you know, for people who come out of residential care, that's a very important thing to keep them from going back. But, so I'm not trying to minimize that, but we've, we've had a particular concern, and I share this with Council Member Brewer, with school based mental health facilities. We've been trying to expand them. I notice you're closing four programs you said in Brooklyn.

ALAN AVILES: Yes.

COUNCIL MEMBER KOPPELL: Why did you choose to close those four programs?

ALAN AVILES: Well, in the first instance, we, we allowed our, our facilities and networks to, to make recommendations based upon their own sense of where they, they could make closures, or where they make closures, or where they could reconfigure programs while still linking patients to needed services. While school based programs provide the convenience to

families, they are often not the most efficient way to deliver services, because the cohort of students is relatively small. So each of these programs served varying numbers, about 20 to 40 or 50 students during the course of the year, but they required an infrastructure in terms of both direct delivery staff and administrative staff, that if consolidated, or if the, if the services were provided back at the main hospital, allowed for some greater efficiency in the delivering those services. So, that, that is why those types of community based services that often involve just one provider, that, who needs to be surrounded with administrative and support services, often are, are earmarked as being the less efficient model, where if you have to make cuts to, in order to minimize the impact, that's a decision that's made.

COUNCIL MEMBER KOPPELL: How much would each, does each one of those cost to maintain, those school based programs, do you know?

ALAN AVILES: Do we have that?
[pause] We can, we can get that, too, so.

COUNCIL MEMBER KOPPELL: Okay, we, we would like to, to know that, and you know, we looked last year at some programs that you believed that you could, you could fund, at least last year you were able to fund it out of some funds that you, sort of one time funds that you were receiving from the federal government. Are those available again for 2010?

ALAN AVILES: No.

COUNCIL MEMBER KOPPELL: So, those programs that we used to fund, the Council used to provide money, that last year we defunded, what's, what's going to happen with them.

ALAN AVILES: They are being closed. The, the absence of any replacement funding, they're either being closed or they're being downsized.

COUNCIL MEMBER KOPPELL: But if you could give us a list of those specific ones that the Council had supported in the past, and that you still think are important, we'd like to have that, too, as we look at possible actions by the Council, promising nothing, but just wanting to see what, what we might consider, because I think

last year, at least I, if not others, and I think there were others, but I won't speak for anybody else, sort of indicated that while we took them off our list last year, because you had federal money to pay for them, we, we at least hope that we could re-fund them once that flow of funds disappeared, so I don't want to just ignore that commitment or quasi-commitment that we try to make. It may not be possible because the budget situation got so much worse, but nonetheless that was my intention when I recommended or agreed with the recommendation of the speaker, to cut those programs. So, now I'd like to see, you know, whether we could perhaps re-fund or partially re-fund some of them.

ALAN AVILES: We're happy to provide you that information.

COUNCIL MEMBER KOPPELL: If you could get that information to us quickly, that would be appreciated.

ALAN AVILES: We'll, we'll do that.

COUNCIL MEMBER KOPPELL: Okay, thank you.

CHAIRPERSON RIVERA: Thank you very

much. Next we'll have Council Member Palma, then Council Member Dickens.

COUNCIL MEMBER PALMA: Thank you, Mr. Chair. Thank you, Commissioner for your testimony. In, in the preliminary budget there were cuts announced to, in HHC particular to substance abuse. I'm just curious to know what would the effect of these cuts be, of the cuts in services being for the, for the, for Fiscal Year 2010.

ALAN AVILES: For substance abuse--

COUNCIL MEMBER PALMA: Yes.

ALAN AVILES: --in particular. The most significant of those cuts deals with the vocational component that we were able to embed into some of our programs, to help those who were going through detoxification and rehabilitation, to better prepare to enter the job market. And unfortunately, we could not sustain those components of those programs in the absence of the funding, so what we've begun to do is to strip that out where possible, to refer patients to community based organizations that could provide some of that support.

COUNCIL MEMBER PALMA: And, and we know that, you know, the, the federal government, the president has made a commitment in, in making sure that through stimulus money, some of, it will help reduce any cuts to certain areas. Do you see any of the stimulus money trickling down, being helpful in plugging some of the cuts that, that were made?

ALAN AVILES: We were very hopeful at the beginning that that in fact would occur. The problem is that the federal stimulus dollars, as they related to healthcare and the Medicaid program, were not as a matter of law earmarked for, for expenditure only for the Medicaid program. So, the State had discretion to use those dollars in whatever way they chose, chose to and saw fit, and those dollars were largely used for other purposes--GAP closing, purposes in the State budget--and certainly were not used to lessen the cuts that HHC received. Whether or not that will change for the next State fiscal year remains to be seen. There are additional stimulus dollars that are available to the state for this next fiscal year, we're certainly going to

advocate that those dollar be used, not only to, to offset further cuts, but hopefully to, to undo some of the damage that has been done this past fiscal year.

COUNCIL MEMBER PALMA: And we know that the Council has been a partner in making sure that we, we continue to advocate to put these dollars back. How can we continue to be helpful to make sure, then, these cuts are not so severe?

ALAN AVILES: It, we obviously are very grateful for the Council's advocacy during this past State budget cycle. We would ask again that you advocate with your State colleagues that, that each of you specify just what the importance is of HHC's facilities to your communities and your constituents, and the extent to which these cuts are actually adversely affecting our ability to deliver those services in the way that are needed, particularly at a time when we're seeing more and more need and more and more uninsured patients, that we're happy to provide you with data to support, to support that.

LARAY BROWN: As the President said, we'd be very happy to provide the dollar

amounts, the impact of the budget, to each of you, and as it affected to your respective facilities.

But in real short order, we need your extensive advocacy strength in advocating with the

Governor's office as to the use of the

infrastructure moneys that came to the State,

through the stimulus legislation. And very

specifically, to afford an opportunity to replace

what we need for Harlem Hospital, in terms of the

\$47 million, that we don't have anymore, and that

will prevent us from essentially rebuilding the

Martin Luther King building. And that's very

specific, and I know that not all of you represent

Manhattan, but in joining forces for a very

important hospital in the Manhattan community,

could go a long way in influencing the governor's

deliberations on how infrastructure moneys could

be used. And next year, and I, and I think we

should stay, start talking about this summer and

this fall, because next year will be too late.

But this summer and this fall, we'd like to work

very closely with each of you, and your respective

State legislators, on preparing for their decision

making in next April/March, in terms of the State

budget, and in particular in how to use those FMAP dollars. Thank you.

COUNCIL MEMBER PALMA: Thank you, and I just want to correct myself, I, I called the President Commissioner, so, I thank you for, for your responses, Mr. President.

CHAIRPERSON RIVERA: Thank you, Council Member Palms, now we'll go on to the Committee Members. First is Council Member Dickens, to be followed by Council Member Stewart.

COUNCIL MEMBER DICKENS: Thank you, Chair Rivera. And good to see you, President Aviles and LaRay.

ALAN AVILES: Thank you.

COUNCIL MEMBER DICKENS: And for all your hard work in advocacy for public healthcare. You mentioned, President Aviles, about the new construction at Harlem Hospital, would be going forth. But has that construction been extended by, in the terms of years, one year, two year, has that been, been done, or is it on schedule, as what was originally proposed?

ALAN AVILES: We, we did experience some delays in terms of some unexpected ground

conditions in connection with the foundation work that was done, so that did hold things up. So we are now on schedule for a full completion at about December of 2012.

COUNCIL MEMBER DICKENS: So how far off is that, just maybe--

ALAN AVILES: It's a full, that's a full year.

COUNCIL MEMBER DICKENS: Full year off schedule. Alright. As, for the modernization at the King Tower Pavilion, I have a question about that. Let me first go back. Can you tell me how you calculate how each one of the HHC's facilities will be, will be cut--In other words, how much? How do you calculate the cut to Jacobi or the cut to Harlem, or the cut to - -

ALAN AVILES: You mean, on the capital side. On the capital side?

COUNCIL MEMBER DICKENS: Yes.

ALAN AVILES: Capital cuts. Well, it, it is a, it's an analysis of a number of different things. In some instances, there are critical needs where we have failing systems, where we're currently expending a lot of money

just to keep them operating. And so there is an, just an inability to delay those any further. In some instances, it is looking roughly at the equity based upon how much in the way of capital improvement have we been able to do in the last few, few years. So, I would say that, that those are the principal factors that we look at, and so that a network or a facility that has had the benefit of major modernization work over the course of the last six or seven years, may wind up taking a somewhat bigger hit. Or if they, if they are already, if there is spending in the pipeline, which we are, which we are committed to maintaining, then that's factored in, as well.

COUNCIL MEMBER DICKENS: Alright, so the \$47 million that guts the modernization of the Harlem Hospital King Pavilion, is calculated on what you, what you just articulated here, and the reason I'm very concerned about that, and I'll just be very specific, is that North General Hospital, which services Northern Manhattan, will no longer be an acute care facility. Because of the economic times, and because that Harlem no longer will have the community of Harlem, East

Harlem, will no longer have Harlem Hospital, and although non-HHC, North General, that there's going to be an additional influx of patients that Harlem Hospital will be forced to absorb because of the closure of that acute care facility. So, I'm extremely concerned when so much is cut to the capital for MLK, when I know it's going to be overburdened, even more so than what has been predicted because of the economic downturn. How do you propose, and I know, you know, you want us to work with the State, whole thing, but I'm, I'm extremely concerned because I'd like to first know how, how many people utilized Harlem Hospital last year, and how many utilized Gouverneur's. Can you, you may not have that now, but I'd like you to provide that to our Committee Chair, of how many were used at, how many patients were seen at Gouverneur's, say, how many were seen at Harlem Hospital, how many were seen at, say, Lincoln, and how much was cut to Harlem Hospital, and how much was cut to Gouverneur's, and I don't know if there was any capital at Lincoln, but how much was cut to Lincoln if there's capital. And the same could be said for expense. Harlem Hospital is going to

be overburdened. I'm extremely concerned because Northern Manhattan is going to only have Harlem Hospital, and then of course you can go up to Columbia, but we're talking about HHCs. And I'm, I'm frightened, I'm frightened, particularly with North General now being closed, to the community of where are we going to go? Now, Harlem Hospital, for instance, the elevators are shot. It literally takes you sometimes as much as 15 or 20 minutes to get upstairs. Now that's just the elevators. And we could be, you know, I'm not even talking about changing the rooms to making them semi-private, I'm just talking about trying to get upstairs to the facility, to the clinics. And so I'm extremely concerned, and I know what we have to do, I've been working with LaRay, so I know what we have to do as far as, as the, the working with our State electeds, and I know about the miscalculation from the State, and I know about the stimulus dollars. I know all about that. But that does not relate to my families, that don't have a hospital to go to, or a hospital that's so doggone overburdened, that they're turned away at the door, or they're standing there

for an inordinate amount of time. And Harlem hospital is a, one heck of a facility. It, it provides some of the, it, it gets a bad reputation, but it provides quality care in, in probably all of the HHCs. So, you know, I put that on the table, because when you, you know, try to fulfill the PEG by gutting something like the King Pavilion, that provides the quality care that it does, to Harlem, East Harlem, then I'm very worried.

ALAN AVILES: I hear you, Council Member. And obviously we agree that there is great need in the community. And that is why we have remained resolutely committed to the building of the new facility. And the building of the new facility, in excess of \$200 million, will add some additional services and some additional capacity. I would note that, in part because of changing demographics in the community, the, the volume that has come to, to Harlem Hospital, has eroded over the last few years. So, there will be additional capacity, there is now additional capacity, at the hospital. We do understand that there are dynamics going on, particularly with

regard to North General and they're potentially no longer providing some of the inpatient services that they provide, that Harlem Hospital will have to stand ready to provide. The renovation of the MLK Pavilion as needed as it is, would not increase capacity, it simply would provide much, a much better environment of care of patients, affording them more privacy for them and their families, and private bathrooms and the like. I'm not suggesting that that is not important, it is. We are hopeful that with regard to some of the more critical systems upgrades, you mentioned the elevators and that is certainly an issue, that because of the current environment in construction, some of the bids - -

COUNCIL MEMBER DICKENS: Could you just hold that for minute, because the phone is going on, and it's very distractive to me, and I, this is very important to me.

ALAN AVILES: Sure, yeah, sure.
[pause] So we are hopeful that--

COUNCIL MEMBER DICKENS: Thank you.

ALAN AVILES: --some of the bids that will come in on the major modernization

project, will come in lower than have been estimated. We have begun to experience that, and that that will allow us to accrue some savings. We've obviously not going to make up \$40 plus million dollars, but it could, it could yield us several million dollars in savings, which then could be used for some of the more critical MLK work, as we continue to search for additional funding for the balance of it.

COUNCIL MEMBER DICKENS: Alright. Would you please don't forget to provide the information to the Chairs that I asked about.

ALAN AVILES: We'll do that.

COUNCIL MEMBER DICKENS: And lastly, about the, the daycare treatment facility at 118th Street, what's going to happen with that? Is the 118th, or 117th, I think it's 118th.

LARAY BROWN: Council Member, it's 118th Street, as you said, and as you know the proposed plan is that the Sideham [phonetic] Site would move to that location, to save significant lease cost, the day treatment program would move to Harlem Hospital proper. And so though--[pause] the, the mental health day treatment program,

Harlem House, would move back to the hospital campus.

COUNCIL MEMBER DICKENS: Now, is it true that, and I say this for my colleagues, is it true that the daycare, the day facility, treatment facility, such as the one at 118th Street, it's been proven or has it been proven that it actually functions better and it gives better treatment and helps the patients more, because it is offsite rather than within the acute care facility?

Because that's what I was told. And so I've got some concerns when we talk about putting these, these treatment centers and, together, and, and then returning them into an acute care facility, where the patients have been used to offsite. The Harlem House, by the way, is a phenomenal, phenomenal site. It is great. I invite my colleagues to please come and see it. And I would hope that since it has to be moved to within Harlem Hospital proper, that would it indeed be able to provide that same type of service that it does now?

LARAY BROWN: It is our experience that because we, we provide similar programs

throughout the HHC system, many of them are on the hospital's campus, in fact most are on the hospital's campus, and it's been our experience that the outcomes for patients, and the content, the substance of the programs, would be, would not be different. And that is our hope for the Harlem House relocation, that the staffing, the content, the structure of the activities in the program, would not change with its being relocated from one site to another site.

COUNCIL MEMBER DICKENS: Is there room at Harlem, at--What would it go to the - -

LARAY BROWN: I believe they're looking in the women's pavilion, and they're also, they would be renovating space to accommodate that program, to have the requisite program and activity space. But I could confirm which building I, I could be wrong, but I believe it's the women's pavilion.

COUNCIL MEMBER DICKENS: Alright, well thank you so much, thank you.

CHAIRPERSON RIVERA: Thank you, and next we have Council Member Stewart, followed by Council Member Brewer.

COUNCIL MEMBER STEWART: Thank you, Mr. Chair. Mr. President, I have a few questions that I would like to have my mind settled with. The first one is that of the, the idea that we may have a epidemic, or pandemic, as far as the flu is concerned, swine flue, the H1N1. And you talk about, you know, capacity building and preparedness and so on. Could you tell me now if there was such an outbreak like we had in Mexico, if we would be prepared to have that vaccine, we have enough vaccine for the people in the City of New York.

ALAN AVILES: Well, there is no vaccine at the present time for H1N1, and I think that federal authorities are working closely with pharmaceutical companies who produce the yearly vaccine to determine whether at this point they should be going forward with a vaccine. It takes three to six months to create a new vaccine. There is, however, a large supply of Tamiflu, which is the antiviral medication that is used to treat influenza and the H1N1 virus has been responsive to Tamiflu. So, we have our own stockpile of Tamiflu, for our own system, we have

access to a large supply that the City Department of Health maintains and distributes, on an as needed basis, and then there are additional federal stockpiles that are released to the States as they deplete their local supply. So there is a very significant supply of Tamiflu, I believe that the City Department of Health alone has something like \$1.4 million courses of treatment immediately available to it.

COUNCIL MEMBER STEWART: Alright, so, seeing that that fear's alleviated now, I want to know, you spoke about 400 people being, you know, there's a reduction of 400 people. And of that, 130 will be laid off. What area of HHC are you going to, that 130 will be laid off from?

ALAN AVILES: It's from across the system, it relates to the specific targeted service reductions in each of the networks, it cuts across doctors, nurses, administrators, managers, support staff.

COUNCIL MEMBER STEWART: But you don't have any clear cut idea where is that going to be?

ALAN AVILES: Oh, yeah, you want a

breakout?

COUNCIL MEMBER STEWART: I know, yeah, because of the fact that invariably what we see is that we may cut, and we cut from service, where the services is, is needed mostly, and instead of administration. So I'm, I want to make sure that the service to patients are not being cut.

ALAN AVILES: Well, there's no question but that services to patients are being cut.

COUNCIL MEMBER STEWART: Right.

ALAN AVILES: I mean, the reality is that we have had to do some targeted service reduction, some of which I mentioned earlier. I, I went through some of the specific programs when I was last before the Council at the preliminary budget hearing, and, and will be happy to provide you with the detail on that. But there are ten inpatient programs, and about ten outpatient programs, that have either been eliminated or reduced and consolidated. And the, and the staff reductions that are not by attrition are essentially coming from those, those reductions in

service.

COUNCIL MEMBER STEWART: Right. I understand that. The, the next question I have, basically, is the fact that you said in 2007 to 2008, we had an increase of about 20 percent in terms of testing for HIV and AIDS. And, you know, and other areas that, that's close to that. I want to know if you have that cut, that reduction in, in the funds, that you, we were speaking about, in your, in your testimony, how are you going to be able to deal with Brooklyn in a whole, because of the fact that they are a lot, seem to be a lot more people affected in, in areas of Brooklyn, that need this type of testing, and services. How are you going to deal with that if there is going to be a cut?

ALAN AVILES: Well, that's why we are asking for restoration of that \$2 million that relates specifically to HIV rapid testing. I mean, we have managed to increase testing very dramatically, 20 percent from year to year. But over the last four years, we have tripled the number of HIV tests that we have done, and we've begun to make that a routine part of care for

patients. And that's why we are identifying so many patients, who for the first time are learning their positive HIV status. Without that dedicated funding, we would not be able to maintain this increased rate of testing of 160,000 tests a year. That, that would absolutely, that number would wind up coming down.

COUNCIL MEMBER STEWART: My last question is, you spoke in terms of the reduction for prescription for the uninsured. You know, the uninsured, you know, they had no other ways, they had no other means, or really getting prescription. And the small amount, as a matter of fact, tell me, what's the total being spent on prescription for the uninsured?

ALAN AVILES: How much do we spend on--?

COUNCIL MEMBER STEWART: Yeah.

ALAN AVILES: I think it's in the, in the, on the outpatient side, it's in the ballpark of about \$80 million.

COUNCIL MEMBER STEWART: Alright, so with the reduction that you're talking about, how much less you think there will be spent?

ALAN AVILES: We have not cut our prescription medication to the un--the uninsured. I mean, that, although that funding has been cut, we have stayed committed to providing that access. Because we think it is so fundamental to our core mission, to ensure that the uninsured have access to the medications that our clinical personnel say are essential to their treatment. It is, it is very challenging, because we run an enormous deficit on outpatient medications, even though we get very low pricing under the 340(b) program. But when you're serving 450,000 uninsured patients, the total amount of prescription medications you wind up dispensing is obviously very, very significant. But that is something that we are trying to remain completely committed to.

COUNCIL MEMBER STEWART: I, I am happy that you, you said that, you're not, not designed to cut the, the prescription medication funding, because of the fact that if you were to be treating someone in the, in the hospital and you give them medication, and they're not taking the medication, you would have to be continue

treating them. And that means then it's a continued prize cost of the service that you're trying to provide. And so, I'm glad that you made that clear. I think that's my, my last question, I want to thank you for your, your testimony. There's one other question, sir. The issue of what you said that \$1.5 million that you, you're asking, you want us to put that into the budget or you wanted to use it from preexisting parts that we have provided for agency.

ALAN AVILES: We were looking for new capital funding of \$1.5 million for telemetry equipment for our intensive care units at Kings County.

COUNCIL MEMBER STEWART: Right. And you, you ask, you have asked for that already.

ALAN AVILES: Yes, correct.

COUNCIL MEMBER STEWART: So it should be, you should look for that within the budget. Thank you. Thank you, Mr. Chair.

CHAIRPERSON RIVERA: Thank you very much. We have three more members getting ready to, to ask questions. We also have the public health hearing right after this, we have the

Commissioner on his way over, so we want to make sure we have a little bit of brevity here. So, we have Council Member Brewer, followed by Council Member Eugene and Council Member Mitchell.

COUNCIL MEMBER BREWER: Thank you very much. On the FMAP, maybe I misunderstood, but I know that you said it's caught up in Albany. And that's one of the challenges in terms of the FMAP funding. But it says here in our notes, that it is also reflected, some of the money that might go to you, in closing the human resources administration's budget gap. I'm just wondering if that's true or if you know anything about that?

ALAN AVILES: I don't know specifically about how the FMAP federal, the additional federal funds from the increased FMAP formula that was included in the federal stimulus package is otherwise being used. I do know that it is being used for lots of purposes other than healthcare and, and the Medicaid program. And it's available to the States to, as general gap closers for their budgets.

COUNCIL MEMBER BREWER: Okay, so it looks like it's also being used here in the City,

but we'll check on that. Maybe not. Number two is, I want to follow up on Council Member Koppell's issue regarding the child health. It's my understanding that the, I guess a well run child health onsite clinic, when it's in the school, does keep young people participating in healthcare. And does involve parents and teachers and particularly on the mental health side, has wonderful ramifications. So I'm wondering, do you ever have conversations regarding this issue with the Department of Education, DOH, etc., and trying to find some creative way of having more school based, particularly my focus, mental health clinics in the schools. Does this ever come up? Or is it just a, something that passes.

ALAN AVILES: Well, it does, it does come up. I mean, the major problem has been that the, that service requires dedicated funding, because in general, the billing that one can do in that context, is not sufficient to cover the cost. So to the extent that school based programs are sustained around the City, they generally are sustained with principally State grant dollars that help to close that budget gap, and obviously

given the State budget problems, those grant dollars are becoming more and more scarce. So that's the challenge in terms of expanding those sort of programs.

COUNCIL MEMBER BREWER: Alright. It was another conversation. You mentioned in your testimony something about consulting firms, in order to re-strategize. And obviously when we hear that, we get nervous in the City Council, because we think of all the direct service losses. Is that something that you're wedded to, is that still in discussions? What would the cost be, etc.?

ALAN AVILES: Well, I mean, it is all driven by the reality of our enormous budget gap. I mean, the one thing we don't want to do is sit on our hands and 18 months or two years from now, be staring at a \$700 million gap, which is what our financial plan now reflects. So that would be catastrophic. So, we are trying to use this time to come up with strategies that allow us to begin to close that gap in a significant way, while minimizing the adverse impact on the delivery of patient services and, and to really

figure out ways to be more efficient in our delivery of services. Some of that will require our looking at the traditional approach that all hospitals can be all things to every community. And to some extent we may have to consolidate some of our services in some of our facilities, so that we can maintain those essential services and access to those services, but deliver them as efficiently as possible. Unless somehow, you know, several hundred million dollars in additional funding drops from the sky.

COUNCIL MEMBER BREWER: Okay. And then just finally, obviously some schools close, young people go to the hospitals and so on. Is there any possib--How are you sort of treating that situation, where some people may have insurance, some may not. Are you using it as an opportunity to get families enrolled? And I'm just wondering, 'cause obviously a lot of people will seek out your good services.

ALAN AVILES: The most, the most-- Yeah. If you're talking specifically in a context of H1N1--

COUNCIL MEMBER BREWER: Yes.

ALAN AVILES: --and the influx of patients, although we have a very robust financial counseling infrastructure, and a lot of financial counselors who do exactly that, we've been very successful in doing it. We generally don't do it in the emergency department. And we, and we certainly don't do it in this context, where we are really besieged with extraordinary volume and our focus is to get patients in and out as quickly as possible. If anything, we're looking for ways to streamline the encounter, particularly for the worried well, who don't need much more than reassurance in order to decompress the emergency departments during this period of epidemic.

COUNCIL MEMBER BREWER: Okay, but maybe we could work with the schools on that in the future, so that you do get some reimbursement. Something to think about. Okay, thank you, Mr. Chair.

CHAIRPERSON RIVERA: Thank you very much. Council Member Eugene. Council Member Mitchell.

COUNCIL MEMBER MITCHELL: Thank you, Mr. Chairman. Mr. President, LaRay, it's

always good to see you. I just have a couple of questions regarding the Health and Hospital Corporation's mobile medical unit that's been put in place on Staten Island, which was meant to replace the highly successful and highly popular Staten Island Health Access Program. I'd like to know, what kind of numbers do you see? What kind of outreach are you doing? Is it higher in some communities than others? And one more part, are we seeing a lot of people who used to utilize the SEHA program going to the van?

LARAY BROWN: And Council Member Mitchell, you were an intrinsic part of the success of that SEHA program as part of our Staten Island working group. Very specifically, as you know, the mobile medical unit was a part, was just one component of our alternatives to the SEHA program. It was the MMU, the mobile medical unit, plus we expanded services at Mariner's Harbor, which used to be limited to children, is now serving adults. And we expanded significantly the capacity at the Community Health Center of Richmond. And we are about to be approved for adult services at the Stapleton Health Clinic. In

terms of the utilization of those components, by who, folks who had been part of the SEHA program, we are finding that a significant number of the SEHA participants are showing up at Mariner's Harbor in larger numbers, and enrolling or registering as our patients, as well as are coming to the mobile medical unit specifically when the mobile medical unit is located at Project Hospitality, that location, I believe that we're seeing the largest numbers of ex-SEHA participants enrolling at the MMU at, when it comes to that site. And the numbers are increasing weekly. And I can get you a report on the, essentially the uptake over the last month. And we are quite pleased that folks are presenting for ongoing primary care, at the alternative sites that we've established. And, and we're talking about adults, as you know, the SEHA program was for adults.

COUNCIL MEMBER MITCHELL: Are you seeing in some communities where it's, where you're not getting much of a response?

LARAY BROWN: Well, I, for example, we, as you know, we're at four locations today. And as you also know, we had identified those four

locations and said in six months we would regroup and determine which ones had the greatest volume. So, for example, excuse me, the one location where we're near the, what the old doctor's hospital, I'd say to you that that, the presentations to that site are probably the least voluminous than as when we compare it to the Project Hospitality. And then we have, we are at one location in Totentottenville, we're also not seeing as much of an uptake there. But as you also know, we had identified a couple of communities where the SEHA residents do not reside, but because we wanted to make the services available beyond the SEHA participants, for other Staten Island residents.

COUNCIL MEMBER MITCHELL: So is there any opportunity to add locations or make adjustments to locations?

LARAY BROWN: We'd like to give it about six months, which would probably put us in the early fall, to reassess with a Staten Island, with our Staten Island workgroup, what our experience has been with the MMU as well as our two fixed sites. And then explore with the Staten Island workgroup what we might do to adjust either

the schedules at those locations or the, or different locations. And as you know, we, when we established those locations for the MMU, we worked with a community based organization or church, an entity that was located nearby, so that it was an established location or program where people came to that location, so that we weren't providing the MMU in isolation.

COUNCIL MEMBER MITCHELL: Okay, I'd appreciate if you can get me those numbers. And I discussed with you earlier, you know, in the Port Richmond section of my district, there's been a big, large lead contamination. Is any progress on maybe getting the van to come down into there--

LARAY BROWN: Absolutely.

COUNCIL MEMBER MITCHELL: --and do lead testing?

LARAY BROWN: And in fact my staff person--

COUNCIL MEMBER MITCHELL: And outreach.

LARAY BROWN: --that's right. My staff person in fact asked me this week, "Has Council Member Mitchell called you?" 'Cause we're

ready, we're ready to roll once, once you and I agree on a date for the lead testing, and having the mobile medical unit. And also having folks from the JCC there to assist individuals who may not be ensured to obtain a public health insurance, as part of that, those particular events. And we had talked about two, I believe.

COUNCIL MEMBER MITCHELL: Okay. I did reach out to you yesterday, I'm sure you were busy preparing for the hearing, but--

LARAY BROWN: Yes.

COUNCIL MEMBER MITCHELL: I just have one more question. Regard to the clinics in St. George and Vanderbilt Avenue--

LARAY BROWN: Mhm.

COUNCIL MEMBER MITCHELL: Can you just tell me what the status is on those? Have they been pushed out?

LARAY BROWN: The--the St. George Clinic--

COUNCIL MEMBER MITCHELL: That's where the Department of Health is now on Stuyvesant.

LARAY BROWN: Yeah, that's the 51

1
2 Stuyvesant. That, that building is being totally
3 redone by the City, and we are going to be
4 occupying up to three floors. We will be
5 providing primary care, as well as some specialty
6 services, so it'll be tantamount to a diagnostic
7 and treatment center. The capital project,
8 however, is going to take some time, and I believe
9 we got, we have at least, I think it's at least
10 two to three years before we're, I think it's two
11 years before we, the capital is completed; and
12 then another year before we actually fully move
13 in. And, and we'll have a full range of
14 diagnostic services, specialty services, and I
15 believe we're going to have adult dental services
16 there, as well.

17 COUNCIL MEMBER MITCHELL: Okay, and
18 Vanderbilt Avenue?

19 LARAY BROWN: Vanderbilt, as you
20 know, is currently, we purchased the building.
21 But it's currently occupied by the Sister of
22 Charity, I believe, who are providing an adult
23 AIDS day treatment program. We hope to have
24 access to that building by 20--early 20--calendar
25 year, early 2010, and again, our plans are to do

substantial renovation and expansion at that site; and again, to have a full range of outpatient services at that location, as well.

COUNCIL MEMBER MITCHELL: And when do you think that'll be? When do you think it'll be operational?

LARAY BROWN: I'll give you the exact dates, we have a, we have a timetable on the completion of the renovations, but we're, we're talking at least two years out, by the time the sisters relocate their existing program and we do the renovations and we move in.

COUNCIL MEMBER MITCHELL: Okay, thank you very much.

CHAIRPERSON RIVERA: Thank you very much. We have two more people who want to ask questions, but we also have the Commissioner Health on his way, and we're going to have to try to get back on schedule. So, at this point in time, we have Council Member Jackson, then followed by Council Member James.

COUNCIL MEMBER JACKSON: Thank you, Mr. Chair. And good afternoon. I have a question with respect to when there's an emergency and 911

1
2 is called, and an ambulance come to, to deal with
3 the situation with EMS, do they automatically
4 first take people to HHC hospitals? Or do they
5 decide, who makes the decision what hospital?
6 Because, you know, if for example you say that the
7 numbers are down in Harlem, based on the
8 demographic changes that are happening in the
9 community, you know, Inez and I was talking, this
10 young man that got shot on 120th Street and 7th
11 Avenue, they would up taking him to St. Luke's
12 Hospital, and quite frankly that would've been a
13 straight line up to Harlem Hospital; whereas, to
14 get to, to St. Luke's you got to go 110th Street
15 and come all the way across. So the question is,
16 you know, is HHC's hospital the, the first choice
17 for ambulances that come in our community?

18 ALAN AVILES: No, the answer is no,
19 we are not given priority, whether it's an EMS run
20 ambulance, or an ambulance run by one of the
21 hospitals. And of course many of the ambulance
22 runs are now run by the various non-public
23 hospital systems. They are, they are supposed to
24 follow certain protocols--if it is a truly urgent
25 situation, as with a gunshot victim, then they are

1 supposed to take that individual to the nearest
2 appropriate hospital. In that case, it would be a
3 Level I trauma center. Harlem is a Level I trauma
4 center. So, if that's the closest hospital,
5 that's where they should be brought. I mean
6 there, I suppose there are issues about whether or
7 not, given the traffic conditions, or given what
8 they know is going on in other parts of the City,
9 whether they believe that it is quicker to go to
10 another hospital than one that is closest as the
11 bird flies. But, but basically, that is the rule.
12 If it's not extremely urgent, then patients do
13 have the ability to ask the ambulance to take them
14 to another hospital, assuming that it is not at a
15 great distance, 'cause the issue is not to take
16 the ambulance or the ambulance crew, you know, out
17 of commissioner for longer than is necessary, so
18 they can do their next run. But HHC does not
19 receive any automatic priority.
20

21 COUNCIL MEMBER JACKSON: I mean,
22 we're asking that question because, you know,
23 knowing the geographic, where 7th Avenue is 120th
24 Street, knowing, you know, it's just quicker to
25 go, you can be up in Harlem Hospital in two

minutes, in an ambulance. And three minutes at the most by car. And I just don't understand the logic. And so that, if you look at the geographical location, you say that they have to be a trauma center, and Harlem Hospital, St. Luke's is also a trauma, I - -

ALAN AVILES: Yes. Roosevelt is. St. Luke's is, I mean, I'm assuming they went to Roosevelt, not to Morningside Heights.

COUNCIL MEMBER JACKSON: No, 114th Street. Because it would be absolutely crazy to go down to 57th, 50--

ALAN AVILES: I don't, then I don't under--

COUNCIL MEMBER JACKSON: 58th Street.

ALAN AVILES: I don't understand it, it either. I mean, I don't know what the, I don't know the facts of this, and obviously we don't run the ambulances. It sounds a little odd that that's where the patient was taken based on what you're saying.

COUNCIL MEMBER JACKSON: Well, you know, you know, 'cause Council Member Dickens said

she, she has all of the facts, and in fact we'd like to follow up on that, in retrospect, to determine, you know, because quite frankly, I think the patient wound up dying, eventually. And so, you know, as you know, every minute in an ambulance, and not actually in the emergency room, is a minute that could be wasted. So, we'll follow up on that. Thank you.

CHAIRPERSON RIVERA: Thank you very much, Council Member Jackson. Next we have Council Member James.

COUNCIL MEMBER JAMES: Good afternoon. You know that the administration has proposed the elimination of the oral health program. And I know, I heard a rumor that in the Fort Green Health Program that I represent, it's my understanding that Woodhall is scheduled, is slated to take over that site? Is that true?

ALAN AVILES: I, I know that it, that is under active consideration. I don't know whether we've made the final decision to do that.

COUNCIL MEMBER JAMES: And if you have not made a final decision to do so, are there some discussions that you can reveal with us, as

to why that would or would not happen?

ALAN AVILES: I would need to really confer with the Network Senior Vice President to, to get up to date on that. I mean, obviously, as we are addressing these serious budget issues, and finding ourselves having to do targeted service reductions, it is difficult for us to expand services unless we can come up with a staffing plan and approach that allows us to feel that we can cover costs, or come very close to doing that. I know that's what they were working on, and I'm happy to check on the status of that and get back to you.

COUNCIL MEMBER JAMES: So at this point in time, there is no staffing plan or revenue source to take over the Fort Green oral health program.

ALAN AVILES: There, they absolutely have been working on trying to come up with a staffing plan that would be viable given what they think the revenue generation would be at that site.

COUNCIL MEMBER JAMES: And in terms of viability, would that include keeping the

employees who are currently employed at the Fort Green site--

ALAN AVILES: Not necessarily.

COUNCIL MEMBER JAMES: Not necessarily. So, we're still talking about the possibility of layoffs. Well, you, that's not your questions for you. Are there any other sites as far as you know that HHC is in discussions to take over?

ALAN AVILES: No.

COUNCIL MEMBER JAMES: Just Fort Green.

ALAN AVILES: Yeah.

COUNCIL MEMBER JAMES: Thank you.

CHAIRPERSON RIVERA: Seeing no other questions, thank you very much.

ALAN AVILES: Thank you.

[pause, background noise]

CHAIRPERSON RIVERA: We're going to check to see if Department of Health is ready. If they're ready, we're going to proceed forward; if not, we'll take a five minute--[pause] Okay, we'll take a--

[background noise, pause]

CHAIRPERSON RIVERA: Thank you very much. If everyone can please take their seats as we move forward with the Public Health portion of budget hearing today. At this point in time, as you can see we have the Commissioner of the Department of the Health and Mental Hygiene, Commissioner Frieden, who is here with us potentially for the last time before he moves on to his new post in Washington. So I first want to commend you and congratulate you on ascending.

[applause]

CHAIRPERSON WEPRIN: I, too, want to add my congratulations to Commissioner Frieden, on his upcoming new post, and we look for--we look, had a good eight year run working with you, and I know you've certainly not had much of a transition time dealing with the swine flu situation, which I think started in my district, and has expanded throughout the City, unfortunately. But, you know, we think, we want to thank you for your leadership in that area, as well as so many other areas. And you might even get less of a hard time, since you're on your way out. But, but you never know with some of our

colleagues. So--

CHAIRPERSON RIVERA: Council Member Koppell wants to - -

COUNCIL MEMBER KOPPELL: Yes, I not only want to congratulate you and wish you well in your national responsibilities, but to say that I've been in government for a very long time, almost 40 years. And I think that in your service as Health Commissioner, you've taken some initiatives that have been more far reaching than any initiatives that I've observed in the health area over those years. And I believe that many thousands, maybe even millions of people are in your debt. I think you provided world leadership on the no smoking issue; you provide remarkable leadership on things like trans fats. And courage also in areas such as prevention of pregnancy and sexually transmitted disease, where you've been most courageous in your advocacy in placing condoms all over the place, which I don't know that any other person in an office such as yours has been willing to do. So, truly you can be extremely proud of what you've contributed as Commissioner here in New York City, and I want to

thank you on behalf of my constituents and all the citizens of the City of New York, and indeed citizens of the whole country, and, and even beyond. Thank you, Commissioner.

CHAIRPERSON RIVERA: Now the challenge is will he be able to do the same thing on a national level with the bible belt, Southern bible belt. Some of these are very progressive initiatives. Again, just congratulations on your ascension to your new post.

THOMAS FRIEDEN: Thank you very much, and if I may, I really would like to thank the Chair people and the member of the City Council for their partnership over the years. Public policy is not made in a vacuum. One of the defining characteristics of public health, I'm afraid, is that oftentimes there are very vocal groups that don't like what we propose, whether it's a, an industry that's being regulated or a group of people who feel that we shouldn't be doing what we're doing. So, even initiatives that are to the benefit of, and will help the majority of people live longer and healthier lives, can be unpopular, with at least some groups, sometimes

quite intensively. And so I, I want to really thank the Council for your commitment to the public good, which is really what Public Health is about. And recognize, thinking back to my seven-and-a-half years in this role, that the first big challenge we had was the Smoke Free Air Act. And at that time, Chris Quinn was the Chair of the Health Committee, and Speaker Quinn's district actually has more restaurants, and I know this because we regulate all the restaurants and we license them, has more restaurants by far than any other district in the City. And the restaurant industry, by and large, was not in favor of the Smoke Free Air Act, and was lobbying very hard to stop it; and yet, despite that, Speaker Quinn never, Chairperson Quinn at that time never for a moment waivered from her commitment to doing the right thing. And I think that spirit in City Council of doing the right thing is critically important. And the partnership with City Council, that we've had over the years, has allowed us to do things that would have been otherwise impossible, whether the Smoke Free Air Act, or initiatives dealing with infant

mortality or HIV, or others. And the questioning that the City Council does, and the follow up, and the constituency advocacy that the City Council does, is all very important to keeping all of us honest and moving forward. So we appreciate it and I thank you very much, I've learned from you and I will take those lessons with me as I go to the federal level.

CHAIRPERSON RIVERA: Okay, now to the tough stuff. Go ahead, and you can proceed with your testimony. [off mic] I think he was talking directly to you, Council Member. [laughter, off mic] You may proceed, Commissioner.

THOMAS FRIEDEN: Alright, so I wanted to now turn to today's hearing, and first thank Chair People Rivera, Koppell, Palma and Weprin, and members of the Committee. I'm Tom Frieden, still New York City Health Commissioner for the next week or two.

CHAIRPERSON WEPRIN: When is your last day, by the way, Commissioner?

THOMAS FRIEDEN: Currently, we anticipate that Tom Farley will start on June 8th.

CHAIRPERSON WEPRIN: June 8th.

THOMAS FRIEDEN: Despite the fiscal crisis, New York City continues to pursue a comprehensive public health agenda. We're meeting or exceeding health targets for most aspects of Take Care New York, and pursuing strategies to protect and promote the health of all New Yorkers. I'd like to thank again the City Council for your continued support of these public health initiatives. Let me begin with an update on State and federal fiscal developments since our March hearing. After months of advocacy, the enacted State budget restored \$30 million for community optional preventive services, an important funding source for the Nurse Family Partnership, or NFP program, that was slated for elimination in the Executive Budget. We're also pleased that the enacted budget included \$5 million in TANNIF funds specifically for NFP, and we hope this will allow NFP to expand, and serve more at risk, first time mothers and their families. The enacted budget also restored Article VI public health funding for medical examiners and daycare inspections, preserving support for these critical services.

Increased State fees for tobacco retailers will likely reduce the number of tobacco outlets in New York State, and Rockefeller Drug Law reforms will reduce minimum sentences for drug offenses and expand eligibility for alternative to incarceration programs. Unfortunately, the enacted budget reflected several important missed opportunities. A million for the Keep program was not restored. Keep provided opiate detoxification and methadone treatment for inmates at Riker's Island, preventing relapse and reducing infectious disease risk both within the jail and in the larger New York City community. I'm deeply troubled by the elimination of this funding. The enacted budget's miniscule increases in beer and wine taxes are not likely to have a significant impact on consumption. And the revenues will not be reinvested in community based programs to generate broader public health benefits. Additionally, the budget failed to include a tax on sugar sweetened beverages, an excise tax of just one cent per ounce, would have generated more than \$1 billion in revenue and prevented many thousands of people from becoming obese and

developing diabetes. The enacted budget also failed to include much needed reforms to the early intervention program. Regrettably, private insurers continue to be left off the hook for their obligation to pay for children receiving early intervention services, and we estimate that their, their share of those services is about \$80 million a year in New York City alone. As a result, local governments will continue to pick up a disproportionate share of EI costs. I'm pleased to report on several encouraging developments at the federal level. President Obama included funding in his FY'10 budget to support the establishment and expansion of evidence based home visiting programs, such as the Nurse Family Partnership. The President's budget also increased the public health emergency preparedness cooperative agreements and hospital preparedness program, both of which are critical to supporting New York City's public health preparedness infrastructure, and come after several years of reduced funding. And additional \$1.5 billion was requested to support emergency response activities regarding the recent H1N1 influenza outbreak and

is currently under consideration by Congress. The Health Department is actively pursuing stimulus or American Reinvestment And Recovery Act Funding.

To date we've applied for more than \$7.5 million in competitive stimulus grants across a range of critical programs varying from child asthma, electronic health threat grids, medication adherence, HIV prevention, and vocational services, for people with histories of substance abuse or mental illness. We expect to receive about \$4.5 million to support and expand their immunization program, and we're, we await further guidance on the health information technology and prevention and wellness stimulus funds which we anticipate will be coming out in the coming months. We also will receive funding to partly restore - - cuts to legal eviction prevention services. We met or exceeded seven out of ten ambitious Take Care New York Public Health goals, health gaps among racial and ethnic groups, in colon cancer screening, and access to primary healthcare have narrowed. Although they, in primary healthcare, they remain too high. The infant mortality rate is at its lowest rate ever:

5.4 deaths per 1,000 live births, which is far lower than the national rate. And I'd like to draw your attention to the graphic too my immediate left. Do we have copies of that, by the way? And there are copies with your testimony. So if you look at the top part of the graphic, you can see that our infant mortality rate over the last 15 years has fallen substantially from ten per 1,000 live births to 5.4. So cut it just about half. That is still too high, and as you can see, the decline is more gradual in recent years. If you look at the bottom half of that graph, the purple shaded area is just that overall number in a shaded graph. And then the line graphs are the different race/ethnic groups. And what you see is still a totally unacceptable racial/ethnic disparity between black and white and between particularly Puerto Rican and white infant mortality rates, where the rates are still twice or more than twice the white infant mortality rate. So even though all races and ethnicities have improved, in terms of declined, decreased infant mortality, we see it, the rate as being still particularly in African-American

infants, unacceptably high. We're expanding distribution of Naloxone, an antidote for opiate overdose. We're continuing to promote screening and brief intervention for alcohol, and to use the MATS program, which increases retention in alcohol and drug treatment services for frequent users of inpatient detoxification services. And we now have what is the largest community based electronic health records program in the country. The primary care information project where we have, at this point, about 1,400 doctors serving more than a million patients in New York City, using an electronic health record that has prevention built in, so that the doctor has to actually make an effort not to deliver preventive care. And if you look at the figure next over, you see a spot map of, in yellow, providers who are already are using the system, and in purple ones who have already signed up for it, and are in the process of going live. And I want to draw your attention to the neighborhoods where this is occurring, and to report that we had prioritized this for the district public health neighborhoods of central and north Brooklyn, east and central

Harlem, and the South Bronx, and at latest tally, we had involved more than half of all of the doctors working in those communities, in this initiative. So, we've, we've effectively targeted the groups most in need, and we're looking forward to being able to share in the coming years, and I'll look forward to learning in the coming years, about the health improvements that go with that. Because electronic health records, like all IT, only do what they're programmed to do. And if you program them to prevent illness, they're more likely to prevent illness. And that's what we've done here. We continue to make progress in reduction of smoking. In March we introduced new hard hitting media campaigns. And in 2008, smoking prevalence in New York City adults fell to 15.8 percent. That's not only well below the Take Care New York goal of 18 percent, but it's the lowest rate on record, and it represents 350,000 fewer adult smokers than in 2002, a decline that will prevent more than 100,000 premature deaths in future years. Most recently, we distributed about 30,000 courses of nicotine replacement therapy in partnership with the 311 citizen service center.

Despite these successes, smoking continues to threaten the health of all New Yorkers. More than half of all non-smoking New Yorkers have elevated levels of cotinine in their blood, meaning that they were recently exposed to toxic secondhand smoke in concentrations high enough to leave residues in their body. For example, while exposure to secondhand smoke near building entrances is brief, it is a repeated and unavoidable daily occurrence for millions of New Yorkers. There's no safe level of exposure to secondhand smoke, and the health department supports measures, such as Intro 642-A to restrict smoking around building entrances and other outdoor areas. And I want to thank, again, Speaker Quinn for her leadership here, Chairperson Rivera, and Council Member Dickens for their leadership on this and so many other health issues. Implementation of New York, New York III Housing continues, although we remain behind schedule. We've achieved 93 percent of our FY'09 target for scatter site housing and 32 percent of our target for congregate housing. There are more congregate units in pipeline and well work

aggressively to catch up on our targets in the next fiscal year. In addition to housing, employment is particularly important to the recovery of individual living with mental illness. They face enormous employment and economic disparities. Two out of three people with disabilities are unemployed. One out of three people with disabilities lives in poverty. And these disabilities--these disparities are even larger for individuals with psychiatric disabilities, who have the highest levels of unemployment and poverty of all disability groups. In 2008, employment programs, in contract with the department, put more than 1,200 individuals with serious mental illness into jobs. This has an enormous impact on their recovery, their ability to maintain stable housing, and their economic independence, inter--independence. Let me know take a moment to update you on the Novel H1N1 influenza outbreak. Since 200--April of this year, Novel H1N1 has caused outbreaks of illness among people in New York City and in many countries around the world. The symptoms appear to be similar to those of seasonal flu, and

usually include fever with cough or sore throat. Human transmission is thought to occur in the same way as seasonal flu, through respiratory droplets released when an infected person coughs or sneezes. At this time, there's no vaccine and vaccine against seasonal flu does not appear to protect against Novel H1N1. The health and education departments are closely monitoring flu-like illness in city schools. This information is collected daily from school nurses and school administrators, and evaluated by the City's Office of School Health. If a school nurse reports a sustained or sudden increase in flu-like illness, which is defined as documented fever with either cough or sore throat, in students seen at the school, the Health Department may recommend closing the school. To date, more than 40 schools have been recommended for closure, 25 of them have already reopened without incident, and additional schools will likely experience temporary closures in the coming days and weeks. Rather than using a simple rule to close schools, the Health Department carefully evaluates the circumstances of each school. High absenteeism in and of itself

is not a reason for closure. Flu epidemics are very unpredictable, and it's impossible to know whether this one will dwindle, continue at the current rate, or surge; and whether the illness will remain mild or not. We are seeing increased flu in areas throughout the City. The best way to prevent the spread of flu is to stay home if you're sick, cover your mouth and nose when you cough or sneeze, and wash your hands frequently.

I'll now turn to the Department's Fiscal '10 budget. We face the deepest fiscal crisis and financial crisis of the past 70 years. In November 2008, March 2009 and May 2009, City agencies have been faced with budget cuts and each round of reductions makes it harder to identify ways to meet our obligations, without reducing services. In addition to a cumulative budget savings of more than \$50 million for FY'10, we have absorbed an additional \$25 million in federal funding over reductions over the past four years in HIV, TB, sexually transmitted disease control, immunization and emergency preparedness. The latter two are especially troubling in the context of Novel H1N1 influenza. The single largest

reduction the Health Department will absorb as part of the FY'10 budget is to our own agency operations. We're streamlining and consolidating operations and trimming lower priority purchases to ensure that every dollar spent yields the greatest health benefit. By eliminating vacant positions in some areas, reducing vehicle expenses and reducing other than personnel costs across the agency, we'll save an additional \$4.3 million in FY'10, and \$2.5 million in the out years. We'll also generate a million dollars in FY'10 and \$500,000 in out years by improving collections on Medicaid reimbursable services. In the context of declining resources, we strive to maintain a friendly and helpful customer service environment for the public. We currently issue 52,000 burial permits each year, and respond to about 30,000 requests for corrections and amendments to birth certificates all at no charge, even though all of those services cost us significant resources to do. As part of our budget, we proposed to institute modest fees for disposition permits and birth certificate corrections, to help cover a portion of the cost to produce these documents.

New parents will continue to receive a free copy of their child's birth certificate, and there will continue to be no charge for any corrections made within a 60 day grace period. Where the fiscal crisis forces us to make reductions, we've tried to do so in areas that will not affect existing services. Unfortunately, we have proposed elimination of expense funding for the primary care initiative, yielding a reduction of \$2 million in FY'10 in the out years. Since this initiative had not yet begun, there will be no reduction in current services. More than \$67 million in State and federal funds have been invested in primary care expansion in New York State in the past year. We certainly agree with the Council that expansion of primary care is critically important to improve and ultimately fix our healthcare system. In fact, it's the only that's going to happen. The challenge is to make sure that we leverage federal dollars to the greatest extent possible. We proportionally reduced our animal care and control contract by an additional four percent to \$8 million, a reduction of about \$330 million, \$330,000 dollars annually.

The pass through to HHC for child health clinics will also be reduced by four percent, or \$175,000, leaving a budget still of more than \$4 million.

The New York State Office of Mental Retardation and Development Disabilities will eliminate \$5.6 million it provides the City MRDD programs. This is functionally equivalent to a matching fund, and therefore we are proposing to reduce about \$1.1 million through program closures, and a five percent targeted cut to non-clinical services.

These services had been spared previous budget reductions. Increased reimbursement rates for some of these programs, and reduced indirect rates will reduce the impact. We do believe that individuals being served at programs slated to close will be able to be served, but we'll continue to monitor this closely and update the Council on these changes. Finally, I'd like to provide an update on some specific items discussed at our preliminary budget hearing. As planned, we stopped providing services at the East Harlem STD Clinic effective April 30th, and actually I reviewed the program this morning, and the number of patient visits in Upper Manhattan has actually

increased as we've been able to get more people using the Central Harlem Clinic there. All steps needed to inform community and transition staff and materials were completed on schedule, and the Health Department continues to operate nine clinics, including Manhattan sites at Central Harlem, Riverside and Chelsea. With respect to the elimination of the oral health program, the Department continues to implement the transition plan to minimize interruptions in service. As of today, we have firm interests in four out of five fixed sites, and 31 school sites from a diverse group of providers, including the Bedford Stuyvesant Family Health Center, Woodhall Medical and Mental Health Center, and the Urban Health Plan Incorporated. In most cases, necessary paperwork has already been filed with the State and we've been assured that these submissions will be expedited. During the past month, we met with Council Members and staff to share our plans in more detail and update you on progress. We've listened to your concerns and made adjustments where possible, to reflect those concerns. Letters are being sent to all principals and

parents notifying them of our plans and providing them with detailed instructions on how to identify another oral health provider in their area. We will encourage providers to hire former Health Department staff and provide services regardless of a student's ability to pay. Before concluding, I'd like to give you a brief update on the status of the FY'09 Council contracts. As of May 20th, 86 percent had been registered or with the comptroller for registration. The remainder are either unable to be processed or will be completed once we receive additional information from the vendors. We've made progress together in the administration of these funds, and our partnership has produced valuable health programming. For example, the infant mortality reduction initiative supports a wide range of community based maternal, infant and reproductive health programs, and is really a critical component of our efforts to continue reductions made in infant mortality in recent years. There are many other notable projects including the Injection Drug Users Health Alliance, the Obesity Prevention Initiative, the Children Under Five Mental Health Program, the

Depression Screening Program in Seniors, and any I didn't mention are not intentional omissions. The cancer and HIV programs have been critically important, and we look forward to working with you as you develop your FY'10 priorities and we will be providing the Committee chairs with detailed feedback on the FY'09 designations later this week, for your review and consideration. I again want to thank the Council for your partnership and your sincere interest in good public policy over the years. It's refreshing to interact with you, I've enjoyed meeting with you and working with you on a wide range of projects. As I say, I've learned from you, and I appreciate that. Thank you, also, for the opportunity to testify and I'm happy to answer your questions, perhaps not this last time, but perhaps the last time for a while.

CHAIRPERSON RIVERA: Thank you very much, Commissioner. And since the tone for the day is congratulations on your ascension, just wanted to, you know, ask you more about the federal stimulus funds. When do you believe the Department will know if it has been awarded the stimulus funding it has applied for?

THOMAS FRIEDEN: The Department of Health and Human Services had a report due to Congress on May 20th, outlining its plans for the prevention/wellness Funds, the immunization funds, as well. Totally, it's about a billion dollars within the, the public health amount that includes \$650 million for prevention and wellness, \$50 million for prevention of hospital acquired infections, and \$300 million for immunization programs. And we expect to see the guidance coming out sometime in the next few months, and I'm sure that New York City will, will compete very aggressively for those funds.

CHAIRPERSON RIVERA: Well, with someone like you at the helm, I think we'll, we'll be okay. [laughs] Question on the birth certificates. Now how much revenue does the Department anticipate we will generate with the implementation of the birth certificate application fee?

THOMAS FRIEDEN: The, there are two different things here, there's the birth certificate correction fee, and that in the end will generate a gross revenue of about \$1 million,

that'll be about \$750,000-\$740,000 net, once it scales up in FY'11, 'cause it'll go in in the middle of FY'10. And for the disposition permit fee, that is a similar amount, actually, a little more. In FY'11 it'll be about \$2.1 million, and that will be about \$1.5 million net from, from those fees.

CHAIRPERSON RIVERA: Now in terms of the, the disposition permit fee, now how do you, I mean, in a very rare situation or occurrence, where a individual passes away, doesn't have any family, well, things of that nature. How do you collect the \$40 disposition permit? Is it done through an estate, is it done-
-?

THOMAS FRIEDEN: It's generally done through the funeral director, so it would be not from the, the individual, but the funeral director generally facilitate the whole effort, and, and this is an area that we are, you know, working to, to ensure that we provide good customer service. Our, our vital registration program has not been without problems, and we're working to address those problems. We have

identified some lapses in recent months, and in data security and in personnel issues, in procedures and we are working closely to address those. More broadly, this allows us to recoup some of the expenses behind these, and with the 60 day grace period for corrections, we think that's enough time so that we're, we're not penalizing people who, for whom the hospital made a mistake, that could've been corrected with in the first couple of weeks.

CHAIRPERSON RIVERA: Okay. Now, in terms of if there is a mistake, does the hospital have to pay the fee, if it's beyond--?

THOMAS FRIEDEN: The birth certificate correction fee would be paid by the individual.

CHAIRPERSON RIVERA: By the individual, okay.

THOMAS FRIEDEN: Parent, generally.

CHAIRPERSON RIVERA: Okay, perfect. The Chair of the Finance Committee wants to ask some questions.

CHAIRPERSON WEPRIN: Yeah, I've been contacted by a number of people upset about

the closing of the oral health clinics, and I see we have a big group in the audience that are concerned about it. First of all, how much money do you propose to save by closing the oral health? And you know, what, what's the rationale, and you know, what, what's the status of, of the alternative providers, if they were going to be closed?

THOMAS FRIEDEN: So, on a financial basis, the total savings is about \$4 million, in the out years \$4.4 million in the out years. [off mic] That, that's about \$2 million CTL, and the rest is a State match.

CHAIRPERSON WEPRIN: So it's just \$2--

THOMAS FRIEDEN: And revenues.

CHAIRPERSON WEPRIN: How much in this current fiscal year? The fiscal year coming up.

THOMAS FRIEDEN: Fiscal Year '10 and the out years is \$2 million CTL.

CHAIRPERSON WEPRIN: \$2 million.

THOMAS FRIEDEN: And Louise Cohen, Deputy Commissioner for Healthcare Access and

Improvement can discuss the transition plan. I think one of the things to remember in the big picture is that currently these clinics operate as freestanding oral health clinics. Utilization is relatively low, and our linkage with primary care is limited. What we've been able to do is identify primary care providers that will run the clinics as part of a primary care system, which we think actually does provide better services for the children in terms of linkage to primary care. In addition, because of the way reimbursement works, as we discussed at the last hearing, their rate for the, for the services provided there, is on the order of twice what our rate is. So whereas we lose money running these each year, New York City as a whole can draw down more State and federal dollars under a different provider.

CHAIRPERSON WEPRIN: Well, if we were to eliminate the oral health clinics, how many jobs is that a loss of, and is there any plan to give other employment to those that lost their job in the, in the system?

LOUISE COHEN: Hi, my name is Louise Cohen, I'm Deputy Commissioner for

Healthcare Access and Improvement. There are a total of 78 individuals who were affected. There've been several people who've retired and we are given to understand that there are at least seven or eight more who intend on retiring, excuse me, in June. What we have done is with, working with community providers, a number of federal qualified health centers, as well as others, a number of them have given us to understand that they are interested in receiving résumés from the current staff, and we have been sending out that information to our staff so that they can apply for those positions. In addition, we are working with the Office of Labor Relations to identify, particularly for dental assistants, I believe, who may well be eligible for a different civil service title, we are currently looking at that and working closely with OLR to see if we can effectuate that change. In addition, I'd like to let you know that we have provided, since November, a fairly large menu of staff training for, for people who might need job skills in terms of sort of job seeking skills, résumé writing. We've also provided them with computer training

and a variety of other things that we think will help them with their outplacement.

CHAIRPERSON WEPRIN: These 78 positions, an you give us a breakdown of what they are?

LOUISE COHEN: Yes. There are 32 dentists, 18, I'm sorry, there are 16 of the 32 are full time, the rest are part time. There are 37 dental assistants--19 are full time and 18 are part time. And there are seven dental hygienists, all full time. There are two full time managers. There are in addition, 14 staff who have permanent civil service titles, and will be reassigned.

THOMAS FRIEDEN: I would like to just correct the, the financial number I provided earlier, it didn't include fringe benefits, which are high and increasing, and in the out years it's \$3.8 million CTL.

CHAIRPERSON WEPRIN: Okay, I know you testified to the status of the--and again, I think we're going to be talking about it, 'cause I know there are still issues involved with that and, you know, we're not 100 percent satisfied that, just to the follow up, you said you talked

about the outside contracting and the, the federal reimbursement. Have you made, have you actually signed contracts or potential contracts with outside providers, and if so, at what stage are they? And where, where are the locations?

LOUISE COHEN: We have a, a handout for you, which is a updated detailing of every single provider the schools or health centers that they are interested in taking over, and the status of their various requirements in terms of CON approvals for the health center sites, DCAS lease agreements for those sits, and for the schools the, an agreement with the State Department of Health and the City DOE. We are not in, going to be engaged in any contractual relationship with these organizations. There will be an MOU, there will be no money that the City is paying for these organizations to do this. They all have told us and believe that they can make this work as a going concern into their business plans, that their reimbursement will be adequate to be able to provide the services in these schools. And they have all committed to providing services to students in these schools without regard to the

child's ability to pay. And in fact, that is both a State and a City requirement for a health provider to work in the schools, they cannot charge a patient. They will certainly be billing both Medicaid and private insurance for all those children for whom they have that information, and will be seeing all comers. As you can see here, there are most, all of these organizations are in process, in various stages. We again have been given to understand, in close collaboration with the State Department of Health on this issue, that they will look at these applications and expedite all of them.

CHAIRPERSON WEPRIN: And how does this, these alternatives compare to the clinics that are being closed geographically?

LOUISE COHEN: We do have that information and we can get that to you. What we know is that, right, there are four, four out of the five health centers are being taken over by a different provider. In the fifth one, which is Bushwick, we have an understanding with Woodhall, that they believe they have capacity and will be willing, it's about two blocks from the, from the

Bushwick Center, and they're willing to accept all referrals and have given us a way to refer parents to that site at, at Woodhall. For the schools, most of the schools, there are still the same number, in fact there's a higher number, 31 schools which have, organizations have expressed interest. And in each one of these, most of them are school based, have school based health centers. So again as Commissioner Frieden mentioned, we're, we're very pleased that these children will now have access to a full range of both primary care and dental care at the same site.

CHAIRPERSON WEPRIN: Well, I'm looking at this chart, there's, there's only one site listed in Queens, the Corona Health Center. How many sites in Queens are being proposed to be closed?

THOMAS FRIEDEN: Currently, just to be clear, the only regular site in Queens is Corona. What we have done is have mobile centers or services that we've tried to take from school to school to apply sealants in schools. That's something that we expanded in recent years. But

the concept has always to move those from school to school; although where there's a school based health center that's willing to do it, it can stay there. The point being that after a certain period of time, you've done what you're likely to be able to do at one school and you should move onto others. So, that's the concept of the school based providers.

CHAIRPERSON WEPRIN: Okay, well--

LOUISE COHEN: In the, in the specific, Chair Weprin, there, there are currently four schools in Queens that have had a site for, either for sealants or, or regular site. We are, I'd like you to know, continuing and will continue, certainly throughout the summer and beyond, to try to recruit organizations, to take on additional schools and in that, in the process, just even over the last week, we've added two new schools, and there is a strong interest of an additional federally qualified health center on Staten Island that is interested in perhaps providing services, as well. So we do not believe that we have completed our work, and would welcome any connections that you may have to provide us

with ideas of providers who could possibly be interested.

CHAIRPERSON WEPRIN: Yeah, well, the other concern that I have is until these agreements are in place, there may be a gap in oral health services. I mean, what's, what's being done to prevent that gap?

LOUISE COHEN: As you may know, the school sites are virtually all closed during the summer. All of these organizations that plan to provide services in schools intend to start in the fall, when school opens. In terms of the health centers, we are hopeful that at least several of them will have their emergency CON approvals from the State and will be able to start in July. But I can't guarantee that at this time.

CHAIRPERSON WEPRIN: Okay, I think we're going to continue that discussion, 'cause as you can see from the audience, I think there's still some issues out there. But my concern is that the services be provided in an efficient manner, less so with the minimal savings that's going to be in, in the budget, 'cause it looks like it's not a large dollar amount overall, you

1 know, vis-à-vis the health department budget. I
2 know Commissioner, you testified, and I think you
3 did a very good job in, under trying
4 circumstances, dealing with the swing flu epidemic
5 and the, the spread of it. Can you give us an
6 update as to which schools or other locations,
7 other than schools, are there, are there other
8 facilities that you've closed besides schools due
9 to the swine flu?

11 THOMAS FRIEDEN: The, first to give
12 you the general situation, we continue to see
13 large numbers of people going to emergency
14 departments experiencing symptoms of flu.
15 Remember that flu is generally mild. In fact, a
16 third of people with flu don't even know it, they
17 don't have symptoms. And the vast majority of
18 people don't have severe symptoms. Where flu
19 becomes dangerous is for people with underlying
20 conditions--heart disease, asthma, emphysema--and
21 in those individuals flu can be very serious or
22 even fatal. Since the onset of this outbreak,
23 which really began with one preparatory school in
24 Queens--

25 CHAIRPERSON WEPRIN: In my

district.

THOMAS FRIEDEN: In your district, with a very large outbreak, we saw a brief lull and then now we're seeing fairly widespread illness across New York City, particularly in Queens, also in Bronx and Brooklyn, and to a lesser extent Manhattan. And we anticipate that in the next few days to weeks, we may see many, many more cases of flu. But the thing to remember is, flu is usually mild. And we ask people, "Take your temperature." Determine whether you're someone with an underlying condition. If you're on treatment for cancer, if you've got diabetes, if you've got asthma and you're taking steroids and long term medications--then if you have a fever, you should contact your doctor right away, to see about getting treatment. What we're seeing in the emergency departments are large numbers of people coming in who should not be coming into the emergency department. And that's a real problem, because they can both pick up the flu, when they're there, they can give it to others, and they can really slow down and make it more difficult for hospitals to interact. I was in

touch today with many different hospital directors, and there, they're really having a problem with people who are coming in who don't need to be in an emergency room. So, it's a mixed message, in that if you do have an underlying condition, and you have fever, measure your temperature and it's over 100.4, and you've got cough or sore throat, then call your doctor and see about getting treated. We've closed at this point about 48 schools. 25 of them have already reopened without incident. We have seen isolated cases at Riker's Island, and we have isolated certain cell blocks to, to reduce the possibility of spread of flu there. We've also given preventive treatment in circumstances where people have been exposed to flu and they have an underlying condition. We've had daycares that have been concerned about flu and some have closed because they haven't had the staffing or for other reasons. And, and that pretty much is it, in terms of institutions. We continue to see a certain number of people hospitalized for flu, ten or 20 new each day. That number has increased over the last week or so and has remained at a

steady level since. And as you know, tragically, we've had, to date, four people who've died with H1N1 in New York City, all of whom had one or another underlying condition.

CHAIRPERSON WEPRIN: The, the problem when the St. Francis Prep broke out, and I guess it wasn't as, you know, well known, or you know, anticipated, was actually obtaining Tamiflu, because a number of the parents had contacted me, and they went from drugstore to drugstore, even those that didn't have necessarily, you know, severe symptoms or any symptoms, but as a precautionary measure they felt, you know, they wanted to have their kids take Tamiflu, but they couldn't get it. And especially if you were not diagnosed, you know, obviously it became even more complicated, you know, to go to a hospital and try to get Tamiflu. Has that situation changed in the City? And has your department done anything to make Tamiflu more readily available?

THOMAS FRIEDEN: We actively monitor Tamiflu supplies. Overall in the system, there is enough Tamiflu. There can be spot shortages at individual pharmacies or individual

neighborhoods, and we've tried to work with providers to reduce the likelihood of that happening. We do have an emergency reserve of Tamiflu, so if we needed to, we could supply more than a million courses to hospitals and other health facilities throughout New York City to use it. The best way to, we ask people who are not sick and who don't have underlying conditions not to hoard Tamiflu, that is the situation you could get into where you'd have problems.

CHAIRPERSON WEPRIN: You couldn't tell that to parents at St. Francis Prep when it first broke out.

THOMAS FRIEDEN: But at this point, we think the supplies are adequate.

CHAIRPERSON WEPRIN: I hear you. My co-chair reminds me that the Health Committee will be having a hearing on June 11th, specifically on this issue. You'll be in Washington at the time, but hopefully we'll have the new commissioner here to address it.

THOMAS FRIEDEN: Dr., Dr. Tom Farley will be the Commissioner, as Mayor Bloomberg announced. Dr. Farley, I'm very

confident, will do a superb job. He has extensive experience with epidemiology, infectious diseases, as well as chronic diseases. He's worked in both university setting and in public health departments. And for the last about two years, he's been a key policy advisor at the Health Department. So he really know the issues, he's being briefed daily on the H1N1 situation, and I'm confident that he'll be able to really continue to make substantial progress.

CHAIRPERSON WEPRIN: We apprec--

THOMAS FRIEDEN: Along with the, the terrific staff of the Department, who are the folks who actually do all the work that, that we get to take credit for.

CHAIRPERSON WEPRIN: Okay, I'm going to turn it over to Chair Koppell, who I know has a number of questions. And we have a number of other members that have questions. Thank you.

CHAIRPERSON KOPPELL: Thank you. Commissioner, last year, you provided us with a list of private providers that you didn't feel, or the Department didn't feel were really meeting the objectives that they were being given funding for.

Are there such provides still being funded that you might share with us?

THOMAS FRIEDEN: We'll give you our assessment of the current providers later this week, probably on Thursday.

CHAIRPERSON KOPPELL: Thursday's tomorrow.

THOMAS FRIEDEN: Yes.

CHAIRPERSON KOPPELL: So you think you can give it--

THOMAS FRIEDEN: All day.

[laughter]

CHAIRPERSON KOPPELL: When you said, so you mean tomorrow.

THOMAS FRIEDEN: Yes.

CHAIRPERSON KOPPELL: I, I just-- usually when people say "Thursday," they don't mean tomorrow.

THOMAS FRIEDEN: I forgot it was Wednesday.

CHAIRPERSON KOPPELL: Okay.

[laughter] Okay. Okay, well, we, we would obviously like, like to have that. Are you confident that the services to developmentally

disabled individuals will not be seriously
affected by this State cutback you refer to?

THOMAS FRIEDEN: No, we're, we're
concerned by this. We think that it's kind of a--
well let me ask Dr. Karpati to answer.

ADAM KARPATI: Hi, I'm Adam
Karpati, I'm the Executive Deputy Commissioner for
Mental Hygiene.

CHAIRPERSON KOPPELL: Welcome,
doctor.

ADAM KARPATI: Thank you,
Chairperson. We are concerned about this cut.
For context, these are, this is a, these are funds
that come from the State for clinical services,
for, for children and adults with MRDD. Thought
they represent a subsidy to the, to the largely
Medicaid population, but as well to non-Medicaid
clients, as well. So while many of these clinics,
there are clinics in the City that don't receive
the subsidy, that are able to provide services.
But of the ones that do, we're concerned that
it'll have an impact on their, on their
operations; however, we think there's enough
capacity in the City, and then working with these

clinics to maximize other revenues to enroll in Medicaid when children aren't, or adults are not enrolled but are eligible, we think that we can maintain adequate services for the population. But, but no doubt, the withdrawal of such a substantial state funds was significant.

CHAIRPERSON KOPPELL: A similar question on the cuts to early intervention, are those going to affect provision of services? Or it's a delay in reimb--a COLA?

ADAM KARPATI: So we think that this is essentially a shifting of the burden of payment from the State to the City. No, I'm sorry, yeah.

DAN LEHMAN: Dan Lehman, Deputy Commissioner of Finance and Planning. The savings I believe you're referring to are one time only for Fiscal Year '10. They result from the fact that the State did not promulgate a cost of living adjustment for early intervention. The State sets the rates for early intervention, there's a local match for all early intervention services that are not funded through either Medicaid or private insurance. So the fact that the State did not

implement a rate increase means that there are savings on the City side; because if the State doesn't increase the rates, then the City's obligation to pay doesn't increase.

CHAIRPERSON KOPPELL: But the providers are going to be cut.

DAN LEHMAN: The providers will not have a rate increase. They won't be having a cut, it just means that their rates won't increase.

CHAIRPERSON KOPPELL: And there's not indication that there's going to be a reduction in the services to the children?

DAN LEHMAN: No, there's been no indication of service reduction.

CHAIRPERSON KOPPELL: Okay, the one thing that you apparently yare projecting a increase, a substantial increase in funding to meet the objectives of the special panel that was created with respect to criminal justice and mental health issues. And as I am told by staff, there's a \$4.5 million allocation for Fiscal 2010. Is that correct? And how is that intended to be spent?

THOMAS FRIEDEN: So that--that

includes City and State funds, and there's a City/State partnership to do this. We actually have reduced some of the expenditure for this in the, in the planned project. Probably the single most important part of that is an attempt to increase the level of accountability in the system by establishing with the State both a database and a follow up system to identify people who have fallen through the cracks. And that's really very important. It doesn't exist to date, it's one of the biggest gaps in our treatment system, and it's something that it's very important, I think, that we move forward on. We have, however, identified other areas for financial savings, which are reflected in the plan.

CHAIRPERSON KOPPELL: What I mean is, are, is there going to be, is there an allocation of \$4.5 million toward, toward the objectives of the panel?

THOMAS FRIEDEN: Yes.

CHAIRPERSON KOPPELL: And how much of that is City money? [off mic]

THOMAS FRIEDEN: So, for Fiscal 2010, the budget was reduced from \$1.4 million

CTL, from \$1.8 million CTL to \$1.4 million CTL, roughly; actually \$1.85 to \$1.4, so about \$450,000 was reduced from the budget, leaving about \$1.4 million in the coming fiscal year.

CHAIRPERSON KOPPELL: And the rest of the money is State, is that true?

THOMAS FRIEDEN: Both State and Medicaid, State and federal.

CHAIRPERSON KOPPELL: Okay, so, so the total City contribution is about \$1.4 million?

THOMAS FRIEDEN: That's right.

CHAIRPERSON KOPPELL: I mean, I'm not suggesting that this isn't important, or something we shouldn't do, but I suppose if when looking at a serious fiscal crisis, which we're looking at, you say, "Well, we'll put off the new things a little while, to do the things that we're already doing. I'm not, I'm not saying we should do that here, but it, it suggests itself to me. What's your response to that?

THOMAS FRIEDEN: I think the single component of this that's most important is that accountability piece. Because it's not just a new couple million dollar project, it's a couple

million dollars that could have the effect of substantially improving the performance and accountability of a service system that's hundreds of millions, if not billions of dollars. So, I see this as a very critical kind of fulcrum to try to improve the quality of care for people with serious and persistent mental illness.

DAN LEHMAN: And just to add that it does have the potential to, when this sort of accountability is built in, and is really for the, the most in need population, to reduce potentially the need for crisis services, or other expensive services, as well. So, not promising a savings gain, but it does have, it is targeting a very high need population.

CHAIRPERSON KOPPELL: So, so your feeling is that's only about a million plus dollars?

DAN LEHMAN: Correct.

CHAIRPERSON KOPPELL: Not \$4.5 million.

DAN LEHMAN: It, this is a City/State partnership, so--

CHAIRPERSON KOPPELL: Yeah, but,

but the City contribution's only a little over a million.

DAN LEHMAN: Correct.

CHAIRPERSON KOPPELL: Alright, well I just would ask our budget people to look at that. I mean, we're, we're scrounging around. I, I take it from the end of your remarks, Commissioner, that you think that the City Council initiatives, such as children under five and the geriatric initiatives and the substance abuse initiatives are very worthwhile.

THOMAS FRIEDEN: Yes.

CHAIRPERSON KOPPELL: And I'm pleased to see, and autism, yes, indeed, autism to. I'm, I'm pleased to see that you recognize that. And, and we hope to be able to restore if not all, most of that program. I mean, I'm very pleased to see that you focused on getting the contracts through the process. I know we're still not there, but you're making progress, and you will, I hope, communicate with your successor that that's, I mean, groups that we allocated money to last summer still haven't gotten the money, as you know. And I, I hope that processing improvement

will continue.

THOMAS FRIEDEN: I agree with you both that there has been improvement and that there still needs to be a lot more improvement, and we'll hope not just to finish out this year, but to get a running start on next year.

CHAIRPERSON KOPPELL: And lastly, sort of off my specific mental health target, and while I don't disagree that the advertising programs are effective, how much is being spent of City money on, on advertising generally, particularly the tobacco advertising?

THOMAS FRIEDEN: It's approximately \$5 million, and our experience with this, and the experience of other jurisdictions, including California, and I believe Michigan, is really unequivocal. When you advertise, people quit. When you stop, that, that decline in smoking stalls. It's what's happened in multiple jurisdictions. In fact, we track the linkage between adds running and people calling 311, and we monitor the effectiveness of our ads based on the relative number of people we can get to quit for each dollar we send, we spend. And we

estimate that conservatively, we prevent about 1,500 deaths for every \$1 million we spend on advertising. We also try hard to develop a buzz so that we get free media, so if you look at the, at the, for example, the separation ad we did of the child crying in a train station, we didn't make that ad, it was made in Australia, so we didn't pay anything to have it made. We paid some money to run it, but then it was picked up on dozens of news stations and hundreds of articles, and we had the equivalent of millions of dollars of free media for it. So, we're, we're trying to make as strategic use of the limited resources as possible, but it really is one of the areas that has the largest health impact of anything we do.

CHAIRPERSON KOPPELL: Have you explored the possibility of something like foundation funding or other sources, other than tax levy money for this?

THOMAS FRIEDEN: We certainly do. We have not had success with it. I would notice, note, that if we were spending what the CDC recommends, it would be about \$28 million as opposed to the \$4 or \$5 million that we spend.

1
2 And those, that media coverage has driven an
3 increase in the number of people calling 311 for
4 help quitting, from \$10,000 a year or \$11,000 a
5 year, to more than \$50,000 a year; so more than a
6 fivefold increase. And that, that I think is, is
7 really quite important. I would also mention that
8 the City receives more than \$300 million every
9 year from the master settlement agreement, and the
10 tobacco taxes, and that our spending on tobacco
11 control is less than two percent of that.

12 CHAIRPERSON KOPPELL: I'm sure it's
13 worthwhile, on the other hand again, when you have
14 to triage, you have to triage.

15 THOMAS FRIEDEN: You know, I would
16 just make one last comment about this, to, to
17 confess that I didn't, I was not sold on it
18 initially. I thought, you know, it's a lot of
19 money and I'm not sure it's going to work, so we
20 didn't initially do hard hitting ads. And we
21 found that between 2004 and 2005, we did not have
22 a decrease in smoking. So I said, essentially as
23 an experiment, in 2006, let's run hard hitting
24 ads, focused on certain communities and see if it
25 works to drive the smoking rates down, and it did.

1 So I'm, I'm very convinced that this money is
2 irreplaceable and truly lifesaving. We have
3 reduced the amount, we've figured out ways to be
4 more efficient with it. And I, too, wish it were
5 cheaper to do it. But I, I don't see any way to
6 spend any substantial amount less than what we're
7 spending, and get the kind of results we're
8 getting, keeping in mind that smoking remains the
9 number one preventable cause of death in New York
10 City, and especially for people with mental
11 illness, who have rates of smoking that are far in
12 excess of the general population.

14 CHAIRPERSON KOPPELL: Well, if
15 you're going to do advertising, it might as well
16 be hard hitting [laughs] that I don't disagree
17 with you on.

18 THOMAS FRIEDEN: On that we can
19 agree.

20 CHAIRPERSON KOPPELL: Thank you,
21 Commissioner.

22 THOMAS FRIEDEN: Thank you - -

23 CHAIRPERSON KOPPELL: Again, one
24 just last comment, and that is your focus on
25 depression has really been appropriate. Another

area of your leadership which we appreciate.

THOMAS FRIEDEN: Thank you, and I just would comment more broadly that the, the merger of the Department of Health with the Department of Mental Health, Mental Retardation and Alcoholism Services, preceded the vote to do that in the population, preceded my taking over both agencies. But there are so many synergies between them both, and depression is one of them. You know, one of the most effective ways to prevent and even treat mild depression, is to increase physical activity. It really improves mood. And at the same time, people with serious mental illness have such a large set of physical health needs, I think we've only begun to scratch the surface of the synergies between the mental and the physical in terms of what can be done, moving forward.

CHAIRPERSON RIVERA: Thank you very much. Council Member Annabel Koppell, I mean, Annabel Palma.

COUNCIL MEMBER PALMA: Thank you, Mr. Chair. [laughs] Commissioner, I just have some quick questions. I, I know that we touched

1
2 in the March preliminary hearings, we touched on,
3 on the Department noticing any increases in any
4 substance abuse or alcoholism program, alcoholism
5 due to the state of the economy. And so I just
6 wanted to know, has there been any change in, in
7 people seeking more services because of the
8 economy.

9 THOMAS FRIEDEN: We don't, we don't
10 think there are dramatic stresses on the alcohol
11 and drug treatment system, as a function of the
12 economy. But I will say that there's little doubt
13 that the economic downturn is having an impact on,
14 on mental health, and on, inevitably on substance
15 use, as well. I would suggest that we might see
16 those effects actually most prominently in the
17 primary care setting, and in the general medical
18 care settings. And in other social services, even
19 more so than we would in the dedicated alcohol and
20 drug treatment programs.

21 COUNCIL MEMBER PALMA: And then in
22 terms of the key program, I know that Council
23 Member Koppell and I strongly advocated to the, to
24 the State to make sure that this funding wasn't
25 reduced. Nonetheless, the funding wasn't put

back. What does the division, if any, what plan do they have in place to make sure that these, that these, this population continues to receive services for, for their, for this program?

THOMAS FRIEDEN: I spoke yesterday with Commissioner Carpenter Palumbo of OASAS, I again advocated for this program. She indicated that she was willing to try to find resources for it, but without resources in the budget, that looks increasingly difficult. We're really thinking through exactly what we will do without the resources, come July 1. It is a real loss, it's something that we would very much like to try to continue.

LOUISE COHEN: You know, I, I think that, I would just like to echo the point that it is a significant loss. We do 1,500 supervised detoxifications a month, we treat 450 methadone maintenance patients per month, and we have had extraordinary success because 75 percent of the people who receive methadone for maintenance in City jails, actually show up at their community methadone program. And so we think that this is something that is good for the patients, good for

the system, and has a variety of other downstream impacts. If we don't get additional funding, whether it be state, City or other resources, we will be forced to, we will continue to do the detoxification, because we believe that that's necessary and appropriate. Although many other jail systems do not do this. However, we will be forced to reduce our maintenance, our methadone maintenance program, which we believe will have significant negative impacts, both on the patients and on the system as a whole.

COUNCIL MEMBER PALMA: Thank you.

And then my last question, just to touch on the congregate housing, you had mentioned in your testimony that it was somewhat backlogged, but are looking to, to make sure that the obstacles are overcome. What kind of obstacles were in place and what, what did the department do to make sure that those, we're not facing those same issues to be able to catch up?

ADAM KARPATI: Largely this is a, an issue of a very ambitious start up schedule for New York, New York III. So, though there is, there have been delays, as the commissioner

mentioned, there are significant number of units in the pipeline. And we work very closely with HPD to coordinate the development timeline with the service, the procurement of the service contracts, which is the DOHMH of the, of the project. So we think that in the next fiscal year, we're going to see substantial catch up, but just to say that the development of congregate units, since it really is building new buildings, is always going to be slower than the procurement of scattered site units. I think--

COUNCIL MEMBER PALMA: So, it was--

ADAM KARPATI: I think there's a good timeline that we, that we'll be catching up to.

COUNCIL MEMBER PALMA: The delay was more in terms of policy rather than trying to allocate size rather than just fiscal obstacles?

ADAM KARPATI: Right, its was a, it was a issue of the, essentially the start up and the development of these new buildings.

COUNCIL MEMBER PALMA: Okay, thank you.

CHAIRPERSON WEPRIN: Okay, Council

Member Jackson.

COUNCIL MEMBER JACKSON: Well, thank you, Chairs, and there are like four Chairs here, and I was just waiting patiently, in order to, to try to ask a couple of questions, and I was hoping that all of the Chairs did not ask all of the questions. But Commissioner, first, let me congratulate you on your appointment by President Obama. I think that hopefully that you will do well in your new position, so I wish you all the best. But let me just take exception with your decision or Mayor Bloomberg's decision, one or the other, to me they're still the same, to close the oral health clinics. I think it's absolutely wrong, and as, time you will tell if in fact that happens, that that was the wrong decision to make. These clinics have been open for over 103 years, through all type of great depressions and what have you and so forth. And the time is not now to close those clinics. The time now is to make sure those clinics are funded, and especially, Commissioner, you're only talking about the City's share, about \$2 million. And, and State money comes in for that. So I believe that that's

wrong, and I will do everything that I can, as a member of the City Council, as a co-chair of the Black, Latino and Asian Caucus, in order to overturn that decision in the budget negotiation process. Let me just state you that loud and clear. [applause] But also, but also, Commissioner, the Commissioner from HHC, the Alan Aviles was here, and he testified earlier that he doesn't know whether or not Woodhall will be able to take over the clinic in Brooklyn. He also's mentioned that the Bed-Stuy Family Health Center is interested in expanding their oral health programs, but the Daily News, as you know, reported that the head of the Bed-Stuy Center said he could not do so without additional funding from the City of New York. So, it appears as though on the face of it, that you have a plan, or that the Department of Health has a plan, but I believe that the plan is flawed and that the children that depend on the oral health clinics, will be left by the wayside with decaying teeth in their mouth, and more absenteeism as a result of that. And I ask you, or your deputies, or whoever you have, in order to tell me why they feel these other

providers will step up, even if in fact you're asking them to do it for free. Because no one is in business to do anything for free. So I'm trying to understand the logic, knowing that my position is that the clinics should not be closed as tall.

LOUISE COHEN: Council Member, let me say first that we agree with you wholeheartedly that children need and deserve oral health care. We think that is absolutely essential, we think it is a critical part of, of primary care, and we are committed to making sure that all children in New York City have access to both primary care and to dental care. First of all, let me say that I believe the Commissioner has told me that he misstated the CTL number, that it is actually \$3.3 million. So, that is one thing. I would also like to point out, and also to you, Chair Weprin, that there has been interest, and an active interest by providers. In fact, just now, Catherine Abate, who most of you know, who is the CEO, President, I believe, of the, of the Community Healthcare Network, just told me that she's interested in working out a way in which she

can do dental care in some Queens schools, so that is a great thing. But we have seen that these providers actually are in fact stepping up to the plate. And the reason is that they believe that, first of all, these are all organizations with, that are mission driven, as we are, so federally qualified health centers have a mission to serve the underserved communities, as well as our other partners. And that they believe that it is fiscally viable for them, because of the reimbursement that they get. The federally qualified health centers, as you know, have a complex reimbursement system, but they get about \$180, \$160 to \$180 per visit, whether it is for Medicaid, whether it is for dental or for medical, and that is over three times the amount that we get as the Health Department. And that is because they get funding from a variety of sources. They can also draw down from the bad debt and charity pool, and they have gotten some additional dollars from the stimulus, the federal stimulus money, as well. So, they have stepped forward, many of them have asked for multiple sites, and they are committed to doing this, many of them as part of

their commitment to providing care in school based health centers.

COUNCIL MEMBER JACKSON: So, so in essence, what you're telling me is the Department of Health is abandoning the young children as far as for their teeth to decay in their mouth, that's what you're telling me?

THOMAS FRIEDEN: No, that's not what we said, Council Member.

COUNCIL MEMBER JACKSON: Then what are you saying?

THOMAS FRIEDEN: We're saying--

COUNCIL MEMBER JACKSON: Because I, because my understanding, and I've talked to a provider, I was at a, a oral health clinic ribbon cutting at, at the Edward Stitt [phonetic] Campus on 164th Street and Escom Avenue, and provider told me that the City of New York could run those clinics if they did the right thing, you can run them without, you know, without going into debt. And so you could really run those clinics and run them effectively, if you really wanted to. And I think it's a decision, and you correct me if I'm wrong. I think it's a decision for you to get out

of the oral health clinic business, even though you've been in it, I mean, the City of New York, for over 103 years.

THOMAS FRIEDEN: Respectfully, I do believe that that's an incorrect perception.

COUNCIL MEMBER JACKSON: Really?

THOMAS FRIEDEN: Yes.

COUNCIL MEMBER JACKSON: Then prove it to me.

THOMAS FRIEDEN: Well, we've just explained that the reimbursement rate for the other providers is two or three times what ours is. They can run it, provide the same or better services, link to primary care which we won't do, and not cost the City money.

COUNCIL MEMBER JACKSON: Well, and I, and people can believe that you can run it without costing the City money either. And so, it's a matter of how effective you are as far as running it and seeking reimbursement through other sources and, and what have you and so forth. And finally, let me just say, because I don't think I'm going to persuade you to change your mind, if that was your decision as a commissioner of

health, but clearly you are the point person for Mayor Bloomberg. And I think that Mayor Bloomberg, and especially an election year, is doing the wrong thing for closing these healthcare clinics for our children. So I'm going to say that, and I will disagree with you and Mayor Bloomberg on this, and fight you tooth and nail to ensure that our children are taken care of. And I don't believe that the infrastructure that you're trying to put in place is going to stand, it's going to fail. Because it's, it's about profit. These other groups, and Catherine Abate's groups, and you know it, I know it, also, I helped fund some of the clinics overall. Okay, I, I do know that. But they depend on City money in order to operate, also. And so, I mean, it's not like we're not going to pay for it. And so why close these in the first place, when, when the City's going to have to pick up the money?

THOMAS FRIEDEN: If--[applause]

COUNCIL MEMBER JACKSON: I'm,
please. [gavel]

THOMAS FRIEDEN: If we had--

COUNCIL MEMBER JACKSON: I'm not

here for applause, because 17,000 plus children are waiting on the continuous spaces to get dental work done in the clinics.

THOMAS FRIEDEN: If we had unlimited resources, there are lots of things we would like to do better, do differently, do more of.

COUNCIL MEMBER JACKSON: Okay. And I understand that, Commissioner, and I can appreciate that. But Oliver Koppell talked about the contracts just for smoking, but I'm more concerned about all of the contracts the Department of Health have in order to, in order to eliminate contracts, and as the former Chair of the Contracts Committee, the former Chair, I know that every agency can cut back on contracts in order to save programs such as this. I do know that. And so I ask you with respect to the contracts, can you or someone else, Commissioner, tell me how many contracts does the Department of Health and Mental Hygiene have with various advertising agencies? And how many of these contracts were sole source contracts? And why were these contracts given as sole source? And

the information that I'm requesting was provided by one of the City unions, DC 37, based on information that they have received from the Commission on the public health system.

THOMAS FRIEDEN: If I understand your question correctly, it relates to specifically contracts for media contracts, is that right?

COUNCIL MEMBER JACKSON: Advertising agencies.

THOMAS FRIEDEN: Advertising media, yeah.

COUNCIL MEMBER JACKSON: And not only that, but I'm asking overall. So for example, and I'm going to give you some information they've given to me, so I can ask more appropriate questions. It says, a) for taxis, clear channel until December 2009, its contract, a sole source contract for advertising, for taxis, clear channel until December 2009 for \$3 million. Telephone kiosks for Vector until October 2010, for \$3 million. For bus stops, there's Sumosa [phonetic] until August 2010 for \$3 million. And there are a lot of other contracts--

THOMAS FRIEDEN: True.

COUNCIL MEMBER JACKSON: --that's
cited by DC 37--

THOMAS FRIEDEN: So--

COUNCIL MEMBER JACKSON: --where,
where, let me just finish if you don't mind.

THOMAS FRIEDEN: Sorry, sorry.

COUNCIL MEMBER JACKSON: Where, if
we, since we have to cut back on children's oral
health, cut back on these contracts and let's
focus on what the primary goal is, and to take
care of our children and the people of New York
City.

THOMAS FRIEDEN: Well, let me
address first the advertising contracts, then the
broader issue of contracts, if I may.

COUNCIL MEMBER JACKSON: Okay.

THOMAS FRIEDEN: The way, first
off, understand that the contracts for advertising
are not to exceed contracts. So if you see a
contract for \$3 million or \$5 million it means we
can spend up to that amount, it doesn't commit us
to spending a dollar on it. It just enables us
to, if for example we wanted to put up an ad about

H1N1 influenza. So it puts that in place. For certain venues, there is only one vendor. So, the, the MTA--why don't you explain that.

ANDY RYAN: Hi, I'm Andy Ryan, Executive Deputy Commissioner and Chief Operating Officer with the Department.

COUNCIL MEMBER JACKSON: Hi, Manny.

ANDY RYAN: It's Andy, thanks.

COUNCIL MEMBER JACKSON: Andy, I'm sorry.

ANDY RYAN: It's alright. Many of these, many of these venues, the bus shelters, sides of busses with the MTA, many of these have citywide purview over all, all of them, so if we are going to do public health advertising, on the side of a phone ki--a bus shelter or phone kiosk, there is only one vendor, so that's why it's a sole source. And it is, goes through that process and is registered by the controller as a sole source.

THOMAS FRIEDEN: For, for advertising contracts more generally, we do a competitive bid when we need to do that, and we get advertisers. On the issue of contracting more

generally, our preference is always to use City employees. We find that we have more control, we find that it's, it's better in many ways. There are certain, very specific instances in which we pursue contracts to get something done for the public. One of the issues is when we can't get City employees to, to do a certain function. For example, school nurses, for some, we've done much better at hiring school nurses, but we still have a gap. So we have contracted nurses, so that we can provide nurses where frankly we cannot get employees to go in the numbers we need them to go. And so we fill that gap only as a last resort when and only when we can't get a City employee to do it. There are other very specific skills, there might be a computer package that needs to be built, that is best to bring a contractor in for, but our approach generally in terms of getting the work done, is that we prefer to use City employees to get it done.

COUNCIL MEMBER JACKSON: Well, Commissioner, and I can appreciate as far as the nurses, but I would strongly suggest to you and/or your, the person that's going to follow you, and

your, your executive staff that will probably still be on board, is to look at overall the contract budgets overall, and cut back on contracts. And then keep the oral health clinic in place, keep the other employees in place in order to, that really are doing the job, in order to treat the patients that we're dealing with. I would strongly suggest that. Now you talked about nurses. And I asked this question of, of earlier, with respects to the Department of Education. As you know, it's my understanding, listening to the news, that the first individual that determined that there was a situation as far as a possible flu going along, around H1N1, was a, a school nurse in a school. And I asked whether or not nurses are being cut back under the Department of Education. And I did not get a clear answer as far as that they were untouchable. How many Department of Health nurses are there in the schools? And do you plan on hiring more? Or do you plan on laying off any?

THOMAS FRIEDEN: Right. We have around 750 nurses, - -

COUNCIL MEMBER JACKSON: 750?

THOMAS FRIEDEN: 741, I'm told.
Roughly 750.

COUNCIL MEMBER JACKSON: Okay, and
those, they're in the schools?

THOMAS FRIEDEN: In, in various
public and non-public schools.

COUNCIL MEMBER JACKSON: Okay, go
ahead.

THOMAS FRIEDEN: We do not have
plans to lay off any. We have reduced some of the
support staff, staffing, under previous PEG, in I
think January and November. We reduced some of
the allied health staff clerks and, and
secretaries, in, in the January plan. In
addition, for many years, we've done hearing
screening, on, on first graders. What's happened
since 2000 is, is that every newborn gets a
hearing screening before they leave the hospital.
There's a new technology to do that. Even before
that technology, the national body that recommends
whether or not things should be done, recommended
specifically against hearing screening in schools.
'Cause you identify a lot of kids who just don't
follow the instructions, you end up with a lot of

follow up. And even if you do find a child with a problem, the intervention tends not to, to, can be done by better ways. So, I'll get to the nurses, I'm just saying the only change that, that we're anticipating at this time, is that we do plan to phase out the hearing screening, we would leave vision screening in place and follow up. We're not at present planning to reduce nursing services in schools. I will say, however, that we do have a significant budget problem. And if I can just finish, please.

COUNCIL MEMBER JACKSON: Sure, sure.

THOMAS FRIEDEN: Every time the Department of Education opens a new school, we are under a legal mandate, and we want to put a nurse in that school.

COUNCIL MEMBER JACKSON: Department of Health is?

THOMAS FRIEDEN: That's right. That costs us around \$100,000. There've been around \$5 million worth of, or 50 new schools. 50? About 50-60 new schools. So we've spent, we've increased our needs by about \$5 million.

Plus nursing salaries have increased, and the contract nursing salaries have increased, although it actually costs us slightly less to use the contract nurse than the staff nurse, we still prefer to use a staff nurse for many reasons. But that contract nurse salaries have increased, or else we can't get the nurses to go where they're needed. So we have a, a \$9 million or \$10 million dollar budget gap in the school health program, even after this budget. So I just mention that as a, as an unresolved issue for the future. But no, we don't have any plans to reduce the number of nurses in schools.

COUNCIL MEMBER JACKSON: Well, and, and Chair has cut me off, and rightfully so, but let me just say, doctor, that with respect to the, the nurses in the school, I mean, clearly they're inundated with, with students coming in, and so I'm curious on whether or not there's enough staff to support them because everyone is in a nursing office right now, and then they have to do everything, and they don't have the time to do it. So, is someone providing them with some assistance during this acute period of time?

THOMAS FRIEDEN: Well, certainly in school nurses' offices, in doctors' offices, in emergency departments, there's a very difficult time because of the large numbers of patients coming in, and we're providing additional support to the extent that we can, but that's very challenging because on any one day, you might have a lot of children coming in in one school versus another school, so we are trying between the supervisors and other staff to provide additional support. One of the things that's been extremely helpful is the existence of the automated school health record, or ASHR, which we've put in over the last few years, really just in time for this, and allows us to provide some more efficient care in the nursing office. But yes, I agree that there are great needs.

COUNCIL MEMBER JACKSON: Well, I have to stop, but I would go on, but I'll come around for second round of questions, if there is a second round. Thank you very much.

CHAIRPERSON RIVERA: Council Member James?

COUNCIL MEMBER JAMES:

Commissioner, I've always admired your intellect, and your, your knowledge of the subject matter, not matter what it is. Your compassion and your calming voice, and, and your thoughtful comments which are reflected in all of your answers. And so I know this, your decision to close the dental clinics is a painful one, I can see it on your face. And so, the City Council is going to spare you from that agony, as you go to Washington, because there has been a commitment from a majority of Council Members here to restore the funds to the dental clinics, and to keep them open. [applause] Because, Commissioner, I do not want your legacy to be on where you are connected and associated with closing these dental clinics. And the reason why I will save you from that agony and will lead this charge is because I had my niece with me about three weeks ago, she's nine years old. And she agreed in exchange for me taking her to the park, to attend a meeting. But she had a toothache. At the meeting, she cried, she could not sit still, she could not even talk. And I took her to my dentist, and I thought of all of the children who do not have health, will not have

dental clinics, and that is why I have been so forceful and sometimes perhaps very critical of the administration with regards to dental clinics, because I do not want any child to suffer, particularly children in need. And so, this is not anything personal, the questions that I will ask you, because I know at the end of the day, that the City Council will come to the rescue once again for these children. This list that you--on March 25th, you assured us that 17,000 children who were treated by 43 school based clinics and five standing clinics would not be left without a safety net. And you have provi--But as I add it up, I see that there are only four health centers that are reflected, so we're missing one. And I see that there are only 31 school based centers that are reflected in this document, which indicates, which means that twelve are not reflected. And so, where is the one health center which is not reflected, and where are the other twelve school based centers that are not reflected in this document?

LOUISE COHEN: Thank you, Council Member. As I said, the one, the one center that

we had had some difficulty finding a new provider for was our Bushwick Health Center. As you know, that is about two blocks from Woodhall--

COUNCIL MEMBER JAMES: Woodhall.

LOUISE COHEN: --Woodhall Center, and we recently received correspondence from, from Woodhall that they would be accepting all the patients who had gone to the Bushwick health center in their clinic, they believe they have capacity. And they will be glad to, to take those patients there. So it is a very close, very close proximity for those parents, and we think that while they're at Woodhall, they will also then be able to get primary care, as well, which we think is a great thing. In terms of the schools, there's approximately, as I said 31 full service sites that we, we will be having in the fall, we hope. And the other sites were sealant only sites, so those were ones that, over the course of the year, moved around, so there was a three month tenure in a number of different schools. So that makes up the others. We are still, as I mentioned just earlier, getting interest from providers, about both schools, and we will continue to do so

until all the equipment that we have is exhausted.

COUNCIL MEMBER JAMES: So the twelve that were--that only were, that only provided sealant services, those will close.

LOUISE COHEN: The roving sealant sites, at this point, there is no provider who said they would just like to do sealants program.

COUNCIL MEMBER JAMES: Okay. Now, it is also my understa--

THOMAS FRIEDEN: If I could, if I could just--

COUNCIL MEMBER JAMES: Sure, sure, sure, sure.

THOMAS FRIEDEN: --add to that. I thank you for your interest in oral health, and I, I want to validate your perspective, that it's very important. We want to see improved children's oral healthcare. And one of the most important things is the sealant program. Getting sealants onto kids is a way of preventing cavities in the future. We've found it much more difficult to get the volume on that program that we would like to get, than we had anticipated. It's very hard to get parental consents back to do the

sealant application. And it hasn't gone to the scale we want. But still, the, the need is real, to, to increase oral healthcare. I would also reiterate what we've said before. Most children have Medicaid, and Medicaid includes the entitlement to get oral healthcare. And yet only 45 percent of kids with Medicaid saw a dentist in the last year. So there's a lot that we need to do in many different settings, to improve oral healthcare. I would just make that as a general comment.

COUNCIL MEMBER JAMES: And, but Commissioner, some of these providers, the question is will all of these providers provide services to children who are uninsured?

LOUISE COHEN: Yes, that is a requirement of any provider seeing students in schools, both on a State level and local requirements. And we have made that a requirement of any organization who is working within our health centers.

COUNCIL MEMBER JAMES: Now, as my colleague mentioned earlier, President Aviles just left, and I asked him the question with regards to

Fort Green. And he indicated that conversations were still being had, and that in fact there was not a certificate of need on file. And according to this other document, that in fact there was not any pending approval, there was not any, as far, he didn't mention anything about an amendment to the Fort Green child health clinic certificate of need in progress. He just said that we are still in negotiations, and that he, he also indicated that there was some concern, concerns with regards to the lack of revenues.

LOUISE COHEN: I don't want to speak for another agency, but we have had several conversations and correspondence going back and forth with the vice, executive vice president of Woodhall, Iris Hernandez, and she has indicated that in fact they do intend to go forward with this. The reason the, the con process is a little different for Fort Green because all they're doing is they're amending their existing con for the Fort Green child health clinic. And in fact they're also very excited about doing some work, they believe they can do some work with Long Island University, which is right there to try to

bring in additional students and precept them for dental hygienists and dental assistants as well. So, I again, not, not wanting to speak for HHC, but my understanding on the local level is that this conversation has moved forward.

COUNCIL MEMBER JAMES: There was, and again, my colleague mentioned the Daily News article where the executive director of the Bed Stuy Family Health Clinic, his quote was, "Money is too tight." The other family health center known as Brownsville Multi-Service Center, that executive, that president indicated that it's not even a breakeven proposition; in these tough times, it's very hard to take on additional responsibilities, and that there were no, that there was no plans for an oral surgery center. And they could not afford to add a dental clinic to a high school health center that it currently runs. So, notwithstanding the document that you have provided, they have publicly indicated their hesitation to take on any additional responsibilities in these climates.

LOUISE COHEN: I, I think that there are perhaps maybe internal communication

issues. We have been working very closely with the dental director at the Bedford Stuyvesant Family Health Center. Again, I can't speak for another organization. We will certainly go back and discuss that with them again, to verify that our understanding. With Brownsville, it's a slightly different situation, because they're pending renovation, what they've told us is pending renovation of this particular site, they would plan to expand dental to it. If that is not something that their CEO has agreed to at this time, we will confirm that either today or tomorrow.

COUNCIL MEMBER JAMES: And Commissioner, you mentioned that most of these patients are, have Medicaid, but the reality is that there are, according to the Department of Health and a report that was prepared by the Public Advocate, there are 40 percent fewer Medicaid doctors in the City of New York. Is that not a true statement? And if that is a true statement, the fact that one has Medicaid means that it's going to be even more difficult to get care.

LOUISE COHEN: We believe that the, perhaps the methodology that was used was not entirely accurate. We have from the State Health Department indication that over 3,000 den--3,000 providers had put into State Medicaid a dental claim, 3,000 providers in New York City, which says to us that there are at least 3,000 dental providers in New York City, according to the State Department of Health Medicaid--

COUNCIL MEMBER JAMES: Do you also take issue in--

CHAIRPERSON PALMA: Council Member James. I'm sorry.

COUNCIL MEMBER JAMES: Sure.

CHAIRPERSON PALMA: I just, after this question, can you wrap it up, 'cause there's seven other council members, and--

COUNCIL MEMBER JAMES: Oh, okay, okay.

CHAIRPERSON PALMA: And I would like us to be around for the public. Thank you.

COUNCIL MEMBER JAMES: Okay. Do you also take issue with the point in the report that, that only twelve percent of Medicaid

dentists surveyed could provide an appointment within, within 24 hours?

LOUISE COHEN: The, there was a study by the Ipro [phonetic] in 2007, and what they found was not quite up to standard, but much higher than that report, they found that 61 percent met the, the urgent standard, which was 24 hours for urgent care, and 73 dental providers met the routine, which was 28 days for routine care. And they did a much larger survey sample. I believe we can get you that report if you would like.

COUNCIL MEMBER JAMES: If you could also, because I have to close, if you could please provide us with a list of signed commitment, and provide that to the Chair, and you, if you could share it with the rest of the Committee, that would be wonderful. If you could also, and I also would like to know why the dentists are being laid off on June 12th, when funding goes until the end of June. Why are they being laid off on June 12th.

LOUISE COHEN: With regard to that, the, the, we're closing out all children now who have a treatment plan, and there would be two

weeks in which there would be no need for dentists per se; the rest of the staff will be cleaning out the rooms, making sure that the medical records are packaged and sent to our storage appropriately so that they can be retrieved appropriately, and helping with any other additional work.

COUNCIL MEMBER JAMES: And very last question is, in the budget there is \$1.7 million for oral health. What is that for? In OTPS, personal services includes \$904,000 for personal service, \$841,000, \$841,000 for OTPS and \$599,000 for other expenses. Do you know, do you have any idea what that is for? Who are these unsalaried people and--any idea?

LOUISE COHEN: I, I believe one of the historic issues with this particular program, in terms of the way it shows up in FMS, is that it is combined with our Riker's Island oral health program. So the vast majority of that is actually Riker's Island personnel and OTPS.

COUNCIL MEMBER JAMES: So, lastly, closing, Mr. Commissioner, this is probably the last question, because I'm late for a meeting, I just want to thank you again for addressing racial

disparities in the City of New York, I want to thank you for your attention obviously to the issues that I care about, HIV and AIDS, asthma, infant mortality, cancer, tuberculosis, diabetes. And just thank you for your commitment to the City of New York and again, your legacy will not be the closing of these clinics. We will save you from that agony, and I hope that you will take our calls when you are, arrive in Washington.

THOMAS FRIEDEN: Thank you, and certainly--

COUNCIL MEMBER JAMES: You're welcome.

THOMAS FRIEDEN: You'll be more likely to reach me in Atlanta, actually, where the CDC is.

COUNCIL MEMBER JAMES: And will you take my call in Atlanta?

THOMAS FRIEDEN: Absolutely.

COUNCIL MEMBER JAMES: Thank you.

CHAIRPERSON PALMA: Thank you, Council Member James. Council Member Viverito.

COUNCIL MEMBER MARK-VIVERITO:
Thank you, Madam Chair. And I want to, you know,

add my voice to the congratulations and for all the work that has happened during the past couple of years. I want to try to go quickly through some questions that I have here. I wanted to speak specifically with regards to the reduction in funding for the primary care initiative.

Actually, before I do that, you know, I keep hearing about the, when you talk about the H1N1, about the underlying conditions. But I've never heard mention of, with regards to underlying conditions, people with compromised immune systems, HIV and AIDS. I would assume these populations, people that are infected, or--

THOMAS FRIEDEN: Very much so, very much so.

COUNCIL MEMBER MARK-VIVERITO:

Okay, so that's obviously--is there any particular concerns that you have, or anything, any protocols with regards to people that have HIV or AIDS?

THOMAS FRIEDEN: The key is that if are under two, over 65, pregnant, have asthma, diabetes, heart disease, lung disease, or immune compromise or other chronic health condition, and you develop a fever of 100.4 or above, with either

cough or sore throat, call your doctor and get on Tamiflu as quickly as possible.

COUNCIL MEMBER MARK-VIVERITO:

Okay, thank you. So, with regards to the primary care initiative, you know, you've mentioned in your testimony that DOH is proposing eliminating all expense funding for this joint initiative.

This was a joint initiative with the City Council.

It was agreed that we would set aside the capital funding, and that DOH would put forth the expense

funding. Now, understand that you say it's not

something that has started, and therefore, it's

not reduction in services, but considering what

this initiative seeks to do, you know, which is

really to provide services in underserved

neighborhoods, particularly it's, the \$7.95

million was capital funding that we have continued

to commit to, and we are committed to, and \$4.75

million was on the expense side, which was going

to be DOH's contribution towards this. And it

included this funding through Fiscal Year 2012.

So we're talking about between 20--I mean, 2010,

'11 and '12, about \$8.4 million is my

understanding. So what's the rationale, other

than just saying that it's not something that has begun. What's the additional rationale for eliminating all of the expense funding for this initiative?

THOMAS FRIEDEN: I think the, the key point here, has to do with the optimal role of different levels of government.

COUNCIL MEMBER MARK-VIVERITO:
Mmhm.

THOMAS FRIEDEN: And what we see is that the, over the past year, there's been about \$68 million come into New York City from State and Federal governments, for primary care expansion. And this really, I salute the Council for their interest in this area, and I do think the capital funding can meet critical needs. And I wish we had the money to do this. But the fact is that there is a very substantial amount of federal and state dollars, likely to increase as the years go forward, in terms of the federal attempt to reorient our healthcare system more toward primary care, and away from specialty care. So, what we see is that there really are resources. The community health clinics, for example, have

received nationally billions of dollars, both in stimulus funding in and health IT funding. In addition, the State, through it's HEAL grants, has provided substantial resources for primary care expansion. So, I, I--with, with more to come from the State. So, I agree with you that these are critically important. I wish we had City dollars. This is not a good choice to make to remove, it is less bad than other options.

COUNCIL MEMBER MARK-VIVERITO: Now, you've indicated that as a, as the DOH you've applied for some other competitive grants through the stimulus money. Would any of the proposals that you've submitted, or any of the responses address this issue of providing additional expansion of primary care in these neighborhoods? Do you agree for instance that the neighborhoods identified in the assessment are neighborhoods in need? Are neighborhoods that should be targeted for additional expansion of primary care?

THOMAS FRIEDEN: I think there are needs for improved primary care in many neighborhoods throughout New York City. Most of the federal grants are available only to community

health centers. So we're not able to apply, but we have provided technical support and advice, and it put two community health centers to apply. In some of the health IT dollars that come down, we think that, we have a very specific conceptualization of how we think primary care can be improved, and it involves three components. The first is electronic health records, and you're seeing a big federal push in that area. As I mentioned in my testimony, we have the largest electronic health records project in the country, here in the community. And it is focused on primary care. The second component is reimbursement reform. All of the primary care support in the world we do will fail unless we make it pay better. Right now, primary care doctors get far less money than specialists. And get far less money for doing a good job, than, than for not doing a good job, frankly. So we need to change the way we pay for primary care. And third, we need to help primary care practices to restructure the way they practice, so that they can give better care. If we do those three things, we think we can get a real quantum leap in

the quality of primary care, and that's what we're committed to try to do in any way we can. And that's something frankly that I will continue to work on in my new role, because primary care is so important--

COUNCIL MEMBER MARK-VIVERITO:

Right.

THOMAS FRIEDEN: --to, to prevention and to healthy living.

COUNCIL MEMBER MARK-VIVERITO: Now, you've said that you've also provided technical assistance to community health clinics, to apply for moneys. Now, what, are you, how many would you say have applied for federal stimulus money, that might address this particular, the needs and the, and the goals of this initiative?

THOMAS FRIEDEN: What we generally provide is data, when they submit, they need to have detailed community health assessments, information on gaps in service, and we collect that, provide it, open access to them, to facilitate their applications. We could get you a list of what we know of so far, subsequently, in terms of money that's come in. We have, we have,

we do have one slight disadvantage in New York City, which is that we are, we have a lower number of community health centers than many other jurisdictions. So when money comes out that's for community health centers, we're at a disadvantage. There's been a push to expand the community health centers here, to help them grow and develop, and we're supportive of that.

COUNCIL MEMBER MARK-VIVERITO:

Mhm. I mean, my, my neighborhood, one of my neighborhoods in my district was identified as one of these high need areas. And I have two community health clinics, I understand the vital role they play. Really, as, as a, you know, front line for a lot of our communities, and people that are, don't have insurance, in particular. So, whatever ways that we can really, as you're saying, expand the number of community health clinics, but also the, provide support so that they can get funding in order to provide that vital service, I think is important. So I'd like to, and follow up with regards to that. I wanted to just very, two quick things, but with regards to the graph that you outlined, and clearly, you

know, the disparities between the African-American population and the Puerto Rican particular, is of concern. I mean, what I'm noticing just in terms of visually right away, when you look at the graph-- the line with regards to the Puerto Rican, is that there's a lot of spikes in it, as opposed to, seems to be more downward trend consistently with regards to other groups. What would you attribute that to? I mean, there's two particular areas on this graph where, I mean, it's much more wavy, and seems to have spikes.

THOMAS FRIEDEN: Yeah. I think it's simply that the numbers are lower, and so there's more statistical variability year to year. I would, though, again, thank the Council for their support over many years for the infant mortality reduction initiative. It is a, a crucial partnership, we don't have other funding for it, it's about \$3.5 million CTL, about \$5.5 million, all funds, the great majority of that goes to our community based organizations, which are present in every borough, including half a million dollars to cover high needs mothers in various places, reproductive health services. We've had a

breastfeeding initiative, breastfeeding is very important. It improves the child's health, the mother's health, and Harlem Hospital has been designated as the first "baby friendly" hospital in New York City. No other voluntary or other hospital has met "baby friendly" requirements and we were able, with this support, to help them to meet that. We also have done our "cribs for kids" program, where we provide free cribs for low income families. And also have had a number of programs to try to reduce teen pregnancy, which remains at really very high rates, having very negative social and economic impacts. Really you can think of teen pregnancy as, as perpetuating a cycle of poverty to another generation.

COUNCIL MEMBER MARK-VIVERITO:

Mmhm. Well, thank you for that. I mean, I think you, you make the case with regards to the importance of the initiatives that we fund. You know, we, we very much are in tune with our districts, with our neighborhoods, with our organizations that are providing services. And so, initiatives are really based on that collaborative discussions with, with communities,

and being able to allocate resources for issues that are important. I just wanted to touch on very quickly on another aspect of your budget. And, I mean, it's been really mentioned here with regards to the dental clinics. I very much am very concerned about that as well. It's been, it's been discussed. Just on another note, the animal care and control discussion here, or the, the budget for animal care and control. You know, one of the things that I've discussed actively with Department of Health is looking at ways that we can increase spay/neutering, as a way of diminishing the number of pets and shelters and the need to basically put down animals. Shelters are expensive, understood, I know that there was a law that was passed in this City Council that asks that there be a shelter, a full service shelter in every borough. And that there is moneys that we're, for capital, that were allocated. I understand there's been difficulties in finding locations in some cases, in some boroughs to do that. But I guess my question here in my ask of the Department of Health is to look at prioritizing its, or reorienting itself in terms

of its vision. That is, you know, as opposed to looking at full scale shelters, that we really look at enhancing and expanding spay/neuter programs, and maybe spay/neuter clinics, as a way to encouraging more people to spay/neuter their pets, and as a result really downsizing the numbers in the shelters, and eventually those animals that have to be put down. So, you know, reconfiguring the vision of, of how you approach this issue, I think is something that I really would encourage you to think at. I don't know what your thoughts are.

THOMAS FRIEDEN: Council Member, I thank you very much for that question. I could not possibly agree with you more. We have, in this budget, had to pass through four percent reduction to animal care and control. But the broader issue is exactly the issue that you identify. No matter what we provide, unless we expand free and low cost spay/neuter, we're still going to have too many unwanted animals, too much euthanasia. And I have to note that this is pursuant to a law passed years ago by the City Council, which we do think should be revisited.

And we would be very interested--

COUNCIL MEMBER MARK-VIVERITO:

Right.

THOMAS FRIEDEN: --in transforming the mandate from full service Sumter [phonetic] to a low cost spay/neuter location.

COUNCIL MEMBER MARK-VIVERITO: I would more than gladly discuss that. I have two questions with regards to that very quickly. Is there, based on that law--

CHAIRPERSON PALMA: Council Member Viverito.

COUNCIL MEMBER MARK-VIVERITO: Yes, I will.

CHAIRPERSON PALMA: I'm, I'm sorry, I just, we have 57 members of the public that would like to testify, and we still have six more council members who want to ask question. So please make it your last question.

COUNCIL MEMBER MARK-VIVERITO: It is, this is the last question. But is there money that were allocated for that? Is that moneys that have been set aside by DOH on the capital side for that? And can that money--

THOMAS FRIEDEN: We have capital money and we have a likely site in The Bronx. Queens is more challenging, and there are other providers in Queens. But Bronx we would certainly like to try to go forward with at least spay/neuter. The, there are challenges in terms of the budget, because there are expense implications for it.

COUNCIL MEMBER MARK-VIVERITO: And there's possibly lawsuits, too, because you're out of compliance, so there's--

THOMAS FRIEDEN: There are existing laws--

COUNCIL MEMBER MARK-VIVERITO: -- financial implications as well.

THOMAS FRIEDEN: There are existing lawsuits of it, and if we were to have to open full service, we would have to cut programs elsewhere.

COUNCIL MEMBER MARK-VIVERITO: Well, thank you very much for your testimony.

CHAIRPERSON PALMA: Thank you, Council Member. And I just, can we limit our questions to two questions, so we can move it

along? Council Member Mendez.

COUNCIL MEMBER MENDEZ: Thank you, I don't know if I can do that, I will try to be brief, though. Let me continue--

CHAIRPERSON PALMA: I would really appreciate it, thank you.

COUNCIL MEMBER MENDEZ: Okay. Congratulations, Commissioner. And why don't you just come right back up, let me continue with the animal care. No, I'll have you in a minute, Ms. Cohen, 'cause that's going to be a little bit more lengthy. I, I have real concerns about the animal care and control, particularly because recently the New York City Housing Authority has changed its policy regarding pets. And they've lowered the weight limit. I am hoping to meet soon with acting Chair Ricardo Morales, if not with the new Chair Mr. Reye [phonetic], about delaying implementation of that policy. I am very concerned that this is going to lead to pet abandonment, because if it goes into effect now, many families will not have time to register their pets. And, and the 25 pound weight limit really, while they've only named three classes of an--of

dogs, would really prohibit a lot of other species that, that residents may currently have in their possession.

JESSICA LAYTON: Hi, good afternoon, I'm Jessica Layton, I'm Deputy Commissioner for Environmental Health. We have been working with NYCHA on this issue, 'cause we had some concerns as well. I don't actually have the exact status at this point, but we can get that information. There is State law that prohibits breed specific prohibitions, so it's something we've been talking to them about, as well. But we are on top of it with them, in trying to discuss with them what they need to do. So.

COUNCIL MEMBER MENDEZ: Thank you, and, and if you can join me in at least asking the Authority to delay implementation, because they were allowing families to more or less get grandfathered in, but they had to register the pets. And I've been hearing back from a lot of families that by the time they got the information, it didn't give them enough time to register their pet. So, that would be helpful.

Okay, now Ms. Cohen, we can go on to my, my little area of dental health clinics. And, and thank you for the meeting on May 6th, that was very informative. I see you have added one more school to, to your list since we've met. But the, in terms of the health centers, you said that Woodhall will be the fifth health center, is that correct?

LOUISE COHEN: No. What I said was that, that Woodhall, because it's two blocks away from our current Bushwick site, has said that they have capacity, and has told us that they would accept all referrals and the families who currently go to our Bushwick site would be welcomed in their dental clinics, in Woodhall.

COUNCIL MEMBER MENDEZ: Okay. I'd like to get more clarification on that, because when HHC was here, they said there was discussion, and it seems more definitive from your end. But in terms of when I was listening to the answers, didn't sound definitive on, on, you know, on my end. Let me ask you specifically, my colleagues have mentioned a couple of articles, but they failed to mention one, you know, I represent part

of the Lower East Side, with my colleague Alan Gerson, and he represent Chinatown, so there's this imaginary line that divides our district. One of the schools, public school 124, there was a article recently in the Chinese Daily, Xing Dao New York, and at the end of the article, which my friends were so kind to translate for me, as they always do, the principal said that a medical organization is ready to move in, will continue to provide dental service, but will not be free, and it will charge fees according to family income, and free dental service will no longer exist. What can you tell me in terms of this article and this statement?

LOUISE COHEN: I can tell you that that is not our understanding, and that we will verify that tomorrow, with the organization planning to work in that particular school.

COUNCIL MEMBER MENDEZ: That, that would be great. I'm really concerned about that. There was a, a commitment that the 17,000 plus students, that there would be a safety net created, but was still 13 schools and one health center short of, of getting commitment to cover

those schools and that center. When do you anticipate this is going to happen, and in regards to the other ones, are there MOUs that are being set up, or, or how are we moving forward to, so that when these articles appear, we can get clarity on what really is happening?

LOUISE COHEN: We will be having MOUs with all the organizations that are providing services in the schools, and as well there will be and MOU with the City Department of Education. In terms of the other schools, I just want to mention that we do have the equivalent number of schools, and as I, I think you know, that every year we do move schools around. So because some, there was a dental clinic in a school for a particular year or set of years, we have, we have tried to move these around as well. And right now, the vast majority of the schools that are going to be in place next year, are extensions of school based health centers. As you know, we serve a fraction, even today, of the schools that are, that are out there in the City. So we're hoping that we can identify more providers and more schools, and we will continue to work very hard through the rest of the

summer and the fall to do that.

COUNCIL MEMBER MENDEZ: Thank you.

I, I just have grave concerns because as the sites are moved, I know sometimes the family just don't move, or travel to where they need to go to.

Certainly, we can all agree that the convenience ensures that a lot of these students keep coming back. And so moving these to another location, I think we're going to see a drop in children going to dentists, and we're going to see a spike in, in more oral health diseases. When, when we--

CHAIRPERSON PALMA: Council Member, I'm sorry, please make it your last question. Thank you.

COUNCIL MEMBER MENDEZ: Okay. When we met, I asked about the \$1.7 million, and you said that this was correctional, for correctional oral health. And, and there's a particular part of that, that is \$599,000 for general expenses. Can you explain that to me?

THOMAS FRIEDEN: We'll have to get back to you on that. I don't have the specifics on that.

COUNCIL MEMBER MENDEZ: Okay, and

there was \$381 for unsalaried positions. So if you could explain that to me. And the \$904,000 in personal service, okay? Mr. Commissioner, the last question is for you, since you're going to be leaving, I will ask you a question, and then I will close it, Madam Chair. At, at the preliminary budget hearings, I had asked you about advertising, and I believe your answer at the time was, and I don't remember the specific number, but that it was, that the Department of Health spent a little over \$4 million on advertising, of which a little over \$3 million was on smoking. But certainly from the questions that were asked earlier today from my colleague, we're receiving information that this is closer to \$16-17 million in advertising.

THOMAS FRIEDEN: Now, we've, we've given you the City tax levy spending by the City for tobacco advertising. It has come down in recent years, it is slated to be, we're finding it now, but I believe \$4.2 million for Fiscal '10, \$4.3 million for Fiscal '09, sorry. And the plan is about the same for Fiscal '10.

COUNCIL MEMBER MENDEZ: So the City

tax levy is separate and different from what the Department spends on advertising in general?

THOMAS FRIEDEN: No. For all of our tobacco ads, all of the City money is \$4.3 million for this Fiscal Year.

COUNCIL MEMBER MENDEZ: Okay. And how much is your advertising overall? I think the last time that the number was \$4.3 total, and then a smaller, and then a bigger part of that--

THOMAS FRIEDEN: There's, the bulk of our ads have been in, in tobacco. There's a small number of ads in HIV and influenza and other areas. But the bulk of them are, are this. We responded with a letter to Council--in November of this year, and gave the details for Fiscal '08, which is a finalized year. And at that point, it was a little higher than Fiscal '09, the total at that point--I don't see an actual total.

COUNCIL MEMBER MENDEZ: And, and the number for advertising for the Department is?

THOMAS FRIEDEN: But it's nothing like \$16. That, what you may see--

COUNCIL MEMBER MENDEZ: So what is it?

THOMAS FRIEDEN: What you may, he'll find it while I explain something. What you may see is contracts in place for a larger amount. 'Cause we have contracts in place which are "not to exceed" contracts, so that if we needed to spend money on influenza or something else, we could put millions of dollars more. They're multi-year contracts, with a "not to exceed" of it may be \$15-20 million. But, but that's not what we spend, what we actually spent in '08, the problem is we didn't tally them, so it, it was [pause] we'll get back to you with the exact numbers, but--

COUNCIL MEMBER MENDEZ: Yeah, I'd like someone to sit with me and, and go through it with me.

THOMAS FRIEDEN: Sure.

COUNCIL MEMBER MENDEZ: 'Cause someone, you know, some of my friends who are in the health field sat with me and went through this. So--

THOMAS FRIEDEN: Sure. We have to do that.

COUNCIL MEMBER MENDEZ: I get what

they're saying right now.

THOMAS FRIEDEN: Okay.

COUNCIL MEMBER MENDEZ: And, and you don't have an answer, so I'd really like to understand this.

THOMAS FRIEDEN: I want to give you the accurate amount for the total amount for the total amount. I can tell you that the last time we looked, the tobacco ads, which have budgeted at \$4.3 million for the current year, were I think 80 percent plus of all of the ads that we were doing.

COUNCIL MEMBER MENDEZ: Thank you very much, Mr. Commissioner.

THOMAS FRIEDEN: Thank you.

CHAIRPERSON WEPRIN: The next witness is Felder, Council Member Felder.

COUNCIL MEMBER FELDER: I'm not a witness. I'm not a witness, but I, I would like to just say that some of my colleagues have attributed at moments your seriousness to various things. But I know that the reason you're serious at times is because you're going to miss me very much. So, I have my card with my home number and cell number, and you can call me any time you want

[off mic] alright?

THOMAS FRIEDEN: Don't you need 30 copies of it for a--No, okay.

COUNCIL MEMBER FELDER: I don't, in fact, I would prefer you're not giving that out to anybody else. Next.

CHAIRPERSON WEPRIN: Did you ask him about the medicinal marijuana?

COUNCIL MEMBER FELDER: Not yet.

CHAIRPERSON WEPRIN: Okay. I know his answer.

COUNCIL MEMBER FELDER: A few different things, please. First of all, in no specific order, you've suggested washing hands. This Purell or that type of thing, is that the same, or not as good?

THOMAS FRIEDEN: It's as good unless your hands are visibly soiled. If you've got lots of things on your hands, where the Purell won't, or the other alcohol based cleaner, won't, won't penetrate, then you should use soap and water.

COUNCIL MEMBER FELDER: You also mentioned about your sort of being on top of the

schools. The non-public schools that have been closing, some of them on their own, is there any interaction, do you have any--

THOMAS FRIEDEN: Yes, we, we do interact with them. Some of them take action without consulting us. We're, we're happy to provide technical assistance and, and review to the schools. Sometimes we may be busy and they may want to make a decision immediately, and we may not be there. So, we try, we try our best, to provide the, the same level of technical advice and input.

COUNCIL MEMBER FELDER: No, I tell you my concern is that the public schools are, are entirely under somebody jurisdiction. The non-public schools, whichever they may be, who may want to save money, believe it or not, may decide to close down the school, for no reason, well I should say for very little reason, thereby creating panic among parents. And I know that that's not your responsibility, but I'm just mentioning that I think that it's a disservice to the community and to the City as a whole, when a school just closed down, there's, there's an issue

of being cautious, and then there's an issue of creating fear, which I think is not right. We had a resolution about cigarette smoking that I asked really the federal government, and I guess now you don't have to answer that question, but I'm just asking whether you're in favor, would be in favor, in other countries, my son, my 20 year old, noticed in Canada, when they sell cigarettes, it has to be covered, I don't know how else to describe it, so that it's not just open. You, would you, can you give me your opinion on that?

THOMAS FRIEDEN: I'm sorry, do you-

-

COUNCIL MEMBER FELDER: Our resolution, in essence, would ask the federal government to allow localities to dictate how cigarettes should be sold. So for example, if New York City were permitted to do so, we may decide that cigarettes should be covered, or should be somewhere where they're not out in the open.

THOMAS FRIEDEN: So there are many current federal preemptions against local activity in tobacco control. If the bill pending before Congress passes, some of those preemptions will be

eliminated. But not all of them, and there are constitutional issues that would be challenging. Tobacco remains our leading preventable cause of death. The, the situation you describe in Canada is probably the gold standard for restrictions on marketing promotion and advertising of tobacco. The presence of the tobacco pack, even if there aren't ads, but walls of tobacco packs, clearly acts as an advertisement, and clearly triggers people to be more likely to purchase cigarettes, in the best of our knowledge. So, that under the counter requirement for sales, I consider, and I think the World Health Organization considers as the gold standard for restriction and marketing of tobacco products.

COUNCIL MEMBER FELDER: And, and finally I asked Chancellor Klein today whether he's in favor of medicinal marijuana, and he said he is. And I, this is my last chance, sort of, to ask you publicly, whether you're in favor of medicinal marijuana.

THOMAS FRIEDEN: Well, I appreciate having had the opportunity to think about this question now for many years, since you've begun

asking me about it. And my position hasn't changed from the last time, which is that I do think there is actually a right answer here. The, or at least one right answer. Within the Health Department, there are many different competing concerns. There are those who recognize that any smoked product is likely to cause significant health harms; there are those in the toxicology field who note that marijuana that's grown in various places may have very varying potency and, and toxicity; at the same time we have a cancer prevention and care program that is appreciative of the potential palliative value that medical marijuana can have. There, there is Marinol, the, the medication that's available, the advantage of smoked marijuana over Marinol is the rapid onset of action and the high level. So if someone were to create a Marinol that could be provided in a spray form, that would provide a similar impact to medical marijuana without dealing with the other issues. So that today is my position on medical marijuana. Thank you.

CHAIRPERSON WEPRIN: Thank you.

Council Member Brewer.

COUNCIL MEMBER BREWER: Thank you.

Couple issues: electronic health records, you mentioned, you know a lot about. There's money in Albany, how does it come here? I mean, in Washington, how does it come here?

THOMAS FRIEDEN: Oh, I want to answer the first question first.

CHAIRPERSON WEPRIN: Yeah, you're next, - -

THOMAS FRIEDEN: So the Albany question, Albany releases a series of HEAL grants, and we are eligible to compete for some of them. I will say that the current HEAL grant, which I believe is \$10, if not \$11, the current HEAL grant is \$60 million, of which New York City is eligible to apply for \$14 million.

COUNCIL MEMBER BREWER: Oh, gosh.

THOMAS FRIEDEN: And this is a pattern that we've seen with the State grants that we are very concerned about. In terms of Washington, there are two distinct ways that funds can be received. The first is by stimulus funding, and there's \$2 billion that's been allocated for that, and appropriated. How that's

going to come out yet is not yet clear, but we will certainly be very, very active in applying for any funding availability. And the second is a series of reimbursement changes, which will give providers much more money for having electronic health records that meet criteria for meaningful use of electronic health records.

COUNCIL MEMBER BREWER: Does any of this, and I guess time is of the essence, otherwise I would ask more, but does any of this help in providing support for any of the other programs that you just listed that are cut? Or is it something that is completely new?

THOMAS FRIEDEN: These are probably new programs.

COUNCIL MEMBER BREWER: Alright. School health. Council Member Koppell and I have spent a great deal of time trying to get mental health services with Dr. Platt, with Chris Manning, with the Incredible Coalition, we have not been successful. Who's in charge of school health? Is it DOE? Is it DOH? Is it HHC? Is it the State? Who is in charge of school health?

THOMAS FRIEDEN: In 2002 or '3, I

1 don't remember which, we announced that we were
2 merging the school health programs of the
3 Department of Education and the Department of
4 Health, so that we have a combined school health
5 program. And that Office of School Health, which
6 reports jointly to Chancellor Klein and myself, is
7 run by Roger Platt. That would be the lead
8 agency. At the same time, Dr. Karpati and
9 Assistant Commissioner Marsik provide the mental
10 health input to the services that are provided
11 there.
12

13 COUNCIL MEMBER BREWER: Okay, so,
14 but why is it so hard to get these school health
15 offices to include mental health, and to be fully
16 funded? Is it because it is a patchwork of
17 different grants? And certainly Dr. Platt tries.
18 He's frustrated.

19 THOMAS FRIEDEN: I think the
20 patchwork is a significant part of the problem. I
21 think the, the lack of money is a significant part
22 of the problem. And the school based health
23 centers, which should be doing this, get an
24 insufficient rate from the State. So--

25 COUNCIL MEMBER BREWER: So we need,

is that a legislative or regulatory change?

THOMAS FRIEDEN: I believe that could be done under regulation, to the best of my knowledge. And the problem has been that the State doesn't like to open up Medicaid rates for any one provider, or it opens up for everyone. But I think this is shortsighted. If the Medicaid rates went up, the State could actually save money because they recognize that the rates don't cover the costs of the school based health centers, so they provide them grants that are 100 percent State funded.

COUNCIL MEMBER BREWER: I didn't know this.

THOMAS FRIEDEN: If they increased the Medicaid rates, they could save money on their grants, so--

COUNCIL MEMBER BREWER: Okay. Animal care was discussed. I think one of the issues there to look at is governance. The animal care, animal people are not happy, just, I think you know that already. But the governance is as important as the budget issues, without being specific, 'cause time is of the essence. Oral

health has been discussed a lot. What about the equipment? How much is there? Somebody says it's being sold off, for inexpensive amounts. IT is very expensive. Who gets it? Who owns it? Etc. The equipment.

LOUISE COHEN: With the providers that are taking over the sites in the schools, we will be having a process that is run through DCAS, that is called Mutual Aid. There's a small fee for the application process, and those organizations will be taking over the equipment as is, and will own it for the rest of its useful life. We hope to make sure that all the equipment is used in this fashion over the course of next year.

COUNCIL MEMBER BREWER: And everybody who's taking it, all those groups are all nonprofits? Everyone you're contracting with?

LOUISE COHEN: Yes.

COUNCIL MEMBER BREWER: And so you're not getting full value, but supposedly the schools and the students will be getting something out of the equipment.

LOUISE COHEN: Well, remember that

most of this equipment could probably not be sold at market value for a whole lot more than that, given the depreciation.

COUNCIL MEMBER BREWER: Okay.

LOUISE COHEN: But we believe that it will be used in a public purpose.

COUNCIL MEMBER BREWER: There's a lot of controversy about that, but we'll leave it there. And then fi--

CHAIRPERSON WEPRIN: Councilman, I don't mean to interrupt you, but I just want to let everybody know, we have over 50 people--

COUNCIL MEMBER BREWER: I'm finishing, right now.

CHAIRPERSON WEPRIN: No, I know, I'm not announcing for your purpose, it's for everybody. We have over 50 people from the public that have signed up. I will stay for the entire time, but if you could please try to limit your questions at this point, so we could get the public started.

COUNCIL MEMBER BREWER: And just finally, at CDC, I have a revenue enhancer, which is at the airports, you put a big suitcase, you

put a microwave in it, and then you put your suitcase in it, and you get rid of the bedbugs. They exist, these things, and you have to get rid of the bedbugs as head of CDC.

CHAIRPERSON WEPRIN: Thank you, Council Member Liu?

COUNCIL MEMBER LIU: Thank you, Mr. Chairman, and thank you Commissioner for joining us today. You've already covered a lot of different things in your prepared testimony and also in the questions. I don't, I don't believe, I could be wrong, but I don't believe I heard any update about the green cards, an initiative that you spearheaded a year ago.

THOMAS FRIEDEN: Sure, we're just coming up to the summer, so this is the first full season of having green card availability. And I think it'll be 'till toward the end of the summer till we see what the uptake is. Do you want to--?

COUNCIL MEMBER LIU: How many green cards have been set up?

JESSICA LAYTON: Hi, Jessica Layton, I'm the Deputy Commissioner for Environmental Health. We have about 200 that have

passed inspection from this current year, before going into the next year. So, we're still recruiting vendors to participate and could use any assistance in getting vendors in these high risk neighborhoods. So, then we'll move ahead with the next year's recruitment.

COUNCIL MEMBER LIU: So that's substantially short of the goal of 1,500 cards.

THOMAS FRIEDEN: No, we, we had an allocation of 500 in the first year, and because we hadn't done it before, we issued them in small groupings, and then many people didn't come forward. So then we issued more. Because many more people were interested in applying, but since the legislation only allowed 500 in the first year, and 500 as of June of this year, there's 1,000 total, so we have about 200 of the first 500, and then we have another 500 available. And we'll, as you recall, that became available only kind of at the end of summer last year. So we'll see how it goes this year, in terms of applications.

COUNCIL MEMBER LIU: Well, I mean, it's practically June, so I would think that the,

even, even in the second year, the applications are far short of the allotment for both the first and the second years.

[pause]

THOMAS FRIEDEN: I mean, we've, we've actually just within the last two weeks put out for the coming solicitation, so we'll see what the response is.

COUNCIL MEMBER LIU: Okay, but-- given that this is the second year, I would've thought that, I mean, the green card, green cards are out there already. It's, the weather's warm already, it's the end of May. And just last, just two weeks ago, the applications were put out there?

THOMAS FRIEDEN: That's correct, because the City Council legislation put in a phased period, and the second phase only starts in June. So we've opened that up and we're going to move forward with it now.

JESSICA LAYTON: And just to clarify, we didn't want to overbook. We've done numerous solicitations over this year, and we didn't want to overbook for this current year.

So, we were careful about how many we sent out.

In the last solicitation, we sent out a lot more

requests than we had previously. So, we're

recognizing that we need, we probably won't

overbook if we'd sent out more. So, I think we're

expecting to get a lot more than we have in the

past.

COUNCIL MEMBER LIU: So 200 in the first year, and were they all approved? Are those 200 approvals or 200 applications?

JESSICA LAYTON: No, no, no, no, 200 approvals.

COUNCIL MEMBER LIU: 200 approvals.

JESSICA LAYTON: Permitted.

COUNCIL MEMBER LIU: And--200 permits approved. And do they need to be renewed for the second year, or they're a multi-year--?

JESSICA LAYTON: It's a, it's a two year permit.

COUNCIL MEMBER LIU: Alright, thank you very much. Thank you, Mr. Chairman.

CHAIRPERSON WEPRIN: Thank you, Council Member. Council Member Foster.

COUNCIL MEMBER FOSTER: Thank you.

I won't engage in pleasantries since it's so late. Just quickly, with the animal control issue, I have the same concern Council Member Lopez has about NYCHA. But with these cuts, will we be putting more animals down?

THOMAS FRIEDEN: We hope not. The management of AC&C has been able to identify quite a few financial savings through a variety of basically good management, in terms of reducing some of the costs for just getting lower rates for, for pet food, or lower rates for medical care, and reducing some of the expenditures. So, I think at this point, we, we've been assured by the management of AC&C that this will not result in a decrease in service provision.

COUNCIL MEMBER FOSTER: Maybe what we'd like to do as part of our marketing money, encourage people to get their animals from shelters, like we have always done, and not spend thousands of dollars for toy little animals that you walk around in a purse with. Intra city pass through to child healthcare clinics, will that result in a cut to services?

THOMAS FRIEDEN: We, we retained

about \$4 million in that program, it's a cut of \$250--\$175,000. There has been a decrease in the utilization of those clinics over the years. The exact impact, I think you'd have to ask HHC.

COUNCIL MEMBER FOSTER: Lastly, the last time you were here, we had a conversation on continuity of care, and then when I met, I asked about parent/patient notification. So, were parents and/or patients notified? If so, when? May I see a copy of what went to them?

LOUISE COHEN: And when we met with you, we agreed that it perhaps would've been better to do this earlier; however, the letters were in process, they will go out the week of June 1st, and we would be glad to share that with you.

COUNCIL MEMBER FOSTER: So the letters haven't gone out yet, but the clinics aren't accepting appointments after June 12th.

LOUISE COHEN: That's correct.

COUNCIL MEMBER FOSTER: Okay, that goes again to my concern with continuity of care. That's just, you let people know. And I don't, I really don't understand the process of drafting and letter and why it's taking so long. Last

thing, what is the total savings by closing the oral healthcare clinics?

THOMAS FRIEDEN: Thanks. I've actually stated this wrong twice, so let me try to get it right this time.

COUNCIL MEMBER FOSTER: Okay.

THOMAS FRIEDEN: It is CTL \$3.3 million in the out years. Is that correct? Yes. I overstated and understated it because of the complexities of the fringe calculation, fringe benefit calculation. But that's the CTL value in the out years.

COUNCIL MEMBER FOSTER: I guarantee your staff, the lobbyists, the oral health providers, and this Committee have gone way beyond \$3.5 million, or \$3.3 CTL million, in discussing this. I think that it is obviously so many questions have come up about it, that at some point, it is going to be smart for the administration to really take a look at how they proceed, stop putting the cart before the horse, and deal with the Council, the providers, and the patients before making irresponsible decisions like this. Thank you good luck in Atlanta, it's

going to be very hot when you get there.

THOMAS FRIEDEN: Thank you.

CHAIRPERSON WEPRIN: Thank you, Councilman. The last questioner, because we have to hear from the public, and we want to hear from the public, I should say, let me, let me clarify that, we want to hear from the public, is Council Member Sears.

COUNCIL MEMBER SEARS: Thank you, Mr. Chair, I shall be very, very brief. And I really, Commissioner, wish you well on your journey, and you really have served New York City well. And I want to thank you for that. Two things. You have, on the smoking and how you've reduced smoking, but every report we get in review, smoking is on the rise among teenagers. And we've talked about advertising. And although some of your advertising is really fine, what are you doing directing to the teenage population where there is such an increase it's overwhelming?

THOMAS FRIEDEN: Actually, teen smoking has fallen by more than half over the past six years. We've seen a substantial decline in teen smoking in New York City, and interestingly

we find that the most effective things to reduce teen smoking are not necessarily to approach teens as a separate issue.

COUNCIL MEMBER SEARS: Mmhm, mmhm.

THOMAS FRIEDEN: We know that teens are very price sensitive, so every increase in the tobacco tax drives teen smoking down substantially. Second, the existence of smoke free public places is helpful in reducing the number of teens who become regular smokers. Third, hard hitting advertisements work, both kind of ads that we're running and ads that the American Legacy Foundation runs, the Truth Campaign, that keep kids away from cigarettes. So these are really the most effective things that we've been able to do to reduce teen smoking. Interestingly, school based smoking prevention programs, tend to either not work at all or work very little or do really not much good. Although they're, we would all like to think that they would work effectively, I think the lesson from that is that what kids learn about some behaviors by, in an instructional way in schools, may not be what resonates most with what changes their

behavior.

COUNCIL MEMBER SEARS: Well, I think if you got around some of this schools, the high schools, and even the intermediates, you'd see that they may not smoke where they get their fast food, but they're certainly smoking on the street corners. You just see them all around, and I think there needs to be an effort for that. On my, my final comment, really, is that, and it's interesting, we have budget negotiating that started 15 minutes ago, and that's where I have to go. And I can tell you that the closing of these dental clinics is going to be taken to the negotiating table. As much as you may think, and I know the administration, that it's the wise thing to do, it's penny wise and pound foolish. I can tell you there are thousands of kids that need that, that treatment. And to say that you can take them out of their environment, and have them move along in transportation, we're talking about an environment that has changed enormously. These are kids that may be latchkey, they've got parents both that work, and that school, that area has become so secure for them, to take care of their

mouths. We can give them all the education we want. If they don't have a healthy mouth, they're not going to learn anything, because it's affecting every part of their body. And I really think that that is one area that is a big mistake, and as we move on in negotiations, I really think that that is a tug of war that we're going to have. I understand where you're coming from there, we know extremely well what it means to have these cuts. But at the same time, we have to look at what damage is done by having a cut. Does it cost more in the long run to do that? So I don't know how locked in you are to closing them. It's a mistake. And you haven't made too many of them, this is mistake. And that's what we're going to do. But I wish you well. Thank you, Mr. Chair. And I'm sorry, because I always love to hear from the public, but I do have to go. Thank you.

THOMAS FRIEDEN: Thank you.

CHAIRPERSON WEPRIN: Thank you, Council Member. Thank you, Commissioner. You may want to alert Commissioner Farley, before he gets here, as to the oral health clinic issue, because

I think that is an issue that, that is of concern to, to the Council. And I think probably will be brought up in budget negotiating. So, keep an open mind on it, because we're not talking about a large dollar amount overall.

THOMAS FRIEDEN: Thank you very much, and again thanks to the Council for your partnership on health initiatives over the years. Thank you.

CHAIRPERSON WEPRIN: Okay, thank you. We'll now hear from Marsha Van Wagner and John Graham, Deputy Controllers, the New York City Controller's Office; followed by Michael Mulgrew, Chief Operating Officer of UFT; followed by Veronica Montgomery-Costa, if she's in the audience. [pause] Is the Controller's Office in the house? [pause] Not yet, no I'll tell you. [pause] Okay, I believe the Controller's Office has submitted testimony, so they get extra credit. If anybody in the audience would like to do that also, they can get extra credit. Is Michael Mulgrew in the audience? [off mic] If he could come up, please. [pause] And Mr. Mulgrew, if you could identify your colleague, as well.

MICHAEL MULGREW: This is Ms. Amy Arundel, who is a special representative in charge of budgeting, school budgeting, at the United Federation of Teachers. Okay.

CHAIRPERSON WEPRIN: And I'm disclosing for the record, I have not typed questions. [laughter]

MICHAEL MULGREW: Thank you.

CHAIRPERSON WEPRIN: Mr. Mulgrew, proceed.

MICHAEL MULGREW: Thank you, Councilman Weprin, for having these hearings this afternoon. I want to start by first saying, we have come a very long way in the budget process, in terms of education and the social safety nets here in New York City. But we still have a long way to go. When we started this process in January, we had a \$1.4 billion deficit facing the school system of New York City. We now have a \$400 million deficit facing us. On top of that, we have across the board 20 percent cuts to various social safety net services in the City of New York. What we were able to accomplish from January until now, is something I think that will

lead, or could lead, to what we should be doing through the rest of this process. Various members of labor unions, of City and government officials, Albany, went to Albany and Washington, D.C. For the first time in our history, the United Federation of Teachers actually lobbied in D.C., Washington D.C., sent over six busloads of people on various days, to make sure that the stimulus package was passed, and that it included a large percentage of money that could offset the, the major cuts that we knew we were facing. And after that, we then work with the elected officials in Albany, to come up with a package that would raise revenues, that would also offset some of the cuts that we knew we were still facing. When this process started, we count, we were publicly stating that these cuts were disastrous. Well now, those disastrous cuts are still extremely harmful and troublesome to the City of New York. So the question that we have, starting in the City budget process is what are we as a City going to do to help the constituents, the students and those most at risk in this City, in this very, very difficult time that this entire country and

now this City is facing? So, with that in mind, I'd like to talk about what the projected budgets that were sent to the schools last Wednesday look like. Each cut, each school is looking at an average cut of \$266,000. 13 schools have cuts over \$1 million. 101 schools have cuts between a half a million and \$1 million. DeWitt Clinton High School is, has the very, very bad circumstances of having the largest cut in the City, which is at \$1.65 million. District two and 31 in the City, are looking at \$23 million dollar cuts combined for the district, as well as district ten, which is looking at a \$10 million cut. So, what does that look like when we get down to the school system? That looks like across the board, what we'd be looking at the elimination of after school programs, academic intervention services, tutoring programs, potential layoffs of paraprofessionals who service those who are most vulnerable and those with the most challenging educational circumstances. We are looking at a scarcity of supplies and books that we have not seen since the 1970s. We have PS 30 in Brooklyn, which has already reported to us that all of their

academic intervention service programs for their English language learners, will be cancelled for next year. We have out--Edison High School in Brook--In Queens, that's after school and Saturday program for their at risk students will be cancelled. We do understand that the cuts are inevitable. And that we feel, we feel, and many of our friends feel, that by working with the elected officials in Washington, that when we work with the elected at the State level, now we want to work with the elected officials here in the City, to do what needs to be done to lessen the harm to the children, and to the most vulnerable people in the City. And if we do not do that, we will then be sitting idly by as we allow harm to come to the people of the City of New York. Now I know that this is not an easy circumstance that we now face in this City. But it is our opinion that it will take a combination of fiscal responsibility, alternative strategies and additional revenues, to combat this situation. With that said, we are pleased that the Department of Ed at this point has done as we suggested, and implemented a new hiring policy, so that we are

now maximizing and not wasting the teaching talent that we have in the City of New York. But we still have issues with some of the fiscal policies or some of the fiscal spending at the Department of Education. We still have to figure out if \$10 million a year on a leadership academy is something that we should be spending. We also have to downsize, we feel downsizing the Office of Accountability, which has grown tenfold, should be downsized and could save approximately \$22 million, as well as various contracts to testing companies which could save over \$25 million. And we are also calling for the possible suspension of any bonus programs. That is the fiscal responsibility that we are talking about. We are also recommending that although we, we want to keep as many experienced teachers because we know that experienced teachers do things that, and help learn, and help teach younger teachers, we are also saying that at this point in time, we should be looking at a retirement incentive. With the possibility of 25,000 eligible people, if 5,000 people opted in to a retirement incentive, we would be looking at a savings right now of \$250

million. So these are things that we have to look for. The other thing that we need to talk about are some of the programs that this Council have financed in the past, which now become more, more of something that we have to focus on. The schools are telling us now with their cuts, that there will be very little supply money. So, the teachers choice supply program, which this Council has financed, which it cut back 30 percent last year, needs to be financed again. With teachers spending on average between \$400 and \$500 each, it now becomes about teachers using that money to buy the basic supplies that are needed for instruction in their classrooms. So we need to look at that program, that program needs to be financed. We also have the provider's choice program, with the cuts through ACS, the individual providers of this City will now take on a greater role and responsibility of caring and teaching for the youngest members of this City. And with them earning an average of under \$21,000, it is incumbent upon us to give them a small amount of money, that's all they're asking for, so that they may buy the materials that they need to do their

jobs. So we're asking that these programs be financed. And also last year we had two very successful programs financed here by the City Council: the EL, the English Language Learner Incentive Grant program, and the Middle School Incentive Grant program, were both highly successful; they did exactly what we asked them to do. They made collaboration and planning the forefront of using research based methods to help with the difficult educational circumstances, and they have proved very successful as was shown in this year's test score gains in those two areas. So, whatever the City chooses to pursue, and I say "we" as a City, we are talking about us who are labor advocates, we are talking about the One New York Coalition, who are both labor advocates and advocates for different areas of the social safety net. Whatever the City chooses to pursue, we will be behind. But what I am saying here today, is that we must choose to pursue something, because we cannot, can not, sit idly by as we are looking at a \$400 million cut to education, and we are looking at a 20 percent cut to the social safety net. We cannot sit idly by and allow that to

happen. Thank you very much.

CHAIRPERSON WEPRIN: Thank you, Mr. Mulgrew. And you know, we obviously, we made the education budget a priority last year, we're obviously concerned about some of these cuts, as well, and you know, we'll be looking, you know, obviously we can't, it's a tough budget year, but you know, we'll try to, try to do our best. And we'll also keep Teacher's Choice and Provider's Choice in mind as we go through budget negotiating over the next probably week or two.

MICHAEL MULGREW: Thank you very much.

CHAIRPERSON WEPRIN: Thank you. Is Veronica Montgomery-Costa here? You don't look like Veronica Montgomery-Costa.

SANTOS CRESPO: No, and I am too small to fit in her shoes. My name is Santos Crespo, I'm the Executive Vice President of Local 372. Veronica could not be here to give this testimony, so I will do it on her behalf, and on behalf of the 26,000 members. Good afternoon Chairman Weprin and the Committee. Local 372 contends that there would be no need for any

layoffs or cuts in vital services if the Mayor would cease and desist wasteful spending on outsourcing administrative, administrative bloat, bloating and out of state contracts. He should stop using public funds for expensive boutique charter schools, that cannibalize our neighborhood schools and segregate students by performance and opportunity, while children in neighborhood schools are left behind. In these past several months, Local 372 testified many times before the City Council. Each time we urged the Council Members who represent the men and women in Local 372 to further investigate the abuses of power enabled by the Mayor's sole governance of the DOE. Since the Mayor obtained sole governance, we have witnessed and astonishing acceleration and outsourcing of services, services which would be most economically and best performed by Local 372 workers. We have also witnessed a proliferation of fiscal abuses costing taxpayers of New York City hundreds of Millions of dollars. On many layoffs, how many layoffs would be avoided if DOE was fiscally responsible? The Controller reported that despite his criticism for the past eight

years, no-bid contracts and improprieties at the DOE have increased. Mr. Thompson reported that in the Mayor's first year of sole control, he doubled the number of no-bid contracts and more than tripled their expenditures of taxpayer dollars to \$46 million. Controller Thompson tallied the total cost to the taxpayers for non-competitive bid DOE contracts since Mayor Bloomberg took office, at the staggering cost of \$300 million to taxpayers. Despite Special Commissioner Gordon's warning in 2004, about the practice of low balling, the Mayor's DOE contract process has produced even worse fiscal abuses. The Controller has reported that the use margins by which the DOE purchases has exceeded their contract amounts. A contract, for example, a contract with the Xerox Corporation for leasing copiers for an estimated \$1 million, ballooned to a final cost to taxpayers of \$67 million. That's more than 6,700 percent increase. Similarly, the DOE contract with IDO Restaurant Supplies for cafeteria equipment for \$15,418 swelled to \$850,000. That's more than 5,500 percent over the bid. Then there's the Mayor's practice of awarding \$90 million

outsourcing contracts to out-of-state companies, like Maximus of Virginia, eliminating jobs and reducing tax and consumer revenues here at home, while generously creating jobs and increasing revenue in Virginia. While, while, excuse me. When I first worked for the Board of Education, it was unlawful to spend New York City tax levy dollars on contracts to out-of-state companies. I suggest, and we have repeatedly have been going over this at our testimony, we strongly suggest that the City Council should, should revisit this constraint. I speak for the 26,000 members of the Local 372 who are frustrated and outraged that Mayoral governance of the DOE has gone unchecked and unregulated. This budget does not come with a crystal ball, and it has become standard operating procedure for the Mayor's contracts to inflate thousands of percentage points over the bids. Therefore, there is no way of predicting the actual costs of DOE contracts with the taxpayers. Likewise, there's no predicting possible layoffs to offset the waste. Our members are among the New Yorkers who have had no input in this budget process. The Mayor has spent taxpayer moneys as

if it were a corporate slush fund, with no input from the real shareholders: those who live, work and vote in New York. We are, we are well aware that, that this reelection will ensure more of the same unless regulation are put in place. Local 372 contends that elected officials who permit such outrageous breaches of responsibility to their constituents would be taking the moral low road. This is the City Council who will bear the responsibility for four more years of unnecessary layoffs, reduced tax revenues and increased public assistance costs, unless spending constraints are legislated and enforced. And I wanted to also close with this addition. At one of the hearings the Chancellor stated that he needed, in order to avert any layoffs in the Department of Ed, an additional \$600 million plus. When he was asked by one of the Council Members how did he get that figure, he had no answer. To this day, unless the City Council have received an answer to that figure, we still don't know where he got that figure of an additional \$600 million on top what he was getting from the federal government as a stimulus, as part of the stimulus package. So, I

am open to any questions if you have any. Thank you.

CHAIRPERSON WEPRIN: Thank you.

I'm now going to call a panel, consisting of, and come up when I call your name: Carmen Charles, Judith Arroyo, Eddy Rodriquez, Barbara Edmunds, Maria Dolen, and Rochelle Manigats, Manigout. All with DC 37 affiliates. I'm going to, since we have a lot more people coming, I'm going to set it at two minutes, but I'm going to use my discretion. If you need more time, you know, we'll be mindful of that. If you need less time, we'll also be mindful of that, as well. [pause, background noise] Proceed.

JUDITH ARROYO: Okay, good afternoon, Chairman Weprin, and members of the Health Committee. I am Judith Arroyo, I'm the President of Local 436, DC 37, United Federation of Nurses. We represent the public health nurses and the epidemiologists that work for the City of New York. But most of you in this chamber, especially those of you who sit on the City Council know us as the school nurses of the City of New York. And while I know--

CHAIRPERSON WEPRIN: And you've become particularly important over the last couple of months.

JUDITH ARROYO: And I'm about to tell you a few things about that. I know all of you can read this, so I don't need to read this to you. But there are a few things that Commissioner Frieden did say over his testimony that I feel I have to address. One, public health nurses are the lowest paid group of registered nurses in the City of New York. HHC nurses make more money than we do. And we have given to the City a packet where we compared our salaries to HHC nurses, UFT nurses, to the nurses in the private sector hospitals, in clinics, even nurses that work in Wall Street, and we are the lowest group paid of nurses. Alright? So, I don't know where he thinks we're making all of this money. The other thing, among that public, that group of public health nurses, your school nurses are the lowest paid because they only work ten months. And yet, over the last two months, they have been on the forefront of your H1N1 epidemic. It was one of our own, at St. Francis, that did identify the

first cases. And it's been us that've been dealing with the cases, identifying the children coming in to the nurse's office, hundreds of them a day, according to the nurses that I've been speaking with. They've been taking temperatures and they've been assessing and determining which ones need follow up and which are going to be okay at home. In reward for all of this work that they're doing, when their schools were closed, the nurses asked "Where do you want us to go? What do you want us to do?" The Department of Health told them, "Well, go home for four or five days, for the incubation period, and if you don't get sick, then call us back and we'll either send you back to your school if it's open, or we'll reassign you." And we're going to pay you for it. Last night, they called every one of those nurses who have been taking care of these H1N1 children, and told 'em, "We are not going to pay you for the time that you were at home and your school was closed." Commissioner Frieden mentioned Asher as one way of supplying support that these school nurses and all school nurses don't have. We actually FOIA'ed a report that the Department of

Health commissioned from nurse informatics at Columbia University, where the report actually said that Asher wasn't worth the paper it was written on. The program still doesn't work. I can introduce you to a hundred of nurses that'll tell you that it doesn't work. It wastes more of their time, and they actually don't bother with it. They've discovered that it's much faster for them to keep handwritten records, than to use this computer system that he says is supposed to help us, because as he admitted, he took away all our support staff. And he hasn't given us back any, not even during the H1N1. One nurse in Queens, who I was speaking to last night, was in tears. She's saying, "Now they're not going to pay me, and on top of that, while I'm taking care of 696 kids," that she sent home, "the only help I'm getting is they're calling me on the phone asking me how many children I've seen, how many have fevers and how many have you sent home." They never sent any addi--they never asked her if she needed additional staff, not even clerical staff. They never asked her if she needed more supplies, she only had two thermometers. And they didn't

even ask her how she was feeling, and whether she needed any help. Because you have to figure, we still have to do our regular jobs. So that means we have to take care of the band-aid requests, as well as try to assess a child with a fever. I don't know where Commissioner Frieden is getting his information, but he's certainly not getting it from the people who are actually working for him out there in school health. And since we have a salary review that compares our salaries, we have that FOIA report that we FOIA'ed from Columbia University, we have a whole bunch of paperwork that we're more than willing to share with the City Council, that proves our point, and sort of disproves or makes me wonder exactly who Commissioner Frieden's been talking about, when he talks about school health. And I'm more than happy to put all of that information at the disposal of the Council.

CHAIRPERSON WEPRIN: Thank you.

Can you hear me?

CHAIRPERSON WEPRIN: Yes.

Okay. Good afternoon, Chairperson, and the Committee members. Thank you for, for the

opportunity to discuss the layoff that Local 1549 facing in, on NYCHAC. As a result of the Mayor budget for 2010 Fiscal Year--my name is Eddie Rodriguez, and I am the President of Local 1549, representing 18,000 clerical administration workers in New York City. Local 1549 represent important clerical administration employees within HAC. In HAC Local 1549, represent over 5,000 clerical administration employees working for HAC. In addition, we represent members in the City Department of Health and Mental Hygiene, and Medicaid, LGB specialists and HRA. We enroll public and Medicaid program. HAC is projecting a loss of over \$170 million because of State budget cuts. These cuts will lead to layoff and service reduction. HAC is currently planning to layoff over 87 employees at the end of June 2009. 21 of the employees of Local 1549 members, most, most positions will be reduced after July 1st, more positions. Because of these cuts, HAC will have consolidate important services. This will mean that patient will be getting less service, institutions close to where they live, those traveling long distant. Many would choose to

forego care instead. With healthcare reform on both the federal and state agenda, public health institutions should not be cutting or consolidating. They should be expanding, that's what they should be doing. In Queens, when two private hospitals was closed, the question, what did most of those patients that they serve, to go? And the answer is, they went to HAC Elmhurst and Queens Hospitals. That's where they went. The current HIHI flu scare have been overflowing on patient emergency hospital rooms and clinics. Where, where would these patient go if they do not have HAC institutions serving them. HAC, the City Council, HAC needs the City Council to fund out the funds to stop HAC from reducing staff and service. The money is there, the money is there. It, it could be fund by ending waste, ending wasteful contracting out, those service money; civilian uniform service throughout saving money; ending corporation welfare for company that does not provide local jobs. Support Speaker Quinn, calling for fair tax that would generate revenue. I want to thank the Chairperson and your committee members for fighting the working family of New

York. And it's important because, brothers, sisters, we would have the levy match meeting, and they're laying off our members and still haven't contract, how do we face our members saying they're being laid off, while they got office temp doing our job. That is a disgrace, it needs to end. You can go back to my members and tell 'em that they could be laid off, and still you got an office temp, and there's, if there's money for contractor, there should be money for our members. Contracts should be stopped. Thank you brothers, thank you Chairman and the Committee.

CHAIRPERSON WEPRIN: Thank you, Mr. Rodriguez.

TOGBA PORTE: Good evening, my name is Togba Porte, I'm the Second Vice President of Local 420. Carmen was here, but she had to run out, so I'm representing her. As the Chairman and members of the Board, of the Health Committee, we come before you here this evening to just discuss some of the things that we feel could be done to help this budget crisis. Lowering, lower bidding committed workers, outsourcing and privatization will only serve to divert HSC from its mission for

50 years our union has fought for the public right to quality healthcare. We have long fought against the privatization of HSC facilities and services because it is wrong and it is incompatible with the mission of HSC. The economic crisis that we are dealing with today, was caused by those who worship the so-called free market and support the privatization of public goods and services. Those days are over. Each year, our members nurses, our members, nurses, dietary and housekeeping aides, technicians and others, provide healthcare to more than one million at HSC acute care hospitals, nursing homes and clinics. I'm proud to say that Local 420 stands on the forefront of the fight to provide quality care to all New Yorkers, regardless of their race, age, gender, nationality, immigrational status or ability to pay. We do this because it is morally correct. We believe healthcare is a right and not a privilege. We are proud of our accomplishments and our contributions towards making New York City public healthcare system the best in the country. But it is, it is, but it is a sad day when HSC is forced to lay off

workers as it is now. At the same time that we face a possible swing flu epidemic, among the other healthcare emergencies that we live with on a daily basis--is that me?

CHAIRPERSON WEPRIN: It's okay.
Sum up.

TOGBA PORTE: Alright. It is sad, it is a sad day when volunteer hospital such as Mary Immaculate and St. John's are closed and more than 100,000 people who sought emergency room care from the staffs last year, must now go to HSC facility. That is un--that is underfunded and ill equipped to handle the increased usage. It is a sad day when a pre--when a premiere city in the, when the premiere city in the world doesn't have the necessary resources in its public health system to effectively care for its residents. This is a critical, critical time of HSC. Why the Mayor touts reports that show New Yorkers are healthier than ever before in, in the part, in part because of the success of our public healthcare system, we are very concerned that without additional funding, chronic, chronic understaffing will further threaten patient care

and eat away at the health of New Yorkers. Our members are called on to do more and more with less and less. They are overworked and under, underpaid. Our members are working over, overtime, just to meet the minimum staffing needs of their departments. Some have double and sometimes triple their assignment. So what can we do to, to save money and help restore service cut? One thing that can be done now is to stop the creeping privatization and outsourcing of HSC services. Instead of contracting out and privatizing services, we recommend that Local 420 work closely with HSC management to improve the, the efficiency and quality of care. The steady improvement in the quality of care available at HSC facility over the past few years demonstrates that by working together, current staff and management are capable of implementing change the benefits the corporation and the public that it serves. We must keep in mind that the improvements we've seen at HSC are the result of unprecedented cooperation between management and workforce. We have, we have to be forward thinking. We know that we must be able to make

resources stretch as far as possible. However, we cannot make them stretch so far and allow this wedge of privatization, outsourcing and short staff work affects patient. In closing, let me say we look forward to working with the New York City Council to see the day when we will no longer have to demand what we are all entitled to, access to good, affordable healthcare. Healthcare is a right, and not a privilege. We must work together to make it so. Thank you.

CHAIRPERSON WEPRIN: Thank you.

Good evening, Council Member Weprin and Council Member Jackson, and members of the esteemed committees. I'm going to try to just go through and briefly summarize, because we have one more speaker on our panel, here on behalf of the dental centers. And I'm sure she can illuminate some of the challenges around this issue. And I'm sure you've heard a lot of what we said. So, in summary, my name is Barbara Ingram Edmonds and I'm the Director of Field Operations for District Council 37. I'm here on behalf of our Executive Director, Lillian Roberts, and I'm also here on behalf of the 120,000 members, our 50,000

retirees, and over 18,000 DC 37 members employed by the Health and Hospitals Corporation, and 7,000 members of the Department of Health and Mental Hygiene. I'm also here on behalf of our HHC municipal labor subcommittee partners and local unions, and community advocates that I'm sure you'll hear from, as we go through this hearing. And they represent over 30,000 HHC employees in New York City. As of May 2009, nearly 100 of DC 37's members employed in primarily health clinics and other critical areas in the New York City health and hospital corporation are slated to be laid off due to budget cuts in HHC. Some of those numbers have been reduced and we have been meeting with HHC, but however you've heard from speakers earlier, that we still are very much against layoffs that we think could be dealt with in other ways. Also, in the Department of Health and Mental Hygiene, we're faced with roughly 60 fulltime and part time staff who work in our school health clinics, and you'll hear a little bit more from one of our employees and members on that critical program. I want to just briefly go through a few of the areas where we hope that you

will look at restoring, as you go through this budget process, and I'm going to start with the Department of Mental Hygiene. And probably the most critical area would be in the dental clinics. We hope that you will look towards restoring nearly \$2.5 million necessary to keep this program operating. It is a shame that in a city of this greatness, and providing care to those in need, that we would be looking at cutting these critical services to children just to save \$2.5 million. There are also programs around the infant mortality initiative, to the tune of \$3.5 million, and it goes without saying, and I'm sure particularly in your community, Council Member -- you would definitely agree that we need to look at that Council Member Jackson. HIV/AIDS prevention services, and a number of other services clearly need to be kept in place. And we think that a restoration of \$8 million is needed for those critical programs, as well. There are also some non-mandated school health programs that affect our children who are in middle schools and high schools, and titles like public health advisor, play a critical role in these programs, and those

barely impact a Mayor almost \$800,000, and we hope you'll look at that. Finally, when we get to the HHC reductions in clinics, you know better than us that HHC's 24 clinics have historically played a major role in helping reduce issues around access to primary care, and we hope that as I've summarized throughout this testimony, you'll look at restoration of those key programs. Finally, I would like to end with the point that has been made by all of our speakers, in a City budget with over \$9 billion in contracted out services, it's our position that there is more fertile ground to be plowed than cutting these jobs and services. City dollars should be used to directly provide services that are transparent and accountable to you, the Council Members, and to the taxpayers. DC 37 is a part of the People's Budget Coalition for Healthcare. Many of the union, local union partners and community advocates are sitting in this audience. We hope that you will look at much fairer and progressive ways of dealing with this issue, by increasing revenue in a progressive manner, such as using the progressive income tax of the rich, and not the poor, the working poor

and the middle class; and also looking at federal matching funds and federal stimulus dollars. And finally, the critical issue that you've heard from DC 37 in the last three months is contract in the work. That is the way we can solve this problem, not on the backs of the services and the critical key people that play a role in keeping these services that are vitally needed at this time, and I'd like to just turn over to one of our dental clinic employees to sum up.

ROCHELLE MANIGAULT: Good evening.

My name is Rochelle Manigault, I'm a Dental Assistant for 24 years working with the oral health program. I work directly in the clinics with the children on a daily basis. And, excuse me, and I'm going to read the testimony from our local president, Mr. Fritz Reed, in reference to our clinics being closing. Good afternoon, Chair and fellow members of the Health Committee. My name is Fritz Feed. I am the newly elected President of Local 768, health service employees. Thank you for the opportunity to testify before you today, to discuss my concern about the Department of Health and Mental Hygiene's proposed

closing of the oral health program. The Department of Health and Mental Hygiene plans to shut down the oral health programs as of June 30th 2009, the entire oral health program costs the City approximately \$3 million in City funds to operate every year. The Department of Health and Mental Hygiene operates 46 oral health sites, nine in Manhattan, 19 in Brooklyn, eight in The Bronx, three in Staten Island, and seven in Queens. Local 768 represents 36 dental assistants, eight dental hygienists, and 13 administrative staff in the oral health program throughout the five boroughs. The New York City oral health program has been operation for 105 years. It is a pioneer and a model among pediatric dental service systems worldwide. It is the only school based dental program in New York State, which treats uninsured children. Treating students directly in the schools removes the burden from the parents to take time off from work. Also, all treatment is scheduled to minimize an impact in the classroom time. As the staff is reduced by attrition, and the Department of Health and Mental Hygiene refuses to backfill vacancies, the backlog of

paperwork and appointment increases. This has created a self-fulfilling prophecy of longer waits and delayed appointment times. The Department of Health does not promote the program. The Department of Health and Mental Hygiene promotes anti-smoking and other services, but does not publicize this free dental service for children. Parents and even school principals and teachers do not know the program exists, and they do not know they have such clinics in their school buildings. DC 37 and doctor's counsel have offered proposals to publicize the program, which on backlogging paperwork, cooperative and community based organizations to enhance and popularize the program. The Department of Health and Mental Hygiene is not interested in our cooperation. Dental associations and national institutes of health have written extensively that untreated tooth decay in children can lead to infection, bone deformities, headaches, nutrition problems and learning difficulties in school. The Department of Health and Mental Hygiene's plan is to refer children and their families to dentists in their neighborhoods. After the program is

closed, Department of Health and Mental Hygiene expects the community organizations and dentists will treat these children. This is highly unlikely. Dental insurance coverage is often, often deficient, thank you, even under the best of plans. Many parents will probably not find dentists in their communities who accept their insurance. If a family has Medicaid, it is highly unlikely that children will go to the dentist at all. Most hospital and, accept Medicaid coverage for dental services, do not treat children. Ten percent of dentists in the country do not accept Medicaid. Only the dentists in Staten Island, only one dentist in Staten Island accepts Medicaid. In this economy, parents who lose or have job cuts, will also lose healthcare and dental coverage for themselves and their children. I am urging the City Council to fully restore this program, which has been a lifeline to many children, who have needed the school based oral health program. Thank you for this opportunity to testify and I will be happy to answer any questions you may have. And I just want to also add on my personal tone that it's very, very

important that this program stays because these children will never ever see a dentist. I work with them every single day, and their parents trust us, and the principal trusts us. These other program come in, it's going to be a whole new ballgame, and they have to pay for their services, and the people are not going to, they're not going to be taken care of. Thank you.

CHAIRPERSON WEPRIN: If you were here, if you were here earlier, you would have seen we had a lot of support among the Council Members.

ROCHELLE MANIGAULT: Yeah.

CHAIRPERSON WEPRIN: Myself included. And you had a lot of advocates in the audience, obviously.

ROCHELLE MANIGAULT: Yes, I was one of them.

CHAIRPERSON WEPRIN: Okay. Where's your sign?

ROCHELLE MANIGAULT: (sigh) Over there, there it is. [laughter]

CHAIRPERSON WEPRIN: Okay, thank you.

ROCHELLE MANIGAULT: There they are. [applause]

CHAIRPERSON WEPRIN: The next, the next panel consists of Catherine Abate from Community Healthcare Network, Noyca Jackson, Fiona O'Grady from Samaritans of New York, Helene Duran, Campaign for Fiscal Equity. There's no rhyme or reason to this panel, but--Marissa Hunter from Sickle Cell Anemia Patients Network, and Lindelle Urbano from the Gay Men's Health Crisis. [pause] Okay, and Carmen Collado, can come up, too, Jewish Board of Family and Children's Services. [pause] Yeah, that's fine, the order I read, I called it, is fine.

CATHERINE ABATE: Okay, thank you. Council Members Weprin, Palma, Jackson--

SERGEANT-AT-ARMS: Quiet, please!

CATHERINE ABATE: I'd like to thank the leadership of the City Council for holding this hearing and inviting community advocates and community based organizations. My name's Catherine Abate, I'm President and CEO of Community Healthcare Network. We're a network of ten federally qualified health centers in four of

the five boroughs in very poor communities throughout New York City, providing primary care, mental health and social services. My organization was a member of the Primary Care Taskforce, and I'm here to support the findings of the Taskforce and urge the City Council to restore \$4.75 million as an investment in primary care, particularly in those communities that are underserved and that currently do not have enough capacity. Through many approaches in the Taskforce, the conclusion of the Taskforce was one, as I said before, there are many communities that do not have sufficient capacity, and even in those communities where there is primary care capacity, there are so many barriers that make access to better healthcare very, very difficult. And some of the money, again this is expense money, would be seed money to expand primary care in communities that need it, that virtually do not have it today. And when I say expanding primary care, this is care where the providers see everyone, do not turn anyone away, see the insured, and, and the uninsured. But also expense dollars, to expand capacity in existing centers

and remove some of those barriers to make access to care easier. We saw with the current swine flu pandemic the critical need for New Yorkers to get care in their own neighborhoods, the need for a medical home that can reduce fears, reduce health disparities, and provide medical attention and health education at the same time. We know that emergency rooms, and this is what has happened during the swine flu epidemic, is that emergency rooms are being used as the family doctor, and the medical home, and this does not work. And hospitals know that, we know that. And if people use the emergency room for primary care, they often wait until they're much too sick to get care. Two out of five emergency room visits in New York City, that's about one million visits, are for conditions that could have been prevented in a community setting, and certainly conditions that could have been treated better in a community setting. Some of the barriers, and let me just make a couple points, the barriers that could be used, the money that could be used to reduce these barriers, about recruiting and retaining primary care providers, and RN nurses, are an increasing

problem for community providers. Right now, 39 percent of the New York City residents, are Medicaid eligible, but only 25 percent of the primary care providers are in the communities. Mental health services are sorely lacking, and the norm is now one month to 60 days waiting lists. There's a direct correlation between physical health and mental health. The best practice is to have a primary care provider screen for mental health services. The more that happens in primary care, the greater need there will be for mental health services in the communities. Some of these dollars can be used to retrain front desk and other providers and other staff around models of patient centered care. We need to improve patient flow, patient education and literacy, and improve general access to care. Too many in our community, particularly immigrants, are not aware of public insurance programs, low cost services, and they're not aware that federally qualified centers will not turn patients away. Some of this money can be used for education and outreach. We also know that so many are patients, are struggling to make ends meet, are taking care of

so many people and their families, meeting so many demands, there are so many barriers in their lives, community settings should not produce more barriers. So we make, must make sure the cultural competence is more than linguistic competence.

And I talk about this in my written statement.

Some of this money can go towards training that will increase capacity. So, while I've not

addressed all the barriers to care, I hope I've left you in my written statement with a sense of the enormous need to invest in primary care. It

reminds me of the argument I made time and time again, as New York City Correction and Probation Commissioner. Then and now I would say, "Invest

in education, healthcare, drug treatment and community support, or pay a higher price later, in human and financial costs." The cost of not

investing in primary care is no less compelling.

It, too, saves lives and dollars. I urge the City Council to restore the five, \$4.7 million in

expense dollars. You will hear arguments, "Oh, they're stimulus dollars." Yes, there were some

stimulus dollars, very little of it went to

expense dollars. And even if you add up the

capital dollars that are flowing towards community health centers, it only meets a fraction of the needs. Again, we see with the swine flu pandemic, the need for people to have services in their communities, not to overload the emergency rooms, not to use the emergency rooms as their medical doctors, that's why we must invest in primary care. Thank you.

CHAIRPERSON WEPRIN: Thank you, Ms. Abate, and thank you for your advocacy on so many healthcare and other issues, as well as your prior service to the State and City.

CATHERINE ABATE: Thank you.

MYOKE JACKSON: Good afternoon. Well, good evening, my name is Myoke Jackson [phonetic], and I'm a parent of two students at PS 21, who--thank you. Good afternoon, everyone. My name is Myoke Jackson, and I'm a parent of two students at PS 21. Thank you guys for allowing me to speak. I promised everyone and myself this time I wouldn't break down crying, so I'm going to make it brief. My children have utilized the oral health clinic at their school for several years. Once again, my oldest daughter got into a accident

at school when her front tooth went into her gums, and I had to be notified to come and pick her up, because at the time there wasn't a dentist present. When I took her to the public dentist, it was horrible; like it was an experience that I and she will never forget. The dentist, who, where can I begin? Like, to take them out of the school would definitely be an injustice to the children. I'm a parent, like I said, of other children, and last week, I have a premature son, who had a fever of 104.3. I took him to the emergency room because it was after clinic hours, and with the fever, and him being asthmatic, the, the emergency was so overwhelmed that he had to wait six hours to be treated. Imagine if he just chipped a tooth. They would've probably sent me home with maybe some Tylenol or something and told me to call and make an appointment, which I tried to do also from my other children, but it takes three months to get an appointment at Bronx Lebanon in The Bronx, which is the clinic that my children attend for their regular pediatric care. The clinics are now extremely, extremely crowded because of the, the swine flu, or the H1H2 panic.

And us as parents, it's very hard, I know it's hard on you guys as far as your jobs go, but as far as us parents, you know, we work as well, and to find an appoint--to find a clinic, to be able to take your children to, and to find the time, is very, very overwhelming. I would just like to emphasize once again the importance of keeping these oral health clinics inside of our schools, because it's not only a matter of teeth, it's health overall. Negligent dental care leads to other health problems, and my daughter, when she had her accident, was out of school for a week. Because there was no one there to take care of her, in case her gums started bleeding again, or if any pain, there was no one there. So, now, she goes frequently to the dentist and if there's any issues, it's addressed immediately. There's no fear, they're loving, they're kid friendly. And that's the main thing. The, the clinics, are not for children, not the dental clinics, not in the public hospitals, and sometimes not even in the pediatric clinics, they're not used to dealing with only children. I would just like to close briefly by reading a couple of letters from some

of the children who feel the same way we do. One of the students, Ebenine [phonetic], said "We really need you to be the dentist in a school because you are so good, like the dentist outside, but you're better. People really need you for their teeth. When you took out my tooth, I thought I would give you \$1000, you are the best dentist ever." Here in my hand I hold a stack full of letters, pictures, and just expression. [off mic] Yeah [laughs] and just expression of the gratitude that these young children have towards the den--these dentists and the assistants. This is just a small portion of the lives that are affected each day, and in, in the school systems. Please, if you guys can find it to maybe cut or move around funding somewhere, but to close the dentist office is, oh, unspeakable. Thank you guys, and I hope, I hope I help a lot.

CHAIRPERSON WEPRIN: Thank you.

You were ver--[applause]. As you can tell by the applause, you're a very good spokesperson and sometimes the amateurs do better than the professionals. No reflection on anybody else. [laughs]

MYOKE JACKSON: Thank you.

MARISSA HUNTER: Good afternoon.

Chairperson and Council Members, my name is Marissa Hunter, and I'm speaking on behalf of the Sickie Cell Thalassemia Patients Network. I know that's a mouthful, so for short we say SCTPN. And I'm speaking on behalf of them because we're trying to find out where you guys can find any moneys for budget for sickle cell, specifically, because a lot of the hospitals that are out there now, they're, I guess everything is all inclusive into one, and we feel like we get kind of the short end of the stick, basically. Just to give you a little statistics, I know Montefiore is not a City Hospital, however it is a hospital that used to do research for sickle cell anemia, and that program has now closed. They, right now, they only have a clinic with one doctor that does two half-day clinics during the week, and there's only two hospitals, city hospitals that have sickle cell programs, and that's Kings County and Harlem. Now, to my understanding, Harlem, they're trying to hold onto the program, but I don't know how long they're going to be able to hold onto, to

it. There are no programs in The Bronx, Queens or Staten Island hospitals, for sickle cell. I went online myself, and to look for budgets, and I haven't seen any budgets since 2007. Also, the comprehensive programs that if we can get more comprehensive money put in the budget for comprehensive programs, that would be more cost effective, 'cause it'll cut down on emergency room visits. It will have children that will be able to go to, to primary care doctors, instead of filling the emergency rooms, and it may prevent them from having to go into the emergency rooms. Also, you have to excuse me, I'm a little nervous, okay?

CHAIRPERSON WEPRIN: Okay, take your time.

MARISSA HUNTER: Okay. Also, I understand at King's County, they have a day clinic, just to give you an example. If you have a day clinic, they will be able to prevent them from going to the emergency rooms; however, there are not that many. King's County is the only one that I know of, that have such clinic. A lot of the information that I've seen online, is very

inaccurate in terms of sickle cell. Also, I've heard a whole lot today about HIV and AIDS, they're talking about how many months, you know, how many cuts and how much money they don't have for HIV and AIDS; however, sickle cell is the number one genetic disorder in the United States. And we do not get any coverage whatsoever. And I just, for one, am very passionate about this particular issue because I suffer with sickle cell myself. I was diagnosed at the age of three months old. And I am now 46 years old, and still, you know, not, not enough is being done with sickle cell. In addition, they don't realize that they're not even testing for iron overload. If you test for iron overload and, and our iron overload is 1,000 micrograms or more, you are talking about more issues with our health. Just for the iron overload alone, and that's because we have gotten more than ten transfusions. I notice, has, it doesn't sound like it has to do with budget, but it does, because until there's budgets and moneys put into the hospitals for that purpose, we're not getting the proper care that we need. And therefore, you know, there can be other

1 illnesses. Now with the flu, the swine flu
2 epidemic going on, and the four cases that have
3 already perished because of underlying hospital,
4 you know, underlying health issues, I don't want
5 sickle cell to be one of those underlying health
6 issues, and we find somebody else, you know,
7 another statistic. I don't want that to happen.
8 Also, there's just, there's just so much more I
9 can say about it, I don't want to take up too much
10 time, but I just really need them to understand, I
11 really need you to understand, that sickle cell is
12 very difficult illness to deal with, and there's
13 many different, there are many different types of
14 sickle cell. So, it really needs to be addressed,
15 and we really need to have a budget put into the
16 hospitals, hospital programs. And we're talking
17 about programs, not just a clinic. We need
18 overall programs. Thank you for listening.

19
20 CHAIRPERSON WEPRIN: Thank you for
21 testifying.

22 FIONA O'GRADY: Fiona O'Grady from
23 Samaritans of New York. I'm here on behalf of New
24 York City Suicide Prevention Organization, and
25 thank you to the Chairs of these Committees, and

to Council Member Weprin, Palma and Jackson, who are currently here, and who have shown us support over all these years. As you examine budget priorities in the days and weeks to come, we ask you to support the following Samaritans budget requests. We're looking to restore \$96,000 in funding, \$50,000 is for the City's only 24 hour suicide prevention hotline, from the Council's Mental Hygiene contracts, as you have done for the last seven years. We're also looking for a \$20,000 restoration from the Speaker's budget, that provides funding for suicide prevention, public education and awareness programs. You've heard us quote CDC reports that list suicide as the second leading cause of death of college students, third of teenagers, how middle aged Caucasian men commit the most suicides, but that Latinas and Asians, the elderly, homeless, victims of violence, police officers and members of the GLBT community are also very high risk. You've heard us report that 13 percent of adults in New York City report frequent mental health distress each year, and the New York City Department of Health's Youth Risk Survey findings that twelve

percent of New York City Public High School students have seriously considered attempting suicide during the twelve months prior to the survey. But today, the mental health community is facing the current economic situation, where more people with emotional problems are experiencing symptoms that require even more services in a time of service reductions. Research states that high levels of depressive symptoms are particularly common among individuals with economic problems, those of lower socioeconomic status, and the unemployed. And this is where Samaritans can help 24 hours a day with our hotline. Last year, your \$50,000 restoration helped Samaritans answer 54,000 calls on our hotline, 28 percent increase over two years. And the Speaker's money, as well as the member line items I see our members are here, helped us train 700 professionals from over 1,000 schools. I've, I've spoken a lot on suicide prevention, but I'd like to tell a tale today, because in the last hour, my daughter, who's a junior in high school in Manhattan, just called me 'cause she's on the way to a hospital, to visit a young gentleman who's in high, in senior high

school at Museum High School in New York City. He attempted suicide last night, and what happened was he took excessive amounts of Tylenol. The teenagers who know him, he was alone in his room, had the intelligence to phone up and get 911 to visit his home. Thank goodness they did arrive; however, they assessed him as okay, and left thereafter. This morning, due to the Tylenol, he had, he started to turn blue with liver poisoning, etc., and he's in the hospital right now. I've heard a lot of numbers with the dental health, about 17,000 children. Eight percent of our high school students have attempted suicide. That's 15,000 students in our high schools today. Next Tuesday, thanks to Council Members Garodnick, Mendez, I'm sorry, I know this kid. [pause] Next Tuesday, your funding will help us also serve over 200 school psychologists, social workers, etc. So, and thank you, I'm sorry I'm not feeling great today, but thank you all for being able to testify, and thank you for people like Philip Sapara [phonetic] and others who run the Coalition for Voluntary Mental Health help us in our quest toward helping our students, etc., in this

country, thank you.

CHAIRPERSON WEPRIN: Thank you.

FIONA O'GRADY: I know, I tried to not, it's silly.

CARMEN COLLADO: Good afternoon, my name is Carmen Collado, speaking on behalf of the Jewish Board of Family and Children's Services, where I'm the Director of Public Policy and Government Relations. We'd like to thank the Chair of this meeting, Council Member Olive Koppell, Joel Rivera, David Weprin, Annabel Palma. We'd also like to thank all the council members who have worked to include funding for mental health services in the City budget. JBFCS is grateful for the Mental Health Initiative funding received since 2007, in autism, children under five, and geriatric mental health. JBFCS is honored to have been a partner in all three initiative, which has helped us to meet critical human service need. We join our colleague in requesting the restoration of \$5.6 million in funding to the initiative in 2010. Under the autism initiative, we receive funding for two community awareness and parent training programs.

One at the Shill [phonetic], an affiliated program with JBFCS, and another through JBFCS partners and community centers in Queens and Brooklyn. Both programs provide support for families with children on the spectrum, through individual support and through training workshop. Together, the Centers provide multicultural and multilingual services to American born citizens, immigrant from Israel, from the Soviet, former Soviet Union, China, Korea and Latin America. Children under five funding has helped our early childhood program afford - - serve over 300 families through our screening and evaluation for children identified at risk for communication and behavioral challenges. The program also offers parenting workshop consultation and staff training. In geriatric mental health, we have been able to provide culturally competent bilingual multi-mental health services to Latinos and Jewish geriatric population from the Soviet Union, the Dominican Republic and Central America. Before I close, I would also urge the Council to continue to address the destination process, the lengthy process subject to delay creates a

budgeting hardship that make it, make us less effective and strain our ability to deliver services. Finally, we want to take this opportunity to alert this Committee to a serious crisis New York clinic are now facing. Because of federal Medicaid rule changes, OMH is in the process of restructuring outpatient mental health clinic rates and services. As it stand, this will result in the closing of several clinics. We would like to thank Council Member Koppell for initiating a public hearing on this issue, on June 17th at 10:00 a.m. right here. We would like to urge everyone on today's Committee, and everyone in attendance to attend this forum, in which, in which we'll explore ways local government and the service provider can partner to address this crisis. We have been encouraging all our State and City representative, and our colleagues in the human services to attend. Thank you for your time.

CHAIRPERSON WEPRIN: Thank you.

I'm going to call another panel. I think a few of these people have left, so just come up as I call your name. David Freudenthall from Carnegie Hall

CIG; Catherine LeClair from New York City Ballet and CIG; Carey Laney, from the New York Botanical Gardens; Phil Superior from the Coalition of Behavioral Health Agencies; Carol Pittman from NYSNA; Judy Wesler from People, People for Budget Coalition for Public Health; Eric Weltman, Alliance for Quality Education; Barry Liebowitz from Doctors Council; and Pastor James Delastin. Come up.

MARISSA HUNTER: Chair, I'm sorry, I just wanted to let you now, I have a card for you, he's going to give it to you, for, from the organization. And just to let you know, also, there are no adult sickle cell programs either. Thank you.

CHAIRPERSON WEPRIN: Okay, thank you. Great, thank you. [pause]

PHILIP SUPERIOR: Oh, we ready? [off mic] Council Member, how do we--?

CHAIRPERSON WEPRIN: Choose among yourselves.

PHILIP SUPERIOR: We ready? Okay. I'll go. This is a tough way to earn a living, I, I realize that. It's tough for all of us. But

it's especially tough on you, and so I'm going to do this in telescopic--

CHAIRPERSON WEPRIN: Yeah, just, Mr. Superior, just identify yourself for the record.

PHILIP SUPERIOR: I will. I'm sorry, I'm Philip Superior, I'm the Executive Director of the Coalition of Behavioral Health Agencies. Thank you very much for having us here today. I'm going to telescope, you have my written testimony, I don't need to read it to you. I'm going to telescope the testimony and try to just bullet what it is that we're about. I heard the Commissioner talk about the contracting process today, and report improvements, and there may well be improvements, but the fact of the matter is that with respect to City Council funded contracts, the ones you folks create and put out, and I'm talking specifically in our case about the Geriatric Mental Health Initiative, the Children Under Five Initiative, and I believe also the Autism Initiative, the contracts are only now beginning to be registered. This is May 27th, the money has to be spent by June 30th. It's, it's a

ridiculous process. It's a ridiculous process because the, often the Department adds to the scope of service that you folks have already agreed to and funded. And so I would ask the City Council to please watch the Department in the future about how it handles City Council initiatives; having said that, the City Council initiatives are incredibly important to us and to our sector. We want you to please continue to support the Geriatric Mental Health Services Initiative, which you funded for \$2.4 million. We ask you to please, there were 24 agencies that were funded, some of them actually have been able to use their own funds to get up and going; others have not and therefore are going to have truncated services. They are vital services, we ask you to redo it. We ask you to restore the \$1.6 million to fund the City Council's Children Under Five Mental Health Initiative. Again, the contracts need to be expedited, but these are lifesaving programs for kids, and we ask you to do that again. And finally, for the last eleven years, you and your colleagues have provided \$100,000 to fund the Coalition's Professional Learning Center.

In the past year, we provided 42 workshops to over 1,700 people who are providing services to folks in your districts, and in every community in New York City, on things like integrated dual diagnosis training, motivational interviewing, principals of cognitive behavioral counseling, etc., etc., etc., working with multicultural populations. So, I hope you will restore those initiatives. We hop that you will also restore the cuts that were made to mental health contracts. You have been very good to us, we know that, and we're looking for continuing good works from you in the future. Thank you very much.

CAROL PITTMAN: Hi. My name is Carol Pittman, I'm the Community Affairs Rep for the New York State Nurses Association. We represent about 37 registered nurses statewide, including the 7,200 at HHC and the mayorals. And I will also just bullet my testimony. NYSNA wants to go on record as having asked you to restore the \$40 million in proposed cuts by the Mayor to the Children's Health Programs, Infant Mortality Reduction Initiative, school health services, and mental health, mental retardation and

developmental disability programs. We also want to say that we recognize the need to generate more revenue to close the budget deficit. In order to alleviate this need to make cuts, to public health services and to other of the services that the public needs, we feel that the Mayor's proposed tax increases will unfairly and disproportionately fall on the backs of working people. So, we would like to urge you to look for tax revenues from those who are most able to pay. And last but not least, we feel that reductions in citywide workforce, in the citywide workforce are shortsighted. In particular, in HHC, and in healthcare services, cutting direct patient care staff will result in a deterioration of the level of care provided at HHC and other public health facilities. HHC now provides first rate care to the residents of our City, and as we are sure you are aware, maintenance of the quality of care requires maintenance of staffing levels. Thank you, and you have the rest of it on paper.

CHAIRPERSON WEPRIN: Thank you. Dr Leibowitz.

BARRY LEIBOWITZ: I'm Dr. Barry

Leibowitz, I am a pediatrician, toxicologist, pharmacist and associate professor of pediatrics. I am also President of Doctors Council/SCIU, which is the largest union of attending doctors in the United States. As a physician, I can tell you, I recognize a very tired audience. And therefore, for rest and recreation, I'm going to keep this more than brief. The Department of Health needs a professional examination and treatment. They have made numerous, numerous promises that have not been kept. What we heard today in their own voices was very simply "wubba-wubba-wubba, we don't know what we got," or they told us last week, "We're in flux." I know that there are, these are tough economic times. The line has to be drawn when it comes to the children, 'cause we have to protect them. We have heard that the Department of Health say before, we're going to open up sealant clinics and then we're going to give, if we see something, we're going to give you a referral. Well, it's two years now. And they gave 'em a referral, but no one ever followed up. So what I want to say, there something wrong there. And I want to just thank you for your time

and your patience, and we're all going to work together. And these children will be protected. And the relations with the doctors and the nurses, and the principals, will be kept in order. Don't take them away from their jobs, don't take those patients, or parents away from their jobs, and don't break up a family because you will not keep the appointments. Thank you very much.

CHAIRPERSON WEPRIN: You get extra credit for coming 17 seconds under. [laughter]

LESLIE JOSEPH: Mr. Chairman, members of the Committee, ladies and gentlemen. I'm Dr. Leslie Joseph, with the Children's Aid Society, and formerly with the Department of Health. I left because I was unhappy with what they were doing with the oral health program. I'm going to depart from my prepared testimony to respond to two assertions that one, Dr. Frieden made, and two, Assistant Commissioner Louise Cohen made. Number one, Dr. Frieden said that "health policy is not made in a vacuum." Well, let me tell you, oral health policy is New York City is being made in a vacuum. Number two, Deputy Commissioner Louise Cohen stated that "provider

outside of the oral health program is being reimbursed three time more." Well, I'd like to know, because my program is being reimbursed \$89.59, which is less than what she stated of over \$150.00. So, I'd like to know where she can send me to get that kind of reimbursement. Number two, the Department of Health is stripping away the safety net that so many disadvantaged children and their families depend on. Although some hospitals are interested in taking over some of these dental clinics, two issues stand out. One, there remain many other clinics which could shut down completely, leaving a great number of New Yorkers with no access to dental care at all. And two, patients would need insurance contrary to their statement, to get treatment. I'm going to close out and be brief here. Now, children, the Children's Aid Society has a long tradition of providing care to children and their families. We are already seeing a spike in the number of patients seeking charity care at our facilities precisely because they have instituted this sealant program. People are coming to us seeking treatment. Now, we are at a breaking point

precisely because of the downturn in the economy, and people coming from those sealant site seeking treatment our facilities. So, I would urge the City Council to restore the fund to the oral health program, and to also find it in their heart, as I'm humbly asking, to provide the Children's Aid Society with about \$500,000 so that we can continue to also provide treatment to, to the New York City kids. Thank you.

CHAIRPERSON WEPRIN: Thank you.

JUDY WESLER [assumed as she does not identify herself]: I'm just as tired as you are. Can you hear me now?

CHAIRPERSON WEPRIN: Yeah, yeah.

JUDY WESLER: Okay.

CHAIRPERSON WEPRIN: The light has to be on.

JUDY WESLER: I am just as tired as you are, and I want to thank the Council Members who have stayed to hear us. I am not going to, to, you know, read my testimony. I will distribute it. Just to say that sitting here today, there was some amazing statements made and distortions, and some of them you've heard. I

would hope that you would follow up--when the
Chair's ready I'll continue.

CHAIRPERSON WEPRIN: Thank you.

JUDY WESLER: I would hope--thank
you. I mean, I did wait a long time, so I would
like to--

CHAIRPERSON WEPRIN: Go ahead.

JUDY WESLER: --some attention.
Thank you. The, and now I lost my train of
thought. The, the school health nurses that were
told, I mean, Judith Arroyo gave extraordinary
testimony. And I hope everybody was listening.
That about what is happening with the school
health nurses, and what has happened during this
particular crisis, the swine flu or H1N1 crisis.
And then for the nurses to be told last night that
they were not going to be paid for the weeks that
they were told to not show up at school, is just
beyond any decency that anybody could think about.
So, I, I hope there'll be a response to that.
There've been extraordinary statements by people
in the Department about how they spend money, and
where the money is going. And particularly on the
advertising. I mean, my response to what I was

hearing was, you know, the Council supposedly got into trouble for putting some money aside for spending someplace else. Well, what are they doing with those advertising contracts? If that's not, I mean, there were some really serious questions about what's going on in that agency, and where money is going and how it's being spent. And I do think that, there has to be a health committee that, and I don't think any of the Health Committee members are here right now, that is really looking at these issues, and saying, you know, because we have very huge needs. There, we, we've documented a lot of those needs, others have documented those needs, our kids are our future, and yet there were serious questions about how money is being spent. I know there are people that'll differ with me, but you know, it's been blithely said that there'll be \$8 million in the budget to take care of animals, but only \$4 million for children. I got a problem with that. So, you know, there are lots of issues, we'd really like to work with the Council, we have supplied a lot of information when asked, to, to provide help. And we look forward to, you know,

perhaps under a new Commissioner, a different kind of responsiveness and ability to communicate and, and provide information. Our health is too important for that not to happen. Thank you.

CHAIRPERSON WEPRIN: Thank you.

JAMES DELASTIN: Good evening, I'm Pastor James Delastin [phonetic], from Mt. Mora Baptist Church.

CHAIRPERSON WEPRIN: Can you just bring your mic up a little closer, 'cause it's a little difficult to hear. You'll need to speak up or we can just turn up the audio, if you don't mind.

JAMES DELASTIN: How's that?

CHAIRPERSON WEPRIN: It's better.

JAMES DELASTIN: Any better?

Again, I'm Pastor James Delastin from the Mt. Mora Baptist in Jamaica, Queens. I also serve as a member of the community advisory board for Queens Hospital Center. I'm here because I support the work of our Queens Hospital Center. Our facility needs additional funding to continue serving and serving the lives of the in-and-out patients of the eleven neighborhoods of southeast Queens,

southeastern Queens community, and beyond. Our neighbor hospital, as you know, Mary Immaculate is closed, at present, because, well, anyway, for, they're closed. And it has increased the workload at our facility. And we were told recently that the schedule calls for the closing of the Charles R. Drew Communicare Medical Center and the Springfield Gardens Medical Center. Charles R. Drew Center is the only center that we have in southeast Queens that's named after a very prominent African-American. We want to save both of these medical centers and the name of Charles R. Drew. Their closing will cause great inconvenience to the thousands of in-and-out patients of the thousands of indigent patients, pregnant mothers, working fathers, parents, seniors, home and business owners, taxpayers, old and new Americans who use and need our, and depend on the services of our county hospital facilities. They generate many visits per year. People will be forced to take two and three busses to go elsewhere, or stay sick and die. We want people to live and be productive. We must save the employee jobs and not lose them. If people can't

1
2 find work to do, and do an honest day's work for
3 an honest day's dollar, they'll resort to other
4 measures to take care of themselves and their
5 families. So far we have 1,000 supporters by way
6 of petitions that I brought with me, who are in
7 support of keeping these two medical centers open
8 and saving the name of Charles R. Drew. I was
9 informed that City Council money is only used for
10 capital improvement. And I also was informed that
11 Queens is the only county in the City that does
12 not have a medical teaching hospital. The 1,000
13 supporters, along with myself, plus others, are
14 asking the City Council to do whatever you can do
15 to help save the Charles R. Drew Communicare
16 Medical Center and the Springfield Garden Medical
17 Center. Thank you.

18 Good evening. My name is Eric
19 Weltman, and I'm the New York City Advocacy
20 Director for the Alliance for Quality Education.
21 I want to thank you for the opportunity to testify
22 this evening, concerning the City's operating
23 budget for education, for Fiscal Year 2010. We
24 join our colleagues in expressing strong
25 opposition to Mayor Bloomberg's proposed cuts to

education, and as a member of the Keep the Promises Coalition, echo this call, "No cuts to the classroom." We thank the City Council for your leadership last year, and hope that you'll convey this message to the bud--to the Mayor, during budget negotiations. The operating budget must help the City meet its moral, legal and constitutional obligation to provide all children with a sound and basic education. Unfortunately, we are failing to meet this obligation on a number of fronts. The situation is troubling in all five boroughs. Class sizes have been increasing, not decreasing; the achievement gap is leaving too many of our children behind. We have school libraries that are empty. We're the arts capital of the world, but are kids aren't studying art. Unfortunately, Mayor Bloomberg is proposing to cut \$450 million from education, including \$310 million directly targeting schools. This massive cut is all the more alarming in the face of \$952 million in federal stimulus funding for education, and level contributions from the State. The proposal also flies in the face of the requirement established in 2007, as a result of the campaign

for fiscal equity lawsuit, that the City increase its investment in education by \$2.2 billion over four years. As a member of the Keep the Promises Coalition, we urge the City Council to oppose Mayor Bloomberg's proposed cuts to the classroom, and to support funding for these specific programs that increase opportunity: English language learner programs, middle school success programs, student success centers, and translation/interpretation services. Of course, in conclusion, we are well aware of the financial crisis that is challenging the capacity of our City to meet its needs, but investing in our children is an obligation that must be fulfilled under any circumstance. As a member of the One New York Coalition, we join hundreds or organizations in urging Mayor Bloomberg and the Council to adopt progressive revenue and saving initiatives to help prevent harmful cuts to important programs, services that our City relies upon. There is nothing inevitable about cuts to our classroom, cuts that will cause irreversible harm to the education of over one million New York students. We urge the City Council to send a

strong message to Mayor Bloomberg, "No cuts to the classroom."

CHAIRPERSON WEPRIN: Thank you.

I'm going to call more names. Some of you may have left. We have about 30 people left. So if you want to submit testimony, or summarize your testimony, that would be appreciated. I will stay till the last person testifies.

JUDY WESLER: Council Member, before you do that, we just have something graphic to show. If you could please, we just wanted to--

CHAIRPERSON WEPRIN: Judy, you want to come up here? [laughs]

JUDY WESLER: No.

CHAIRPERSON WEPRIN: Dan Lowenstein from PCDC, Charlotte Rustra, Daryl Lang from Community Healthcare Association of New York State, Margaret Mahoney, Dr. Gary Hellman, Randy Anderson from SAGE LGBT Services for Seniors, Lester Joseph from Children's Aid Society, Sandra Hagan from the Child Center of New York, Jane Bardavid from Samuel Field Y CAPE, and Harriet Blank from Ohel Children Family Services. [pause, background noise] What's that? Yeah, I don't

know if they're all here, but--You want my autograph on that? [off mic] I'll sign, I'll sign. Got a magic marker? [pause, background noise] A little diversion here, since we've been here all day. Ed?

CHARLOTTE COESTRA: Good evening.

My name is Dr. Charlotte Coestra [phonetic], and I am a dentist with the Oral Health Program, working with school age children. My program appeared in the City budget for approximately \$2.5 million. The Mayor and the Commissioner of health wanted to close this program's clinics. There will continue to be an oral health program, but with a reduced budget. Children will no longer be treated and all the clinical staff is being laid off. This will save the City approximately \$1 million. I am utterly astounded. The GAO and New York State both found large, unmet dental needs in children, even those with Medicaid and Child Health Plus. Good oral health is now known to be the key to good general health. There is a link between oral health, cardiovascular disease, diabetes and other health issues. Roughly one million public school hours are lost every year in New York City because

of dental health issues. The public advocate released a detailed report on the oral health program. Betsy Gottbaum said, "It makes little sense to close a low cost program that provides much needed dental services for the most vulnerable children." This program is part of our safety net, and the Department of Mental Health and, oral health, excuse me, Department of Health and Mental Hygiene must maintain it. With new leadership in Dr. Thomas Farley, it's time for oral health program to be given a second look. I call on Dr. Farley to work with the City Council to reverse defunding of the oral health program. It makes little sense to close a low cost program. I would like to tell you about one of the patients I have treated, a little girl who no longer liked to laugh, smile or talk, because other children made fun of her teeth. I bonded her front teeth, her mother made a special trip to the clinic to thank me. Her daughter was now the happy, talkative child she remembered. I have had many patients with multiple severe cavities; when I asked if they had had pain, they would tell me no. After treatment, the next time I saw them, they

would tell me, "I feel great, my teeth don't hurt, I didn't even know they were hurting." No child living in this great City should have to so used to pain that they don't even know that they're in pain. I have had many parents tell me they cannot find a dentist for their children. I've even had parents tell me they brought the child to a dentist for fillings, only to be told not to worry about it, the teeth would eventually fall out. Meanwhile, the child suffered pain when eating and would for years. How can anyone be told to live with pain for years? Especially when as a dentist you know it'll get worse, an infection and extraction instead of a simple filling. Please don't let my department go the way of that old Joanie Mitchell song, "You Don't Know What You Got Till It's Gone." Oral health was once a thriving department helping many children. Please let us keep New York's most vulnerable and most precious commodity, our children, safe and healthy. My colleagues and the children of New York and I thank you for your time and for your support and help.

CHAIRPERSON WEPRIN: Thank you.

DAN LOWENSTEIN: Thank you, Council Members Weprin, Palma, my councilman, Councilman Jackson, I'm Dan Lowenstein, I'm Director of External Affairs for Primary Care Development Corporation. I'm going to paraphrase, to kind of get to basically the problem, and what we see as some of the key solutions in the area of primary care in New York. The current state of primary care is that there's been a lot of good that's been done and a lot of strides that have been made. And we have, PCDC's worked alongside the City Council and the Mayor's Office to achieve a lot of this. Now, at the same time, we're seeing an enormous amount of fiscal distress, financial distress, in this sector. In March, PCDC and the New York State Health Foundation issued a report that found that 43 percent of health centers lose money in most of the years surveyed, in the seven year period, last seven years. Found that health center margins have plunged, from about 2.28 percent down to about a half a percent margin. And that they basically have now about two weeks cash on hand, at any given period, meaning that basically about a payroll period away from serious

financial trouble. This crisis couldn't come at a worse time in our, as thousands of New Yorkers have lost their jobs, and their health insurance, joined the growing ranks of, of those who rely on safety net primary care providers. And on top of this, we now have a swine flu emergency. So, to strengthen capacity and expand primary care, PCDC's recommending four actions. Number one, support the emergency preparedness program that PCDC has put in place. City Council has been a tremendous partner in this. Right now we've, we have helped to prepare about 70 centers around the City, to, to respond to emergencies, and it's playing out in real time right now with the swine flu emergency. Our health centers are probably among the most prepared, not only in the City but in the entire country, because of this program. And we're seeing the results right now. They know how to respond when a surge comes, they know how to treat, they know how to, how to detect, they know who their partners are in the City, the State and the fed, and how to act, how to act responsibly. We want to continue this program, because right now, there's still about 400 sites

around the, around the City that don't have this kind of training, that don't, don't know how to respond, should emergencies like this come up. So we want to expand that program. Number two, supporting the primary care initiative, you heard it quite eloquently from what Catherine Abate said. I'm not going to go into it except to say that basically this is money that is extremely, can be extremely well targeted to helping current providers expand their capacity and access to care, in underserved communities. Number three is supporting the Speaker's proposal to implement HPSA and UA, that's Health Professional Shortage Areas and Underserved, and medically underserved population designation initiative. Money to help us basically leverage more federal dollars. And number four is finish capital funding for the primary care health information consortium, a great program that has helped about 30 health centers in underserved communities enact medical, patients' medical records. Thank you very much for your time.

CHAIRPERSON WEPRIN: Thank you.

Good evening, honorable Councilmen,

Council Members.

CHAIRPERSON WEPRIN: Not everybody thinks we're honorable, but that's okay.

[laughter]

RANDY ANDERSON: It seems like you've saved the best for last, so I'm honored to be in the, the final groupings. My name is Randy Anderson, and I'm the Director of Social Services at SAGE, Services and Advocacy for Lesbian, Gay, Bisexual, Transgender Seniors. I'm here to support continued funding for the Geriatric Mental Health Initiative. This initiative is the only funding that allows SAGE to focus our work on the emotional needs of older lesbian, gay, bisexual and transgender adults. This grant has allowed us to work with a particularly underserved client base, which includes LGBT older adults who also have HIV and AIDS. We've been able to provide an array of supports from counseling, to starting New York City's first HIV older adult social, where it provides a safe place for HIV positive LGBT people to celebrate their lives and experience together. As you can imagine, our LGBT seniors are often the most isolated and have very few social and

community supports. Many have no families, children, religious supports or social services, a they have experienced discrimination and marginalization in all of these systems. Many of their support networks are made up of friends, other seniors, which is not often legally recognized. Our services under this funding has provided a lifeline, its reduced--

CHAIRPERSON WEPRIN: Why does she have to leave?

RANDY ANDERSON: --crisis treatment, depression, and isolation. As you know, June begins LGBT Pride month, and we'd like to invite all of you to join us in our celebration and meet our clients. They're in every district, every community, particularly those who've benefited from this grant. And many who, in their lifetime, has forged progress for a very diverse New York City. Thank you.

CHAIRPERSON WEPRIN: Thank you.

SANDRA HAGAN: Good evening. I'm Sandra Hagan, the Executive Director of the Child Center of New York. My agency, my 56 year old agency serves about 17,000 children and families,

primarily in the borough of Queens. I'm here to talk about a number of initiatives through which we, we get generous funding from the City Council now, that are scheduled to be eliminated by the Mayor's budget. I'm just going to summarize these, but the first two are, help us provide substance abuse treatment services for Asian families in Queens, and substance abuse treatment services for adolescents. And these are two populations that New York City Department of Health and Mental Hygiene acknowledge do not get the services they need because there are not enough of them to provide treatment. The staff of my Asian program, for example, speak 16 different Asian languages, and are, the, and are the only place that people can go in the entire City of New York, even though we're located in Queens, to provide, to get the mental, to get the substance abuse treatment services they need in the languages they speak. So, the, the areas that we get funding that were slated to be cut are under alcoholism, substance abuse, voluntary sector. There's our grant for the Asian program and our grant for the adolescent program. We also get

funding for children under five, and last year we screened over 1,000 students in daycare Head Start programs, and enabled them to get treatment when they needed it. And we also got funding under the mental health contracts, which funds the outreach part of our Asian program, and with that funding we place bilingual Asian social workers in about 15 public schools, to do education and screening of kids for mental health problems, and help the school system communicate with the parents. So we're asking for restoration of the funds. Thank you.

HARRIET BLANK: I guess it's good evening now. My name's Harriet Blank, and I'm from Ohel Children and Family Services, and I'd like to thank Council Member Koppell for his support in geriatric mental health and as well as Councilman Weprin and the rest of the Committee for their support. We appreciate the opportunity given to us to serve the geriatric community as Ohel expands its services to both the young and the old, with the necessary services. In our first year, we had social workers administering PHQ9s to elderly persons at senior center social

service agencies, and we were able to provide seminars and, on the symptoms of depression, dementia and delirium, the three Ds. In addition, trainings were provided to staff members at the centers, so that they would be able to recognize depression in the elderly. And in one - - we were able to help them with a Train the Trainer, and they are still doing the support group that we started, actually it's two years now. In subsequent years, Ohel has built and expanded on the program by working with local medical practitioners and providing master levels mental health workers in their offices to engage seniors in comfortable, non-stigmatized setting. Upon making a referral, the geriatric mental health professional will perform a PHQ9, screen, provide psychosocial psycho-ed counseling, and referrals to appropriate services. At times, patients and their families have been dealing with depression, anxiety, care giving stress, and everyday aging. Patients were given short term psycho-education and we were able to refer to our mental health clinic, which is an Article 31 mental health clinic, as well as mobile outreach units and other

kinds of mental health programs, as well as support groups and adult aid programs. During the last two fiscal years, we have provided services in mental health, in internal medicine, cardiology, neurology, oncology, and since we've been hearing about it, dental offices. The offices are located in Brooklyn and Staten Island, where we are, right now we're in 14 doctors and dentists' offices. We have met already our target goal for this year. We have been, we're scheduled to do training in depression and dementia in hospitals as well as helping them to use the PHQ9. The response by the medical community and the patients is positive. Patients and family members who would not have initiated services for mental health are accessing services. One key ingredient to the success of this program is that the patients feel that they have no stigma by seeing a mental health worker in their own doctor's office. We hope to continue this program and expand it even further during this next fiscal year. Geriatric mental health needs to be addressed in a variety of approaches and locations, not just their physician's office, or the mental health

office. Mental health assessments for the elderly must fit a varied population. We would like to perform screenings in, at houses of worship, homes of individuals who are isolated, in order to meet the needs of this population, and increase the quality of their lives. Ohel also proposes to continue training staff at senior centers and hospitals as part of their commitment helping professionals work with seniors. In addition, we propose to add a wellness component via psycho ed, teaching person to recognize and maximizing strengths and coping skills. This fiscal year, we would like to highlight drugs and alcohol screenings, raising awareness for both the seniors and the professionals. We would like to expand our referral base. In these difficult economic times, we feel our program must continue to meet the growing mental health needs of seniors. Social work staff at doctors office facilitate partnerships between the senior, the family member, the doctor and the social worker. We have been asked recently to help other organizations on how they too can implement this program. We recently opened a new regional family service in

Far Rockaway, Queens, which will enable us to serve additional clients and their family. We feel that Ohel Children and Family Services have demonstrated the ability to work with a broad client base and develop this unique program and other quality programs. Thank you.

Good evening. My name is Dr. Margaret Mahoney. I have worked as a dentist in the oral health program for 23 years. Every day we prevent expensive procedures by performing basic dental work on children that would not be treated otherwise. A sealant prevents a cavity, a filling prevents root canal and extractions, cleaning prevents gum disease, what is, which is linked to diabetes and heart disease. There is a very great need for the services that this program provides. One out of every two children that I examine has a dental issue to address. If this program closes, a great void will be left in the underserved communities. The two school based clinics that I currently provide service in, are scheduled to close in two days, May 29th. There are over 200 patients under treatment at these sites. Closing the clinics would result in the

abandonment of our patients. Those without insurance, a number expected to increase in a recessive economy, will have no alternative source of care. Patients are now being turned away from our clinics. They are no longer allowed to make appointments for checkups, and are now dental homeless. The true effect of the clinic closing will be seen in the near future. It'll mean more pain, more hospital visits with long waits, poor nutrition, poor self esteem, many days lost from school, and poor general health of the City's most vulnerable children. Please save this 100 year old and cost effective oral health program, for the children who need it the most, before our equipment and supplies are given away and it is lost forever. To show you how the children themselves feel about all this, I would like to leave a picture with you that one of my patients drew when we told her that the clinics in PS 21 was closing. [pause]

CHAIRPERSON WEPRIN: I also have a number of pictures from children, and, and notes from children.

Good evening.

CHAIRPERSON WEPRIN: Good evening.

JEAN GUY VALCOURT: I am Dr. Jean Guy Valcourt [phonetic]. I work for the City of New York for the last 25 years. I have a master degree in dentistry. I came today before you, Council Member, to ask you to save the oral health program. Because we give hope to some kid, who could otherwise be depressed, considering their oral condition. We can take a child from being depressed, - - , to becoming talkative, joyful, and productive. As the saying goes, a picture is worth a thousand words. This illustration, as it being passed around, they have been passed around, will back up my claim. The children do not have insurance, they are not eligible for insurance, and they will be able to afford this restoration, if it wasn't for the school clinic. Thank you.

CHAIRPERSON WEPRIN: Thank you.

Okay, the next group, and some of you may have left, Carol Boyd, New York City Coalition Educational Justice; Susan Moritz, Lennox Hill Neighborhood House; Dr. Gary Peters from Doctors Council; Dr. Alan Matthew from Oral Health Program; Ayesha Parillon [phonetic], Jassa

[phonetic] Bronx Friendship House; Kim Swede
[phonetic] for Advocates for Children of New York;
Valencia Bituny Grant [phonetic], Department of
Health, Mental Hygiene; Nancy Harvey, SPOP; Robert
Brewster, Riverdale Mental Health Association.

Okay, I'm going to read some more names. Dr.
Martha Adam Sullivan; Joyce Hall. I might get out
tonight yet. Andrew Bingham; Lashella Wells
[phonetic]. Okay, you can start.

CAROL BOYD: Good evening,
everyone, I'm Carol Boyd, and I'm a parent leader
with the New York City Coalition for Educational
Justice. I've prepared a testimony, but due to
the lateness of the evening, I will just cut to
the chase.

CHAIRPERSON WEPRIN: Cut to the
chase!

CAROL BOYD: [laughs] I have been
here on numerous occasions, so--

CHAIRPERSON WEPRIN: I knew you
looked familiar.

CAROL BOYD: This is really nothing
new. Two years ago, the Speaker stepped up and
showed responsibility to the schoolchildren of the

City of New York by convening a taskforce. Councilman Jackson and myself were members of that taskforce, and out of it a report was issued that called for a comprehensive overview, overhauling of New York City's middle school systems. To that end, the first year we did receive funding which went to 51 low performing middle schools. Some of them did a lot better, some of them stayed the same, and some declined and are being subject to close. This year, we were fortunate enough, due to the efforts of the Council, to have \$12 million retained in the budget, which facilitated the implementation of a campaign for middle school success. 58 schools have, 55 schools received funding, and I'm here today to ask the Council to make sure that that funding is restored for another year. And you would ask why, if the program has been so successful? Because that's just 55 schools. There are currently 175 schools left in New York City where 8th graders do not write or read at State standard, and that's unacceptable. And if you don't believe me, just last week I was fortunate enough to attend the freshman orientation at my son's new high school.

And the principal, as he was handing out summer reading lists and assignments, apologized that they wouldn't be able to do this in person over the summer, but that he needed to save money from this year's budget to help for next year. And I said, "To do what?" He said it had been his finding that after over 22 years, most children entered 9th grade ill-prepared to academically, socially and emotionally accept the rigors of high school work, especially if it's truly rigorous. And in this school, they only offer an advanced regent's and an advanced regent's diploma with honors. 'Cause the current State standards, although they are more stringent, that they put in effect last September, do not align with rigor, and they will not enable our children to be able to attend SUNYs and CUNYs. So, once again, on behalf of the countless parents and the schoolchildren of the City of New York, I'm asking you, the City Council, to beseech the Mayor to restore funds to prove, to provide comprehensive middle school success in New York City. Because high school is too late, and if we're not preparing our children for middle school, they

can't do college, they can't do high school; and if they're not graduating high school, they're certainly not going to and graduating college. Thank you.

CHAIRPERSON WEPRIN: Thank you.

VALENCIA GRANT: Good evening, Council Members, my name is Valencia Grant, I work at the famous PS 21 that Nyoke Jackson's kids go to, that Dr. Mahoney works at, and that Dr. Joseph left for Children's Aide Society. It opened in 1990 and was supposed to be open for six months. I saw the need, because it was a, a great Jamaican community there, and a population really needed the dental care. I fought the, my bosses, the PTA got together, the community, and we've been open from six months to 19 years. Yes, if other people come in there, the kids may or may not come to the clinic. I doubt it because we truly love the kids. They love us. When we finish treating them, even if they got needles or tooth, teeth pulled, they give us a hug afterwards, and it makes me feel good that I made them feel good. Can I find another job? Probably. Will these kids find other dentists that love them like Oral

Health? Definitely not. Please, save our program. I know you guys are in favor of it, but it's really, really important. As of May 1st, they told us that we could no longer see new people. Then they gave us a deadline to finish up the 200 people that we needed to see. That forced me to pick and choose kids who had tremendous cavities, to pick which ones that I needed to see before we finish, and it's hard. It's hard when they come in, and "You didn't call me yet, when are you going to call me, I have a toothache." No one sees that, but the dental staff. Thank you. Oh, I have one letter to read from a parent, I'm sorry.

CHAIRPERSON WEPRIN: Go ahead.

VALENCIA GRANT: It says, "I am writing this complaint upon understanding that this dental service will be closed down soon. My son has taken care of his regular dental checkups by the dentist here. If the, it is the third visit he has made in less than two months. It is, if it close, it is close to us and it is free. It is more convenient for us to use this service here by the same dentist. I request the concerned

authority to let this service continue here."

This is a parent that came in from India, had just came into the country and we were able to service him and take his child out of pain.

CHAIRPERSON WEPRIN: Great, thank you.

JOYCE HALL: Good evening. My name is Joyce Hall.

CHAIRPERSON WEPRIN: Good evening.

JOYCE HALL: I'm the Executive Director of the Federation of County Networks, and I also Chair the Citywide Coalition to End Infant Mortality. And I'm representing the 37 community based organizations that are funded under New York's, the New York City Council's Infant Mortality Reduction Initiative. You have my testimony, but what I would like to stress is that even though the infant mortality has decreased to 5.4 deaths per 1,000 in 2007, the problem still persists significantly, in significantly higher proportions, in black and brown neighborhoods throughout New York City. The infant mortality rate statistics are higher in the Rockaways, East Flatbush, Brownsville, Bed-Stuy, East New York,

East Harlem, Central Harlem, Jamaica and Monthaven; and a little bit higher in other areas of the, of the City. What I would like to say is, and you have my testimony to read, so I'm going to read from my testimony. But over the past eight years, the citywide coalition and the New York City Department of Health have been working in partnership to reduce infant mortality in the City, by providing critical maternal infant reproductive health services to women, infants and their families, in many of the highly impacted neighborhoods with funding through the infant mortality reduction initiative. As a result of the IMRI, needed complimentary case management, outreach referral and health education services have been provided to thousands of women and their families through the community based organizations, and also through the Bureau of Maternal Infant Reproductive Health Programs. Major strengths of the IMRI are the community based nature of our work, with difficult to reach women and families, that are most in need. Many years of work, experience working in neighborhoods with high infant mortality rates, and our

collaborative work with the Department of Health, have resulted in that decrease that you've seen in infant mortality, we believe. There've been multiple challenges encountered; however, and some of those challenges have been with the contracts being registered on time, but we've persevered, and we are working to get out the services to the communities. What we are asking the City Council to do is to restore the \$3.6 million for the Infant Mortality Reduction Initiative, and also so that we can get the matching funds from the State for the next year. So, I ask that, and thank you for your continued support over this past eight years, and hopefully for your continued support.

CHAIRPERSON WEPRIN: Thank you.

I'm going to call a bunch of names, and then if I don't call your name and you want to testify, come up, because I think we have more slips than people in the audience, so. Lucina Clark [phonetic], who I heard from earlier on the steps of City Hall, with My Time, Inc., very articulate; Kyra Streets [phonetic] from the Center for Arts Education; Danielle Marchione [phonetic], Citizens Committee for Children; Matt Shotgen [phonetic], the School

Based Healthcare Center Coalition; Dr. Jean Guy Valcourt; Robert Leterer [phonetic]; and Bove and anybody else that'd like to come up. Speak now.

Hi, good afternoon, thank you so much, it's so good to see you again.

CHAIRPERSON WEPRIN: Yes.

LUCINA CLARK: I know it's, it has been a long day, and I'm here representing My Time, Inc., a parent support center, in Canarsie, Brooklyn, and also, also the Providers Of Autism Initiative Program. My name is Lucina Clark, Executive Director of My Time, Inc., parent support and networking center in Canarsie, Brooklyn. It is my honor to speak to you on behalf of the Autism Initiative Providers, respectively the providers of the wraparound, and the Parent Education Training and Community Awareness Services. Our goal is to inform you of the utmost importance of maintaining and keeping this initiative on the table. It is vital to the families we serve in all communities. Statistics show one in 150 individuals are diagnosed with autism, and a child is diagnosed every 20 minutes. This is an epidemic. These families are in

crisis. These parents need support, educational training, the after school programs, and definitely the resources in the community about autism, especially the underserved communities in Brooklyn, Canarsie, the Bed-Stuy areas, Manhattan, Queens, The Bronx and State Island. Too often, these families are forgotten by society, and in desperate need of these services: the wraparound, as well as the parent education and training, and most definitely community awareness of autism.

It's time that these families feel valued and respected in their roles as parents and caregivers for a child with autism. As one parent has said to me, "I did not stand in line and ask God to give me a child with a disability, but this is my precious child, and I have to advocate and be serving to get the appropriate services for my child and I." From the beginning of the Fiscal Year to present, the 13 parent training and nine wraparound providers have served over 2,900 families who receive individual assistance in connecting to services and entitlement. Over 2,000 parents and caregivers, 3,000 professional gained knowledge, and were empowered by attending

these community education workshops. In addition to this, there are 215 children with autism enrolled in the after school and weekend programs. That is amazing. The respected providers of wraparound and the parent education and training have been quite effective in providing resources to the families in the communities. It is great to see the resources utilized by the entire community. Look at the numbers, look at how many individuals have been served. The professionals and the parents learning together, the resources need to make the family's life more functional. This is critical. Collaboration of services, groups working together, to benefit the families of - - autism. These awareness workshops in the community help - - define the stigmas and negative stereotypes of families of a child with different abilities and autism. Parents and professional were empowered and able to get refuge, comfort, understanding and care from these organizations. We are in the community. Who best to serve? We meet the families, speak with them and listen. I say listen, not just hear what about their frustrations and concerns. We actually listen.

Too often we hear what people are saying, but don't take time to listen to their concerns. We listen to the needs of the families and take action. We know respected agencies have provided these services to the families. We need as a community to be more empathetic and value the lives of these parents, respect them for who they are, and embrace them in our lives. They can make a difference, they can teach us, as well. The parents are the ones who can share how we, as the providers, can provide the desperately needed services for their families. Letting these parents know we share their concerns, to provide the services we give them, a quality of life is important. It changes the way people think, care or feel, for one another. People respect others when they're respected; people value others when they feel valued. Cutting these programs and funding is detrimental to the wellbeing of these families. If the City Council thinks we are in crisis right now, these service and these cuts, the families' life will be in turmoil. The parent is concerned. Where do I place my child? Where do I get, get the resources I need to

appropriately assist my child to live a functional quality of life? Also, as we serve these families, there are so many barriers and concerns. The fundings we need is for like the different cultures we serve within the community. One obstacle we encountered is a translation services, the families that are not getting the effects. This is costly. But if we are serving and reaching other communities, this should not be a barrier. Funding must be available to all masses. What makes a disability different? Autism affects all races, colors and economic status. It does not pick or choose a family, it affects all. Council Member Dave Weprin, I know you're very, very advocative in doing this for the families, and we appreciate that. We the providers implore you to keep this initiative and continue funding it. It is critical. No, it is crucial, not critical, not it's critical to these families; the parents, children, and the professionals of the community. Without this financial support, we fear that more families will be in crisis. Thank you.

MATT SHOTKIN: Pleasant good

evening to you, Mr. Chairman, and the, with Ms. Depalma as my witness, I'm going to tell you this, that I've made quite a few tries and have successfully faxed you stuff about sales tax and have not gotten back a response. The [laughs]

CHAIRPERSON WEPRIN: For a sales tax increase or against a sales tax increase?

MATT SHOTKIN: I am actually for a sales tax increase. [laughs]

CHAIRPERSON WEPRIN: Okay.

MATT SHOTKIN: So--

CHAIRPERSON WEPRIN: You're in the minority, but go ahead.

MATT SHOTKIN: [laughs] But just wanted you to pass a message along to Chairman Rivera that, you know, that in Bill 158-B, which has to do with lead poisoning, it should be covered under Chapter 55 of the Health Laws of 1992, and not even today it isn't. So--

CHAIRPERSON WEPRIN: I'll pass that on.

MATT SHOTKIN: [laughs] Alright. The, good after--good evening. My name's Matt Shotkin [phonetic], and I'm a public health

advocate. Public health programs need to be improved for a number of reasons. One, people with disabilities are being covered less, or not at all. Two, the Children's Oral Health Program will be cut by July of this year. Also, dental care and visits will be lost. Three, child health clinics are being cut. This is pure nonsense for children, and especially infants. Because of this, the infant mortality rate has declined. Four, HIV and AIDS are being cut way too much. \$10 million? This is totally nuts. Five, the primary care initiative should be expanded, not cut. We need to restore funding. Six, mental health, mental retardation and developmental disability programs at HHC, that's the Health and Hospitals Corporation, for all you laymans here, in the audience, shouldn't be cut. In addition, children with special needs programs shouldn't be cut. Students need not to be, need to be able to go to the nurse if they are sick, or even for a, a checkup. They also need to make progress in school. For example, they need to be able to have a healthy lunch at school, as well as take their SATs. Thanks for your time tonight.

CHAIRPERSON WEPRIN: Thank you.

Good evening, my name is Danielle Marchione, I'm the Director of Communications and Government Relations at Citizens Committee for Children, CCC. CCC is a 65 year old, privately supported, independent, multi-issue child advocacy organization, ensuring children are healthy, housed, educated and safe is critical during the economic downturn. Funding to protect child wellbeing must be restored so we don't produce more costly, long term needs. Turning to health, it is critical that preventive and primary care be protected in this budget. We ask the Council to restore the \$6 million for child health clinics, \$2.5 million for children's dental health services, funding for the obesity prevention, asthma prevention, infant mortality and autism awareness initiatives, funding for mental health services for children zero to five, as well as the primary care initiative. In addition, CCC is very concerned about the structural deficit facing HHC, created by a State Medicaid rate change, and HHC's plan to meet it by closing primary care clinics. Taken together, all of these budget proposals

would severely impact the health of New York City's youngest. Turning to education, we are happy that the federal stimulus dollars prevented teacher layoffs, and that overall DOE was able to preserve core classroom services. However, the DOE's proposal to use principal discretionary funds to pay for federally mandated services such as special education, will mean that some schools who are unable to roll over unused funds from previous years will experience cuts to individual school budgets. In the past, these principal discretion, discretionary funds were used to pay for school support staff, arts and after school programs. It is also important to ensure that DOE schools have the capacity to serve all four and five year olds needing a school in their community, or they should be looking to CBOs and other partners to ensure capacity is available. Thank you for this opportunity to testify.

CHAIRPERSON WEPRIN: Thank you.

And last but not least. You get the door prize.

ANN BOVE: Yeah, thanks. My name is Ann Bove, I'm a registered nurse at Bellevue Hospital, I've been a nurse there for 31 years. I

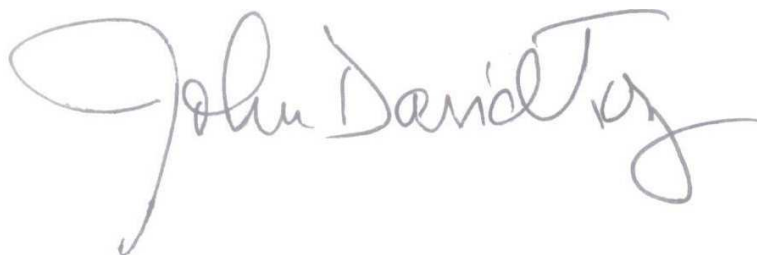
graduated from Hunter College when tuition was free. The two issues that I want to speak about is first the privatization of dialysis at Belleview. Dialysis is an essential service and privatization, to cut to the chase, does not guarantee that that company would necessarily be there for the duration. So, in terms of looking at privatization, it really should not happen, dialysis is an essential service, we're a Level I trauma center. Subsequently, we can do it, have done it, and should continue to do it. The second part, in terms of why I brought up Hunter College, my graduating from there is that CUNY and City hospitals, according to the City Council president, have put together a program to facilitate nurses' growth and programs. But they've gone to City hospitals that are not HHC hospitals. For example, Belleview Hospital sees about 700 nursing students in terms of an affiliation contracts, that are, that are there, and I think a better joining would be City University and HHC. Not to say that we shouldn't be also utilizing hospitals that are in the City of New York, but the primary focus should be HHC,

and to keep it, in a sense, within government within the public sector, and to facilitate better access to education for nurses, and also better access to care. Thank you.

CHAIRPERSON WEPRIN: The, this session of the Finance Committee is about to be adjourned. I want to particularly thank Council Member Annabel Palma and Council Member Robert Jackson for hanging with me till the end here. We're going to reconvene tomorrow morning at 10:00 o'clock, with the New York City Housing Authority.
[gavel]

C E R T I F I C A T E

I, JOHN DAVID TONG 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.

A handwritten signature in cursive script that reads "John David Tong". The signature is written in a dark ink and is positioned above the printed word "Signature_".

Signature_

Date June 24, 2009