

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON FINANCE, GENERAL WELFARE AND
WOMEN'S ISSUES

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May 26, 2009
Start: 10:21am
Recess: 5:50pm

HELD AT: Council Chambers
City Hall

B E F O R E:
DARLENE MEALY, BILL DE BLASIO
and DAVID WEPRIN
Chairpersons

COUNCIL MEMBERS:

Council Member Gale A. Brewer
Council Member Elizabeth Crowley
Council Member Helen D. Foster
Council Member Letitia James
Council Member Simcha Felder
Council Member Julissa Ferrera
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Council Member Joel Rivera
Council Member James Sanders, Jr.

A P P E A R A N C E S

COUNCIL MEMBERS:

Council Member Helen Sears

Council Member Thomas White, Jr.

Council Member David Yassky

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

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Human Resources Administration,
Department of Social Services

Kathleen Tyler
Deputy Commissioner
Human Resources Administration's Budget Office
Department of Social Services

Matthew Bruni
Director
HIV/AIDS Services Administration
Human Resources Administration, Department of Social
Services

Seth Diamond
Executive Deputy Commissioner, Family Independence
Administration
Human Resources Administration, Department of Social
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John Mattingly
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New York City Administration for Children's Services

Susan Nuccio
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New York City Administration for Children's Services

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Rob Hess
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Deputy Commissioner, Fiscal and Procurement Operations
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Policy Director
Supportive Housing Network of New York

Angelina Malvisio
Resident
City family shelter

Piper Hoffman
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Janet Rivera
Board Member
Community Voices Heard

Edith Holzer
Director of Public Affairs
Council of Family and Childcaring Agencies

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

Carol Corden
Executive Director
New Destiny Housing Corporation

Robert Cizma
Vice President of Mental Health and Preventive
Services Division
Jewish Childcare Association

Triada Stampas
Director of Government Relations and Public Education
Food Bank for New York City

Jose Belizario
Administrator
Momentum Project, Inc.

Richard Graham
Client
Momentum Project, Inc.

2 [gavel]

3 SERGEANT-AT-ARMS: Quiet, please.

4 CHAIRPERSON DE BLASIO: Good

5 morning. This, a joint budget hearing of the

6 Committee on General Welfare, and the Finance

7 Committee, is now called to order. Chair Weprin

8 of the Finance Committee will be joining us

9 shortly. Like to acknowledge Council Member

10 Julissa Ferreras, and Council Member Simcha

11 Felder, and Council Member Tish James. Thank you

12 all for being here. I want to thank the staff who

13 helped put together this hearing, including Molly

14 Murphy, Migna Taveris and Crystal Coston.

15 Crystal, I'm sorry, I said, I didn't get my "L" in

16 there. Crystal. I wanted to say at the outset

17 that this is a--Oh, I'm sorry, and we've also been

18 joined by Gale Brewer from the General Welfare

19 Committee. I want to say at the outset that this

20 is a meaningful day for me personally. It's the

21 last time I will be chairing a budget hearing of

22 the General Welfare Committee, and I just want to

23 say it has been an honor to serve as Chair of this

24 Committee over the last eight years. And I want

25 to say to so many of you in the room I've had the

opportunity to work with, thank you for having been such wonderful partners and such passionate advocates in the work you do. And today, obviously, we have this hearing at a moment that is of great concern to us all because of what's happening in our City and with our economy. And we're in the middle of the worst economic crisis our City has faced in decades. And as I've said repeatedly, we must ensure that the City is taking the right steps to feed the hungry and help people get out of poverty and back into the workforce, especially at this moment in history. But unfortunately these problems for now are only getting worse. The costs of food and other necessities have been rising for years, which means that New Yorkers are struggling to meet basic needs, especially New Yorkers at the lowest income levels. And unfortunately, even though these problems are evidently and obviously getting worse, this City's budget, this budget proposal, does less to address them than we have in the past. HRA is eliminating 424 City funded positions in the coming fiscal year. Now we under--we need to understand, this is part of what

we want to get at today: How this will affect the work of the agency overall, especially because HRA is still losing hundreds of provisional workers in the coming months. Despite our efforts and other efforts to try and avoid that, that still is the plan, and that combined impact could cause, I think, a huge diminution in the agency's capacity. In addition to the fact, as I have said and many of my colleagues have said, that whenever we're laying people off, it is exactly the reverse of what the federal stimulus means to achieve, because we're literally as a City helping to put families into a worse situation by ending people's jobs. And I think there's a huge contradiction in that. Now, as we discussed at the preliminary budget hearing in March, we need to know whether these losses of experienced workers could be avoided, and can be avoided, moving forward. Now, I'm happy to see on the, let me talk about jobs for a moment, I'm happy to see that HRA will begin a temporary subsidized jobs program in 2010, modeled after the successful transitional jobs programs in the Parks and Sanitation Departments. As we discussed at our hearing in February on

2 transitional jobs, and at the preliminary budget
3 hearing, I applaud that commitment, but think we
4 need to go much further. The City is spending
5 \$150 million on the Back to Work program, which
6 aims to place people into permanent jobs; and yet,
7 as was clear at our hearing a few weeks ago,
8 according to the Independent Budget Office,
9 "Roughly two-thirds of clients who are placed in
10 unsubsidized positions through Back to Work, and
11 retain those jobs for 30 days, are no longer in
12 the same jobs five months later." The IBO's
13 report suggests that the City's approach is not
14 working, and people are on something that may be a
15 public assistance merry-go-round. As the number
16 of jobs goes down during recession, which makes
17 job placement harder, we need to take a look at
18 serious changes and a bigger vision of change for
19 our approach to getting people into work. Now, I
20 recommend that 25 percent of the Back to Work
21 contract funding be used to expand transitional
22 jobs programs where people are paid for the work
23 and receive support to ensure employment success.
24 That's the kind of real commitment we need.
25 Investment the City makes in employment training

programs needs to pay off now more than ever, so that people in the program aren't wasting their time and taxpayers aren't wasting their money. On the topic of food, which has been food, nutrition, hunger have been profound concerns of this committee for the last eight years. Once again, we see in the executive budget that funding for the Emergency Food Assistance Program is cut, in this case by \$2 million. Despite some increases from the federal stimulus package and the State, it's not enough to get us to the point where we can meet the need. According to the food bank for New York City, nearly half of all emergency food organizations have had to turn people away, because more people are coming to their doors and they don't have enough food, and private donations have been down as a result of the recession.

According to recent HRA estimates, 15 percent more individuals were served at food pantries in January to March 2009, than at the same time lasts year, and eight percent more meals were served in soup kitchens. We need the City to support these programs, to hedge against the recession, and public money, public services to stabilize this

safety net. Now is not the time to be cutting it. On the topic of housing, I remain troubled about the cuts to HASA services for people living with HIV and AIDS. New York City cannot be complacent about HIV/AIDS. August 2008 figures from the City's Department of Health suggests that New Yorkers are contracting HIV at three times the national rate. In addition, we're seeing increased rates of homelessness among this population. According to HRA's own data, 22 percent more people with HIV and AIDS are living in commercial SROs as of March 2009, than just about two years earlier in April 2007. Yet the City is cutting case management and supportive housing services to HASA clients, as we talked about at the preliminary budget hearing. In addition, the City recently instituted a policy requiring homeless families, again on the topic of housing, requiring homeless families who pay-- excuse me, homeless families who work to pay for the costs of shelter. But the City then backtracked, because those families weren't appropriately informed. HRA is responsible for calculating the amount of the contribution, and

2 according to the New York Times, HRA was at least
3 partially responsible for some of the notices not
4 getting to families. This policy is backwards to
5 begin with, but due to the errors, City agencies
6 cause families undue stress and hardship, which is
7 unacceptable, and today we'll ask why that
8 happened and how that happened. So, in summation,
9 in such a fragile economy, we should be supporting
10 the most vulnerable New Yorkers, and not taking
11 services away from them. And that's what we want
12 to focus on in the budget hearing today. Before I
13 turn to Commissioner Doar, I'd like to welcome--is
14 that you, Mr. Jackson? Council Member Robert
15 Jackson. And now, Commissioner, we welcome your
16 testimony.

17 ROBERT DOAR: Good morning,
18 Chairman De Blasio, and members of the General
19 Welfare and Finance Committees. Joining me this
20 morning is Kathleen Tyler, Deputy Commissioner for
21 the Human Resources Administration's Budget
22 Office. As I am sure you are well aware, the
23 significant reductions in City revenue, and the
24 even more troubling revenue picture at the State
25 level, have required a series of spending

reduction actions that impact all agencies for the 2010 fiscal year, as well as for at least the next two fiscal years. For HRA, this has meant identifying more than \$628 million in savings for the period from fiscal year 2008 through fiscal year 2012, including a reduction in our budgeted workforce by more than 760 positions. For the current fiscal year 2010 executive budget, we have identified an additional \$21.4 million in savings beyond previous savings exercises, bringing the total fiscal year 2010 savings to more than \$151 million. Over the past year, I have told you that we were able to find the necessary savings by maximizing state and federal revenues, and implementing administrative and programmatic efficiencies, while at the same time protecting our core client services. This continues to be our approach. My primary focus during the development of this and earlier budgets has been to protect services to our most vulnerable citizens, such as those served by our Adult Protective Services Unit, as well as to make sure we continue to the goals of our core services, such as food stamps, cash assistance, child

support enforcement and medical assistance programs. While it is essential to make sure we can maintain our present level of commitment, it is equally important to be ready to meet any increased demand when it occurs. The Food Assistance Program caseload continues to grow significantly each month. Enrollment in the program grew by 28,000 in April and has increased by a total of 96,000 in the first quarter of 2009. With the April increase, those receiving food stamp benefits independent of cash assistance and supplemental security income, has increased by more than 50 percent in the last two years, and by 265 percent since 2002. These increases have been made possible by our successful efforts to streamline the application process so that it is faster, simpler and more convenient for clients and workers, while maintaining our commitment countering waste and fraud through the use of finger imaging technology. At the same time that we have met increased demand for our services, we have also increased our timeliness rate, processing applications and determining eligibility for 89 percent of applicants within

the required timeframe of 30 days. This is a remarkable achievement. One of the most recent access improvements we have made is allowing people to recertify for food stamp benefits, using an integrated voice response system, IVRS. This option is available to certain households with elderly or disabled adults, and allows the recipient to recertify 24 hours a day, seven days a week, from any touchtone phone. Since IVRS was implemented citywide in March, over 1,300 individuals have used it to complete their recertification requirement. Having praised our improvements in access, I also need to let you know that we have seen a small increase in food stamp error rates that I am conscious of and am closely monitoring. For cash assistance, the caseload appears to have stabilized. Prior to 2009, there was a continual downward trend in cash assistance, while at the beginning of this year, there was a slight increase in caseloads for February and March. However, in April, there was a slight decline of approximately 1,000 individuals. Conversely, the medical assistance public health insurance roles increased by

approximately 6,000 enrollees in April, and by a total of 44,000 enrollees during the first quarter of 2009. The story of public health insurance enrollment is one of stops and starts. From early 2002, we saw an increase that lasted until the end of 2005. And then the rolls stabilized for almost a three year period, until August 2008, when the number of New Yorkers covered by public health insurance started up again. The budget also takes into consideration recent changes enacted as part of the State's 2009/2010 budget passed in April. Of particular concern was a decision proposed by the governor and agreed upon by the legislature, to eliminate the local administrative fund. This decision removes the State's financial support for the food stamp and safety net programs, and created a \$40 million deficit to the HRA programs. The State budge also provided a 30 percent increase to the cash assistance basic allowance that will be phased in over a three year period. For the first three years, the incremental costs will be covered with State and federal dollars, at no local cost--the federal shares available through the TANNIF contingency fund that the State

was able to qualify for as a result of the efforts of local districts in increasing the enrollment in the food stamp program. After the initial three year period, the three plan is for the local share to be picked up by local districts and will become part of the budget process for forecasting cash assistance costs going forward. Other notable expenditures in the State's budget include a new funding for transitional jobs, of which HRA anticipates receiving some funds, once the State Office of Temporary and Disability Assistance determines the distribution with the bulk of the funding to be directly administered by OTDA, using a contracting process. We look forward to using our allocation of these funds to build upon our present success with employment programs, that has resulted in the placement of more than 25,000 cash recipients into jobs already this year. Also, the second phase of the child support pass-through increases that began in last year's State budget will continue. This provides that in addition to passing through custodial parents on cash assistance the first \$100 in collections made on their behalf, parents with two or more children

2 will now receive an additional \$100 pass-through
3 collections made, of collections made on their
4 behalf. As I mentioned earlier, we were able to
5 continue to maximize federal reimbursement,
6 particularly in Medicaid and food stamp employment
7 and training. Through our increased efforts and
8 attention to Medicaid fraud deterrents and
9 recovering, and through reorganizing workloads to
10 focus solely on Medicaid, we are able to claim 100
11 percent of the costs of an additional 19 staff
12 towards Medicaid. We also adjusted our budget to
13 correctly reflect the actual claiming process
14 under the Federal Food Stamp Employment and
15 Training program. However, in our We Care
16 program, we have budgeted for a reduction in our
17 vendor contract by 3.3 percent, but are confident
18 that our vendors will be able to absorb the
19 reduction with minimal adverse effect on our
20 clients. In addition, I have asked our
21 information technology staff to find \$1.2 million
22 in savings in order to minimize cuts to our direct
23 services. Approximately 30 percent of this
24 reduction is in permanent discretionary spending,
25 and will therefore result in some slowdowns in

purchasing, installations and maintenance requests. However, by reducing some of our inventory, scaling back on software and hardware purchases, leveraging in-house technology, and expanding our use of web-based applications to maximize the capacity of our servers and personal computers, we will be able to maintain our present service levels and manage anticipated new demands.

I want to assure you that I remain committed to utilizing and expanding the use of technology throughout our human service system, but I needed to turn towards our more administrative functions for savings. We also met our target through the elimination of 145 positions in head count vacancies, and are developing the allocation plan with the expectation of taking a majority of these vacancies against our administrative areas.

Although we are not laying off staff as part of this budget, we recognize that the citywide redeployment of staff cut from other agencies, will result in the displacement of HRA staff, as laid off employees from other agencies assert their civil service bumping rights. I also want to take a moment to address reductions we are

making within our HIV/AIDS services administration HASA program. I need to reiterate that we have thoroughly reviewed the potential impact of these changes, and are prepared to move forward with them. To review, we are allowing the Scatter Site II service contracts to expire on their natural termination dates, due to the loss of state funding. No one will lose their housing, and we have spent the last several months ensuring that every client will continue to receive an appropriate level of case management and services, in order to maintain their housing stability. We are also altering the structure of our contracted case management program, to make the client to case manager ratio more appropriate. No contracts are being eliminated, and the two layers of case management provided through HASA and contractor case management will continue. This morning, I have highlighted the different budget cuts that we have made due to the unprecedented fall in revenues to the City and State governments. But it is also well to point out what we have not cut, and what we have maintained and even enhanced in New York City's efforts to help low income

families. We have implemented an increase in food stamp benefits, bringing in more than \$20 million additional dollars to low income New Yorkers each month. We've increased the child support pass-through of collections made on behalf of families on cash assistance. We have continued our commitment to vulnerable and elderly residents through our expansive homecare program, that allows people to remain in the community. We have maintained our commitment to people living with HIV/AIDS through a HASA program. We have created and funded an innovative neighborhood improvement program, aimed at reducing the effects of the mortgage crisis in fragile neighborhoods, while providing valuable employment experience for hard-to-employee cash assistance recipients. We are also soon to launch a new employment program for non-custodial parents within our child support program. And along with our partners at the City's Department of Homeless Services, we support what is surely the most enriched housing assistance program in the country. So while I acknowledge that we have had to make some difficult reductions to our budget in response to

2 the dramatic and unprecedented fall off in State
 3 and City revenues, I believe HRA's 14,000
 4 employees can still be very proud of the array of
 5 services and supports we continue to provide to
 6 New York City's low income residents. And at this
 7 point I look forward to your questions.

8 CHAIRPERSON DE BLASIO: Thank you,
 9 Commissioner. Like to welcome Council Member
 10 Vincent Gentile. And Commissioner, I have
 11 questions on the areas that I laid out in my
 12 opening statement. I know my colleagues have a
 13 number of questions, as well. So I'm going to
 14 start and then we'll hear from some of my
 15 colleagues, and then I'm sure I'll have some
 16 follow-ups at the end. So, let me focus as I did
 17 in the statement first on the question of jobs,
 18 'cause I think this is what's on the mind of so
 19 many people in this City, and again this is to me
 20 the whole notion of the federal stimulus program
 21 was to stabilize state and local budgets, but it
 22 was also to get people to work and keep people at
 23 work, and keep the economy going. So, I want to
 24 raise, first of all, on the question of our
 25 approach to getting people into jobs. We, I'm not

going to rehash everything we went through in the previous discussions, 'cause obviously we have a difference on the question of whether Back to Work and, in a different, We Care, as you described in your testimony. We have differences on whether we're getting the impact for our dollar that we deserve. But I specifically want to ask you in the case of Back to Work, since you've now had time to reflect on the IBO's report, the IBO report, and the questions about how long people have stayed in their jobs, and about the question about how long we are able to sustain a policy that focuses on placement in the middle of an economy that's losing jobs, not adding jobs. I think you expressed a certain openness at our previous hearing to looking at the questions of transitional jobs, and considering whether it might be time for a policy shift. So, I know you have made a modest step in that direction, but I'd like to hear what you think of the notion of making an ore profound step in that direction, and, again fro the sake of discussion, I put forward the argument that we should take 25 percent of our Back to Work dollars and apply them

to expanding transitional jobs programs, so we know we're actually getting people to work, and getting them on the route to long term self-sufficiency. What do you think of that proposal?

ROBERT DOAR: Well, in the context of the fact that the State of New York, using combination, I think mostly federal dollars, has, is about to make available to us. We anticipate an opportunity to do additional transitional job programs through allocations that were in the just recently passed State budget. I think that's what we really have to be ready to go with, as rapidly as possible, when that direction comes from the State. As you know, the State budget allocated several pots of money for transitional funds of different kinds. There's a green job allocation, there's a healthcare job allocation. I think then there's a sort of undefined, broad, broadly defined transitional jobs allocation. And the State has its own money to use in State funding contracts for transitional jobs. And all of that has not yet played out because the State agency needs to give us our allocation and tell us the direction that we need to have on how we can go

forward. And so, given that that still hasn't happened, and is anticipated very soon, I think that's where we really need to focus our energies going forward. That is a significant increase in the amount of dollars directly apportioned to transitional jobs. As you mention in your test-- in your statement, HRA is also budgeted for expansion of the transitional jobs program within our own agency. So I think there's a lot of activity about to take place, and will be taking place, in the coming months already, and to, at the same, to them, so that's where I am on that. I, we've proposed a budget that continues to fund our Back to Work program at the rate that we have in the past, because that, those programs have been successful in helping people get into employment, and stay in employment. And we are not, we definitely don't think we should tie our arm behind our back in this particularly difficult time in helping people get into employment. So I think there's a lot of activity in transitional jobs, and there's going to be a lot of activity in transitional jobs, in the next six months.

CHAIRPERSON DE BLASIO: Okay, I'm

2 glad by the, I'm glad to hear the broad strokes of
 3 your answer, but I don't think it gets to the
 4 point I'm raising, so let me try again. In terms
 5 of what you've added to your approach, for the
 6 fiscal year 2010 budget, my understanding is
 7 you've taken the model, the successful model from
 8 Parts and Sanitation, and you're, you've budgeted
 9 for approximately 80 individuals to now
 10 participate in an expanded version of that.

11 ROBERT DOAR: In an additional,
 12 with HRA, that's correct.

13 CHAIRPERSON DE BLASIO: Within HRA,
 14 so 80 people, and that's good, and I commend you
 15 for doing that. But again, we're talking about
 16 our citywide employment crisis is huge, and the
 17 amount of money we're putting into the Back to
 18 Work program is very, very substantial. So, I
 19 came away from the previous hearings related,
 20 where we raised back to work, and remained
 21 unconvinced that we were getting enough bang for
 22 our buck, and remained unconvinced that a
 23 placement model works in a bad economy. And I
 24 think we had an honest debate on your facts and
 25 figures. I think you were the first to say

2 there's a certain amount of information we don't
 3 know, because we don't track folks in the programs
 4 past a certain point, or we don't have the, we
 5 don't hear from them past a certain point, so we
 6 don't know exactly whether they're still in jobs
 7 or not. We do know a substantial number come back
 8 to public assistance. I think you saw that as the
 9 glass half full, and I saw that as the glass half
 10 empty, but we know for a fact that a substantial
 11 number, at least 25 percent, come back to public
 12 assistance. So, again, I guess, I'm asking the
 13 question, if you're putting a substantial
 14 investment into Back to Work, and you're getting a
 15 limited return, and it's clear that jobs are not
 16 being created, why wouldn't we make--

17 ROBERT DOAR: Well, I--I would--

18 CHAIRPERSON DE BLASIO: --why
 19 wouldn't we change our policy.

20 ROBERT DOAR: I think the premises
 21 that you outline are not correct. We believe our
 22 substantial investment of Back to Work has been
 23 successful, we had 80,000 placements in employment
 24 during 2008, which was a national recessionary
 25 period. I think it was a remarkable achievement,

which the Back to Work program contributed to. We are on, that was more than we had in 2007. We are on course so far this quarter, our placement rate is about the same. So, we have not, as I think I've mentioned to you previously, Mr. Chairman, because of the fact that in the healthcare industry and in some industries that we have been able to make placements, we have not yet, although we're monitoring it very closely, had a situation where our placements have fallen off dramatically. And so I think that it would be a mistake to walk away from that, at this time, given the issues that we face. I think you received testimony from some of the vendors themselves. These are the City's leading employment contractors in the business of helping people get ready for and into work. It's difficult work, but I don't accept the notion that they are not successful.

CHAIRPERSON DE BLASIO: Okay. You said something telling in my opinion, you said that 2008 was a national recessionary, and I think it's broadly agreed that we were feeling the impact of that less than other jurisdictions. And that it's hitting us more now, and probably will

2 stay with us longer, unfortunately, after the
3 fact, in part because that, there's some history
4 of that being the case with New York City, and in
5 part because of what's happened to Wall Street,
6 which only took it's full shape in less than the
7 last year. So, I guess I don't feel that the
8 example of 2008 is the one to look at.

9 ROBERT DOAR: Well--

10 CHAIRPERSON DE BLASIO: As we
11 discussed at the last hearing, you don't doubt
12 that this is going to be several difficult years
13 ahead. And that they're going to be typified by
14 less employment being available in the private
15 sector.

16 ROBERT DOAR: Well, I, first of
17 all, today's, this mornings Crain's New York, has
18 a very interesting lead article, on the
19 differences in the economies of four major cities
20 in the United States: Detroit, Los Angeles,
21 Houston and New York. And New York, according to
22 Crain's, comes out much stronger than those three
23 other localities. So, I actually am not sure that
24 I agree that we're going to be in it longer, or
25 that it's going to be more severe in New York

City. And I think some of our experience within HRA, I believe that place people in employment, is indicated, and as I've talked to colleagues around the country, that we have a little stronger economy than we have during other previous recessionary periods. So, you know, I, my view is, is that Back to Work vendors are engaged, they're experienced, they're successful. We need to constantly monitor them and push them. We're going to get a very big, significant increase in transitional jobs allocations. And I'm hopeful that with that, and with our continued focus on performance, we will get through this difficult period. The president's stimulus package effects are still to be felt, as you know, these things don't happen overnight. And so I'm not ready to, given the performance to-date, make a radical change in our approach. I do want to, we are aggressive, and we're focused, and we're concerned, but to change the Back to Work approach that we've had these past three years, with existing vendors who are representative of the leading employment providers, I think you could find anywhere, I think would be a mistake.

2 CHAIRPERSON DE BLASIO: Well,
3 Commissioner, I'm unconvinced by your citing of
4 the Crain's Report today. We're over eight
5 percent unemployment in the City and in the
6 nation. I don't hear a lot of analysis saying
7 that that's not going to go anywhere but up,
8 unfortunately. But even if you want to split the
9 difference and say we're going to hover around
10 that for a period of time, I'm confused by the
11 notion that you believe that means there will be a
12 consistent supply of entry level jobs available,
13 that you can apply the Back to Work program to
14 successfully. Now, I agree that you, I'm thrilled
15 that you have these additional resources coming
16 in, we all are. It would be helpful if you could
17 give us any shape to what you expect that to mean.
18 And the problem I have in a lot of these budget
19 hearings, with all due respect to the
20 Administration is, we often get a lack of
21 specifics, and we're in a position as an oversight
22 committee trying to, in a productive way, critique
23 and offer ideas and ask tough questions, and part
24 of what I see the Administration frequently do is
25 giving us such vague information that it's hard to

2 ask the right question. So, can you give us even
3 a ballpark as to what number of jobs you expect
4 those new funding streams to achieve?

5 ROBERT DOAR: I--Let me first of
6 all say that the statutes for the three, the
7 statutory language, the budgetary language in the
8 State budget for the three pots of money are
9 pretty short, and, but they're there. And we can
10 provide those to you. That is the direct the
11 State Legislature and the Governor has given to
12 OTDA. They're going to be an allocation to the
13 local Departments of Social Services. By far the
14 largest allocation will come to the City of New
15 York. I think it'll be in the range of \$2
16 million, at least, probably--

17 CHAIRPERSON DE BLASIO: How--say
18 again how much?

19 ROBERT DOAR: \$2 million, in each
20 of the pots. And the key question, which is
21 undetermined, and we're waiting for answers from
22 the State, is the extent to which the localities
23 are given great flexibility in fashioning those
24 programs, and the extent that we can do them
25 quickly. And a lot depends on what the State

2 gives us when they put out what's called an ADM or
3 a direction, an administrative directive
4 memorandum from the Commissioner of OTDA saying
5 "We have now determined that the allocation to
6 your county is X, please submit a plan" or "please
7 go forward." Now, when you say the number of
8 jobs, transitional jobs programs, because they
9 contribute to a wage, are sometimes expensive.
10 And they are--so, the number of jobs in all, if it
11 totaled up to \$8 million additional spending on
12 traditional jobs may not be, it's not going to be
13 15,000, it's going to be something less than that.
14 But it will be, and what we want to do is have
15 those jobs, a) be rapidly available. That's the
16 main thing, we want to get to it quickly. Second,
17 we really wanted to be targeted and directed at
18 those who are struggling the most. People that
19 have been either, had the most difficulty getting
20 in the workplace, perhaps reentry population,
21 people coming back from prisons. And then to the
22 extent that we have a proper balance between
23 direct engagement in employment and earning money,
24 and training and education, that makes it so
25 there's both elements are available, that's what

2 we want, and that's what we intend to push
3 aggressively to put in place.

4 CHAIRPERSON DE BLASIO: Well, I'm
5 not going to belabor, but you're still, I think,
6 missing one of the core points I'm making here,
7 which I'm glad that there would be, for example,
8 \$8 million, and I'm going to be conservative since
9 you don't have a real estimate for me, and say
10 "I'm glad that that would create several thousand
11 jobs." And you can come back with whatever that
12 number is, but I'll just, you can tell me it's
13 5,000, whatever number you're comfortable with.

14 ROBERT DOAR: Transitional jobs are
15 costly.

16 CHAIRPERSON DE BLASIO: Right, but
17 again, with all due respect, and you've been,
18 you've shown a lot of integrity in your dealings
19 with this Committee, but it would be nice coming
20 into a hearing like this, to have some kind of
21 estimate for us of what you hope to achieve. So,
22 I'm going to--

23 ROBERT DOAR: It would be nice if
24 the State Office of Temporary and Disability
25 Assistance would tell us what the allocation is

2 and what the rule'll be.

3 CHAIRPERSON DE BLASIO: So, give
4 me--you said it's not 15,000, would you say it's
5 5,000, 5,000 to 10,000? It's less than 10,000?
6 Do you have any, any judgment at all on that?

7 ROBERT DOAR: Not very many.
8 Transitional jobs are extremely expensive.

9 CHAIRPERSON DE BLASIO: Okay, so
10 stay with that point. If it's in the thousands,
11 I'm happy it's going to happen, it's important, it
12 will help thousands of families. But the
13 unemployment level we have in this City, and you
14 know it better than anyone, because you're in
15 effect--

16 ROBERT DOAR: Right.

17 CHAIRPERSON DE BLASIO: --the chief
18 anti-poverty officer in this City, you know, that
19 will help, but it won't help a lot. And so it
20 comes back to the question, if you've got \$150
21 million going into Back to Work, and the results
22 in my opinion at least, are far from ideal. Why
23 not apply more of that money to the creation of
24 transitional jobs, because at least with
25 transitional jobs, you get a guaranteed result,

2 and again the model we have of the last economic
3 crisis that was anywhere near--

4 ROBERT DOAR: Well--

5 CHAIRPERSON DE BLASIO: --this
6 level, was one of the government applying its
7 resources to employing a large number of people to
8 help get the economy back on its feet, and to help
9 those families. And you and I would both agree
10 the stimulus package to date has not had that
11 effect across the board, it hasn't been structured
12 towards employment, per se. Why would the City
13 not take it's precious resources and try to have
14 more of an employment impact with them?

15 ROBERT DOAR: Because we don't
16 agree that the choice is the right one, and that
17 the Back to Work vendors have been as unsuccessful
18 as you say. We think they've been very
19 successful. I should point out that in the
20 immediate term, if we immediately, unilaterally
21 across the board, say "Guess what? We're cutting
22 Back to Work by as you say 25 percent or 30
23 percent, whatever you wanted to cut it, that would
24 lead to an immediate displacement of employees.
25 People would lose their jobs right away. And they

2 would be in the business of helping people get
3 jobs. And so, that would, I think in the short
4 term, have a more negative effect on the economics
5 in the City than anything I could that quickly
6 turn around and restart somewhere else. So, we
7 believe that this, that these provides have done a
8 good job, and we're, we want to make them do an
9 even better job, and we intend to keep, we think
10 at this point, given the acknowledged
11 precariousness of the economy, to shift course
12 quite radically, would be a mistake.

13 CHAIRPERSON DE BLASIO: I'm amazed
14 that you think because we agree on the
15 precariousness of the economy that we shouldn't
16 shift course. I think that's a very questionable
17 policy, and you said last time, and I'll give you
18 credit for it, that if it became clear that the
19 unemployment problem was worsening, that you had
20 to look at new solutions. And again, this \$8
21 million from the outside funding sources is just
22 not a fundamental solution. Let me ask you very
23 quickly, I know my colleagues have questions.

24 ROBERT DOAR: I also should point
25 out, we're not the only ones in the employment

game. Well, we are the ones who often work with people who are struggling the most, the small business services, there are other entities in the employment retraining and reengagement business in the City of New York. So it's not entirely in our realm to solve the entire employment picture.

CHAIRPERSON DE BLASIO: And no one's saying that, the question is are we using our money to the best possible outcomes. And again I remain unconvinced. Quickly, on Back to Work, you broadly said you account for 80,000 placements. How many of those are Back to Work?

ROBERT DOAR: Back to Work placements are much, they get credit in terms of their payment, they get credit for about 20 percent of those, approximately. Although it's, I, that's because we only pay for engagement that they had with a particular client leading to employment. And it's not clear to me, I think that they, I think it also needs to be pointed out that the existence of a very engaged, Back to Work vendor, who's going to get someone who was referred to them, engaged and ready to employ rapidly, sometimes leads to people just saying,

2 "I'm going to go out and get my own job." And
 3 when that happens, they can't get credit for that
 4 employment situation, but the existence of our
 5 infrastructure and of our entire approach, and the
 6 fact that the Back to Work vendors are integrated
 7 into the job centers, contributes to that, in
 8 very, very strong message, that we need to make
 9 steps towards employment. And then, take
 10 advantage of the work supports that we have made
 11 available, food stamps, public health insurance,
 12 child support collections, child care subsidies if
 13 they're available, earned income tax credit, and
 14 that is what has worked, I think, for the City.

15 CHAIRPERSON DE BLASIO: I'll come
 16 back to you with other questions, but I know my
 17 colleagues have some, so let me turn to them
 18 first. I'd like to welcome Council Member Jessica
 19 Lappin. And now let's turn to Council Member Gale
 20 Brewer, followed by Council Member Robert Jackson,
 21 and Council Member Tish James. Council Member
 22 Brewer.

23 COUNCIL MEMBER BREWER: Thank you.
 24 I have a question about the one shots, which are
 25 very helpful to people who are trying to stay in

2 their apartments. How much do you spend on that?
3 How much do you propose in the future? And is it
4 just for rental or also for mortgage?

5 ROBERT DOAR: Okay, we, I don't
6 have the specific number on one shots, Kathleen
7 will look at that. We do quite a large business
8 in one shots, for rental assistance. And it's
9 served as a very effective vehicle to help people
10 stay in their homes.

11 COUNCIL MEMBER BREWER: I think we
12 should have more, that's why I'm asking.

13 ROBERT DOAR: Yes.

14 COUNCIL MEMBER BREWER: Go ahead.

15 ROBERT DOAR: We do do it in the
16 cases when there's particular circumstances fit on
17 mortgages, although I do need to point out that,
18 in that case especially, and also - - there's an
19 element of, we're expecting some payback if the
20 recipient of the one shot can find their way to
21 get to an ability to pay us back. So, we, and we
22 have provided guidance to the people in the
23 business of mortgage counseling and crisis
24 mortgage counseling, about the possible use of our
25 services in those circumstances, and I don't know

2 that we've seen a pickup in that kind of business,
3 but I can look into that.

4 COUNCIL MEMBER BREWER: Well, the
5 reason, I met a woman over the weekend, who \$500
6 was what she owed, apparently, on the mortgage,
7 and she got evicted, and now she's in your system.
8 And that seemed to me--

9 ROBERT DOAR: Unfortunate.

10 COUNCIL MEMBER BREWER: Pound
11 crazy.

12 ROBERT DOAR: Yes.

13 COUNCIL MEMBER BREWER: Penny wise
14 and pound foolish. So, my question is, so you do
15 do mortgages. In other words--

16 ROBERT DOAR: Does, yes.

17 COUNCIL MEMBER BREWER: Okay.

18 ROBERT DOAR: Because it is
19 something that we do do.

20 COUNCIL MEMBER BREWER: Okay. The
21 other question I have is, regarding the
22 commercials, I know you're trying to cut down on
23 the numbers of persons in the HASA program who go
24 to commercials. Again, thinking about the budget,
25 how much, how is the commercial rent paid, is it

2 all city, state, federal? How is it paid? Has it
3 gone up? Has it gone down? You know, we always
4 complain, it's the street discussion, that we pay
5 so much more than the rent in any building. And
6 I'm just wondering what kind of money is it? Is
7 there some way to cut it down, not to mention get
8 rid of the commercials altogether, but while we're
9 in the that business, how can we lower it, or is
10 it all federal funding, etc.

11 ROBERT DOAR: I've asked Matt
12 Bruni, the Director of the HASA program--

13 COUNCIL MEMBER BREWER: And he's
14 been very helpful, thank you very much, he knows--

15 ROBERT DOAR: And to help me with
16 that question. So--

17 COUNCIL MEMBER BREWER: He knows
18 how helpful.

19 ROBERT DOAR: Your question was how
20 is it paid and what are the amounts?

21 COUNCIL MEMBER BREWER: Exactly.
22 And how can we reduce it?

23 ROBERT DOAR: Matthew.

24 MATTHEW BRUNI: Sure. Good morning
25 to the Council, good morning Council Member

2 Brewer. In response to your question, actually we
3 pay in the commercial escrows on the basis of a
4 per diem rate, which is currently \$55 and for
5 those--

6 COUNCIL MEMBER BREWER: \$55 per
7 night?

8 MATTHEW BRUNI: That's correct, \$55
9 per night. And for those of us who, for those of
10 you who've been looking at the SRO system over the
11 years, that rate has come down dramatically over
12 the years, as a result of some of the reforms that
13 HRA undertook in 2004. One of the things that we
14 do for HASA clients going into the commercial
15 SROs, is that we ensure that they have an open
16 cash assistance case, if they appear to be
17 eligible. And that allows us to essentially draw
18 down the state share for that. So it's a
19 city/state mix of funds that underwrite the cost
20 of the commercial escrows.

21 COUNCIL MEMBER BREWER: Okay, so
22 it's about \$1600 a month, something like that.

23 MATTHEW BRUNI: That's correct.

24 COUNCIL MEMBER BREWER: Right. Of
25 course that makes people in buildings crazy,

2 'cause sometimes they're, you know, paying \$400 or
3 \$500, and it does seem like a lot. But there's no
4 way to bring that down.

5 MATTHEW BRUNI: Well, I would, I
6 mean, we always want to bring it down, and we
7 would like to reduce our reliance on the
8 commercial SROs. Frankly, one advantage is
9 through the MOU process, you can quickly bring up
10 a building. Or as you and I know, you can quickly
11 get out of a problematic building.

12 COUNCIL MEMBER BREWER: Thank you.

13 MATTHEW BRUNI: As, and thank you
14 again for bringing that to our attention, and
15 being patient with us, and allowing us to get out
16 of that facility as quickly as we were able to.

17 COUNCIL MEMBER BREWER: Okay.

18 MATTHEW BRUNI: But in reducing our
19 reliance on the SROs, the system is dynamic.
20 There has been a modest increase in SRO usage, no
21 question. In January 2009, it was 1,027; in
22 April, we will report a figure of 955. And so
23 those aren't huge numbers, but it's--

24 COUNCIL MEMBER BREWER: Those are
25 total units that you're using per night.

2 MATTHEW BRUNI: It's based on
3 utilization, so yes.

4 COUNCIL MEMBER BREWER: Okay,
5 alright.

6 MATTHEW BRUNI: But we used, yes,
7 955 in April.

8 COUNCIL MEMBER BREWER: Okay.

9 MATTHEW BRUNI: So, those aren't
10 huge numbers, but it does show that the system is
11 dynamic, and indeed over the last few months has
12 actually gone down. And ideally, with bringing up
13 more New York, New York III housing this year,
14 that will further reduce HRA's reliance on
15 commercial SROs.

16 COUNCIL MEMBER BREWER: Alright.
17 Case workers. There's different kinds of case
18 workers, and I know a lot of friends of mine who
19 are running nonprofits, that work with people who
20 are in the HASA program, are concerned because
21 you're cutting case workers in the site, in the
22 Scatter Site II. And the other issue is that
23 there are, there's two kinds of case workers, as
24 my friends, when you go to street fairs on the
25 weekend, everybody comes by and tells you their

story. So, and I'm always at the street fairs, with my table and all my leaflets. So, my question is, can you explain to me the cuts to case management. I think there were two different kinds that are being cut, or one kind that's being cut that is not duplicating the other kind. Can you explain the case management cuts to me?

ROBERT DOAR: Sure. The first is the Scatter Site, the ending of the Scatter Site II program, which was a program in which we had two vendors providing services to clients. One put people in the housing and were the housing vendor, and the other was the services vendor. The State has determined that that splitting of the contract was, is they're not going to fund any longer. And so those, the services associated with the Scatter Site II contracts is being eliminated. And so that is ending at their natural termination date, which are, is happening I think in June and March, June 30th--

COUNCIL MEMBER BREWER: So what does that mean for real people at the other end?

ROBERT DOAR: Well, we believe that we are shoring up whatever case management

services that they were offered through those contracts, through our existing HASA case managers, and through COBRA case managers. And we've worked very hard to make sure that there isn't any loss of services. And we feel very strongly that we're going to accomplish--

COUNCIL MEMBER BREWER: How do the vendors feel? The people who actually providing the services. I don't think they feel that way.

ROBERT DOAR: My honest opinion on the Scatter Site II, is the vendors acknowledge that this is, that's my, that's the very informal feedback I've gotten, where that, they are acknowledging that that is something that can be accomplished. The second cut is the case management cut in the other contracts, which is both as, in situations where HASA clients are residing in either congregate housing or in Scatter Site housing, and have assigned case managers from providers. We are not eliminating that case management function, we are reducing it for, by about 60 people, so they've gone from I think 176 to it'll be about 106, or 110, contracted case managers. Because the case

2 management ratio of those case managers, when
3 combined with the HASA agency case managers, gets
4 very low, lower than we thought we could afford,
5 in the fiscal situation that we're in. And so,
6 while reducing the case managers that are
7 contracted, we are maintaining our staff levels in
8 HASA, and we are expecting them to continue in
9 their role as case managers, providing the full
10 array of services, of substance abuse issues, has
11 shelter issues, as well as helping get benefits
12 from the program.

13 COUNCIL MEMBER BREWER: How do the
14 vendors feel about that?

15 ROBERT DOAR: That one is getting
16 more--

17 COUNCIL MEMBER BREWER: They're not
18 happy about that one.

19 ROBERT DOAR: That one's the one
20 that's getting the more significant push back from
21 our providers and partners. And we are, we
22 understand their concerns, and we're listening,
23 but the fiscal situation, the loss in revenue at
24 the State and City level is very serious.

25 COUNCIL MEMBER BREWER: And there's

2 no federal stimulus money for person with AIDS,
3 HIV/AIDS?

4 ROBERT DOAR: There's not
5 specifically designed money to solve that problem,
6 from the federal government. There may be federal
7 dollars that could be used, but that's a bigger
8 picture that the City as a whole is looking at.

9 COUNCIL MEMBER BREWER: And what
10 are you doing to Momentum Project?

11 ROBERT DOAR: We are--

12 COUNCIL MEMBER BREWER: That is a
13 great program.

14 ROBERT DOAR: Yes, it is. We don't
15 deny that, but we are reducing its administrative
16 support from HRA, because we are conscious that
17 other sources of funding provide administrative
18 funding, and we are not, we are not affecting at
19 all funding for the purchases of food. So, it is
20 a cut to the administrative functions of, of
21 funding from HRA of about, I think, \$490,000.

22 COUNCIL MEMBER BREWER: But how are
23 they going to do all that work without the
24 administrative support?

25 ROBERT DOAR: Well, we believe that

2 they have other funding sources that provide them
3 dollars, to provide that administrative support.

4 COUNCIL MEMBER BREWER: Have you
5 asked Dawn if that's true?

6 ROBERT DOAR: We have. She's
7 certainly had an opportunity to come talk to me
8 and others, and we've looked at their funding
9 sources from the state and from--and HAPWA
10 [phonetic] and feel that they have adequate
11 funding sources.

12 COUNCIL MEMBER BREWER: Okay.

13 ROBERT DOAR: Yes, and state,
14 Kathleen has something to say.

15 KATHLEEN TYLER: I just want to add
16 one comment to that.

17 COUNCIL MEMBER BREWER: I think you
18 have to introduce yourself.

19 ROBERT DOAR: Oh, I'm sorry.

20 KATHLEEN TYLER: Can you hear me?

21 COUNCIL MEMBER BREWER: Yes.

22 KATHLEEN TYLER: I just wanted to
23 add one comment.

24 COUNCIL MEMBER BREWER: We love
25 Dawn. We love Dawn. Go ahead.

2 KATHLEEN TYLER: Momentum is
3 another situation where we lost State
4 reimbursement.

5 ROBERT DOAR: That's right.

6 KATHLEEN TYLER: For the service,
7 so it had been 100 percent tax levy. In terms of
8 other funding, the vendor has about \$900,000 from
9 Department of Health, another couple hundred from
10 New York State, and then we also provide
11 additional administrative funding through our EFAB
12 [phonetic] of about 143.

13 COUNCIL MEMBER BREWER: Okay. I
14 mean, I just know that what she does, and I'll
15 have to talk to her to find out. On the
16 employment services, I know that the Chair asked
17 you about this. How do you work with CUNY and
18 Department, State, and Department of Social
19 Services in terms of coordination? And how are
20 you working, you mentioned the small business when
21 you were answering his questions, and I ask this
22 question every time, but how do you coordinate
23 with Workforce One Centers, and do you track any
24 of your public assistance individuals who are
25 gaining employment through the Workforce One

2 Centers.

3 ROBERT DOAR: Well, we work--that's
4 a lot in that question. We work a lot with CUNY
5 on our various Begin and Ripe and Cope programs,
6 that both provide additional services for people
7 who have either literacy problems or other issues
8 getting them back into employment. I think we
9 work closely with them. With SBS we coordinate,
10 we sometimes serve different populations. And
11 when we serve the same populations, it is,
12 obviously cash assistance recipients are
13 perfectly, have every right to go and seek those
14 services, and if they get a job, we find out about
15 it through the budgeting process or through their
16 reporting to us that they've been employed. But I
17 would say that in taking, a cash assistance
18 recipient taking advantage of what's available at
19 SBS is similar to our message to all recipients,
20 which is that they should be doing what ever they
21 can to--

22 COUNCIL MEMBER BREWER: So you
23 don't know if there's any better or worse
24 recidivism through the one stop, versus through
25 your HRA centers.

2 ROBERT DOAR: No, I don't know that
3 we've looked at that. No.

4 COUNCIL MEMBER BREWER: My final
5 question is, last time we had a discussion about
6 the recreation workers. I think, oh, no, never
7 mind, sorry. That's it for now. Thank you, Mr.
8 Chairman.

9 ROBERT DOAR: Mr. Chairman, I need
10 to correct the record on a matter that I testified
11 before.

12 CHAIRPERSON DE BLASIO: Yes, sir.

13 ROBERT DOAR: I very badly
14 overestimated the number of jobs that would be
15 able to be created by, be able to be funded by the
16 subsidized jobs programs coming from the State.
17 It's going to be, even with the three pots of
18 money, it's going to be something less than
19 \$1,000, which actually points up to the fact of
20 just how expensive transitional jobs programs are.
21 But I did not, I didn't have that figure right,
22 and I want to correct the record.

23 CHAIRPERSON DE BLASIO: I'm glad
24 you're correcting it, but let me just dwell on
25 that for a second. You said \$2 million in each of

2 several pots of money, so what's the grand total
3 that you expect, roughly?

4 ROBERT DOAR: I think it's about, I
5 don't think, I think it's--Oh, the total is \$19
6 million statewide, and we'll get an allocation,
7 let's say we get \$9.5 or \$10 million of that,
8 approximately half, a little more than half. And
9 there are--the way the State Legislature did it is
10 they wanted them to be designed for particular
11 industries. So there's a green jobs pot, and
12 there's a healthcare jobs pot. And those'll have
13 their own sub*allocations of that \$9 million. And
14 depending on the balance between training and
15 employment, and the wages that are, if there's a
16 mandated wage level, the numbers could vary. But
17 transitional jobs are expensive. And I do not
18 want to give the impression that those could fund
19 anywhere near the number of jobs, actually.

20 CHAIRPERSON DE BLASIO: Well, what
21 is your working figure on the cost of the
22 transitional job, just so we understand?

23 ROBERT DOAR: It's \$10,000, \$10,700
24 per job.

25 CHAIRPERSON DE BLASIO: \$10,700 to

2 create the job, you're saying?

3 ROBERT DOAR: To sustain the job.

4 CHAIRPERSON DE BLASIO: To sustain-
5 -But over what, give us a timeframe or something.

6 ROBERT DOAR: Annual. Over a year.

7 CHAIRPERSON DE BLASIO: Ten, wait a
8 minute, \$10,700 to pay for the employment--

9 ROBERT DOAR: Six months. For six
10 months.

11 CHAIRPERSON DE BLASIO: Okay, let's
12 get ourselves together here. [laughs]

13 ROBERT DOAR: For a slot, for a
14 chief slot. It's expensive.

15 CHAIRPERSON DE BLASIO: Yeah, but
16 wait, I believe you, but I want to get a stable
17 figure here.

18 ROBERT DOAR: \$10,700 for a full-
19 time slot.

20 CHAIRPERSON DE BLASIO: Okay.

21 ROBERT DOAR: For six months.

22 CHAIRPERSON DE BLASIO: \$10,700 for
23 a full-time job--

24 ROBERT DOAR: For six months.

25 CHAIRPERSON DE BLASIO: For six

2 months.

3 ROBERT DOAR: The expectation with
4 a subsidized jobs program is that we will get
5 someone in employment, we will pay for their
6 employment, but we will not pay for employment
7 indefinitely, and that at some point they will
8 transition into a permanent job that's
9 unsubsidized, whether it's in the same business or
10 same are or same agency, wherever, but we only pay
11 for six months. So, that's, that's the cost.

12 CHAIRPERSON DE BLASIO: Okay, given
13 that the Back to Work Program obviously deals in
14 placements that can be as little as 30 days, can
15 be six months, can be longer, but is also a
16 variable dynamic, so if you're talking about
17 \$10,700 for six months, and then let me compare
18 that with what you have with the expansion you're
19 doing already for the next fiscal year that will
20 affect 80 people, correct?

21 ROBERT DOAR: Yeah, right.

22 CHAIRPERSON DE BLASIO: That your
23 own internal expansion, if you will.

24 ROBERT DOAR: Yes.

25 CHAIRPERSON DE BLASIO: What's that

2 being budgeted at for that 80 people? Those 80
3 people?

4 ROBERT DOAR: [pause] The, I'm,
5 Kathleen is reviewing that.

6 CHAIRPERSON DE BLASIO: Okay, I'll
7 come back to you, I'll--let me turn to my
8 colleagues again. But I want to come back to
9 this, now that you've given us that additional
10 information, and see if our math makes sense. The
11 next question was going to be from Council Member
12 Robert Jackson, who's Blackberry is still in
13 attendance, but he is not. I believe he will be
14 back. So we'll turn to Council Member Tish James.
15 And we want to welcome Council Member Helen Diane
16 Foster.

17 COUNCIL MEMBER JAMES: Thank you.
18 Good morning, Commissioner.

19 ROBERT DOAR: Morning.

20 COUNCIL MEMBER JAMES: You know,
21 just following up on the Chairman's comments, you
22 know, based upon any objective review or measure
23 of effectiveness, it appears that the Back to Work
24 program has not yielded any significant impact in
25 unemployment. I know you disagree with that, but

based upon the hearings and conversations with my constituents, and participants all throughout the City [noise in background] that little mishap suggests that the BTW program has had its problems as well. So, my question, at the last hearing the Chairman and I held, there was a number of, there was concerns with regards to whether or not BTW participants could get proper education and training to upgrade their skill sets. And there was some pushback from the Administration. Does the Administration have a position on whether or not participants can get college courses, go back to college, get some additional training to upgrade their skill sets?

ROBERT DOAR: Well, my understanding is the State rules with regard to federal work participation rates, do not count college training, college education degrees, particularly four year, as being counted toward work participation measures. And that is part of the governing structure of the cash assistance program in the City of New York. So, to the extent that that's not permitted, we do not encourage that. Someone can do it, but they need

2 to still meet their work participation, work,
3 number of work hours that are under the rules of
4 the program. So--

5 COUNCIL MEMBER JAMES: And--

6 ROBERT DOAR: --so we have to fall,
7 we have to stay within the confines of the
8 existing program. It also, we believe that the,
9 and we have found over many years that if the
10 focus is entire--is very strongly on employment,
11 we are more likely, as opposed to training and
12 education, we are more likely to have success.

13 COUNCIL MEMBER JAMES: Based upon
14 my experience, and just based upon my review of
15 the recession, the national recession and the
16 local recession, it appears that there has been a
17 great increase in college enrollment. A number of
18 individuals who want to take lemonade and turn it
19 into--or take a lemon and turn it into lemonade.
20 And do this, the enrollments that are at CUNY, at
21 private colleges, have increased exponentially as
22 a result of this recession. People are going back
23 to school, to upgrade their skill sets. And so,
24 I, my question is have, have we had a conversation
25 with State elected officials, with regards to the

2 inclusion of going back to college as part of this
3 requirement?

4 ROBERT DOAR: Yes, we have, and
5 because it con--it goes against what we believe
6 has been very successful focus on employment, we
7 have opposed the, allowing college education to
8 count as work participation hours. And while we
9 don't say that someone isn't entitled, can do
10 that, we just don't think they should do it and
11 allow it to be counted as their work requirement.

12 COUNCIL MEMBER JAMES: But it's not
13 a situation where the State is opposed, it's that
14 this Administration is opposed.

15 ROBERT DOAR: Well, the State has
16 been opposed for a long time. The State, State
17 Legislature, has been the way it is since 1996.

18 COUNCIL MEMBER JAMES: No, I
19 understand that.

20 ROBERT DOAR: So, there is a
21 legislature, there is discussion of legislation,
22 and under consideration, allowing college, four
23 year college, and even graduate degree experience,
24 to count as work participation hours, and so
25 someone could be on welfare and also go to

college, and be receiving welfare, as if they were working. And, or meeting the work participation requirements. And we have reservation about that. In the previous period prior to welfare reform at the national level, extensive efforts and investments in training and education led to prolonged stays on welfare and not people getting jobs. So--

COUNCIL MEMBER JAMES: Well, you know, I'm familiar with that piece of legislation; in fact, support it and have a resolution in support of it. And it disappoints me that this Administration would not support that legislation. Recognizing the trend that we see across this nation, and that is more people who have lost their jobs, have taken upon themselves to go back to school to increase their learning, their skills sets, so that they are in a better position, once we rebound. And it's rather unfortunate that this administration would take that position. Moving on to HASA, no before I go to HASA, the job center reorganization and consolidation, I believe that you are centralizing job centers, and I wanted to know what job center would be closed in the City.

2 Do you have a location, where would they be
3 closed?

4 ROBERT DOAR: I believe the only
5 job center, I'm going to have Seth come and take
6 that, but I think the one is the Hamilton Job
7 Center, that's the one under discussion, which is
8 up in Northern Manhattan, and is fairly close to
9 another job center, that has been redesigned and
10 opened, the Dyckman Job Center.

11 COUNCIL MEMBER JAMES: And if that
12 is the only one that is closed, how many jobs do
13 you anticipate--

14 ROBERT DOAR: We don't anticipate
15 losing any jobs. Their administrative functions
16 are being transferred. As you know, we're very,
17 we've been able to avoid layoffs at HRA, we want
18 to keep it that way. And we think we've been able
19 to achieve certain efficiencies with the
20 administration overhead. And any of the workers
21 who were in one, will be transferred to another,
22 or somewhere else in the system. And we're all,
23 where, did you want to--

24 SETH DIAMOND: Yeah.

25 ROBERT DOAR: --say that.

2 SETH DIAMOND: Yeah, Seth Diamond
3 from Human Resources Administration.

4 COUNCIL MEMBER JAMES: Hi, Mr.
5 Diamond, Mmhm.

6 SETH DIAMOND: The Hamilton Job
7 Center we had closed last fall, and consolidated
8 with the Dyckman site. We also have just recently
9 announced that we'll be closing the Euclid Center
10 as of August 1st, and consolidating services. Most
11 of the recipients served at Euclid will be going
12 to the Bushwick Center.

13 COUNCIL MEMBER JAMES: The Bushwick
14 Center? Okay.

15 SETH DIAMOND: Yes.

16 COUNCIL MEMBER JAMES: Okay. Thank
17 you. So there's, at this point in time, so
18 there's none being closed in Brooklyn, they're
19 being closed in--

20 SETH DIAMOND: Euclid is, is in
21 Brooklyn, yeah.

22 COUNCIL MEMBER JAMES: Euclid's in
23 Brooklyn, East New York.

24 SETH DIAMOND: 404 Pine Street is
25 the exact.

2 COUNCIL MEMBER JAMES: Thank you.

3 I want to talk a little bit about CEO. It's my
4 understanding that this CEO program, which was set
5 up by the Mayor to, allegedly to reduce poverty in
6 New York City, it's anticipated that there would
7 be an increase in funding to evaluate its
8 effectiveness. Is that a correct statement?

9 ROBERT DOAR: Kathleen?

10 KATHLEEN TYLER: Yes, that's
11 correct, in the Executive Budget, there is a--

12 COUNCIL MEMBER JAMES: I'm sorry, I
13 can't hear you.

14 KATHLEEN TYLER: In the, in the
15 FY'10 Executive Plan, there was a small increase
16 of \$42,000.

17 COUNCIL MEMBER JAMES: \$42,000?

18 KATHLEEN TYLER: Yes.

19 COUNCIL MEMBER JAMES: And that is
20 for what purpose?

21 KATHLEEN TYLER: For evalu--it's
22 for the evaluation effort.

23 COUNCIL MEMBER JAMES: And to what
24 extent has CEO been effective? Do we have a
25 general idea, notwithstanding the lack of a--

2 ROBERT DOAR: Well, I would like to
3 address that. As the Chairman mentioned, HRA
4 feels to some extent that we're really on the
5 front lines of helping people who are struggling
6 the most in the City of New York. The great
7 advantage of the CEO effort was that by the
8 Mayor's direction and Deputy Mayor's leadership,
9 we have got a lot more allies, a lot more, other
10 agencies involved in the business of helping
11 people who are struggling, whether it's SBS, much
12 more engaged in our issues, or DYCD, or many other
13 agencies. And so, I feel that's been a tremendous
14 assistance to HRA and to the work we do. I think
15 some of the work that they have embarked on is too
16 early to tell, on whether the results have paid
17 off, but I think that I'm hopeful. And one of the
18 things, areas, that we have not been as directly
19 involved with specific projects, because we're
20 already in that game. And so, but from our
21 standpoint, the existence of the CEO has brought a
22 lot more attention to the issue, which has been
23 very helpful.

24 COUNCIL MEMBER JAMES: So the
25 preliminary budget was \$2.6 million, I believe, it

2 was an anticipated increase. And now with the
3 executive budget it's now down to \$42,000.

4 ROBERT DOAR: No, the increase.

5 KATHLEEN TYLER: No.

6 COUNCIL MEMBER JAMES: The
7 increase.

8 KATHLEEN TYLER: The January plan
9 and executive budget combined, is \$2.6.

10 COUNCIL MEMBER JAMES: The January
11 plan plus it's two--

12 KATHLEEN TYLER: Yeah.

13 COUNCIL MEMBER JAMES: \$2.6.

14 KATHLEEN TYLER: It's \$2.6.

15 COUNCIL MEMBER JAMES: And it, and
16 that money is primarily being used to evaluate the
17 effectiveness of the program.

18 KATHLEEN TYLER: Yes, the citywide
19 program.

20 COUNCIL MEMBER JAMES: And that's,
21 and that would include the hiring of additional
22 staff to do such that, or to do that, or are you,
23 are you going to hire a private contractor?

24 KATHLEEN TYLER: We're contracting
25 out for the evaluation. We have six staff that

are budgeted and they're on board. And I will just make one addition, during our earlier years with CEO we did implement various initiatives, and those were not abandoned, those have continued within HRA's self-funded, with our resources.

ROBERT DOAR: Right.

COUNCIL MEMBER JAMES: Just going now, changing subjects to the Scatter Site II, it's my understanding that this, you've, you're now closing off, not providing the programs, and you're engaging in a transition program, so that no client will be impacted by the fact that--

ROBERT DOAR: The law.

COUNCIL MEMBER JAMES: Yes. And so, how has that transition plan, how is it going, what is the status of it? What is the process, so that no one will be impacted by this decision?

ROBERT DOAR: Well, it's in process, because the, the termination dates for the Scatter Site II is not yet happening, is June 30th. And then I think another batch of contracts expires somewhat later than that, in February. So, we have notified the providers, we've let them know that this is coming, we've evaluated the

2 clients' needs and issues, and are beginning to
3 plan for the successful transition of the duties
4 associated with the Scatter Site II contracts--
5 over 18 contracts, citywide.

6 COUNCIL MEMBER JAMES: And is the
7 thought that the number of individuals who are
8 living with HIV and AIDS has stabilized and you
9 feel confident that you will engage in a
10 successful transition? Because it's my
11 understanding that the number of people who are
12 seeking services, who are living with HIV and
13 AIDS, has in fact, there's been a slight increase.
14 Is that not true? Or--

15 ROBERT DOAR: The HASA caseload,
16 which is what we monitor--

17 COUNCIL MEMBER JAMES: Yes.

18 ROBERT DOAR: --is, remained
19 largely flat. I don't think there's any judgment
20 with regard to the overall trends of HIV/AIDS or
21 stabilization. It's a question of the effective
22 use of precious City dollars, and can we provide
23 the same level of service, given the fact that the
24 State walked away from its support for this
25 program. Can we do that, provide those services

2 equally effectively, without the expenditure? And
3 we believe that we can.

4 COUNCIL MEMBER JAMES: Now, earlier
5 Commissioners, I believe it was Council Member
6 Brewer had asked you a question and you said that
7 the Administration is receiving a pot of money
8 from the federal government, and I think overall,
9 in general, and there have been no decisions with
10 regards to this overall pot of money. Was that--?

11 ROBERT DOAR: No, no what I said
12 was that stimulus funding came to the State, City
13 of New York, in a variety of ways, largely outside
14 of direct HRA, very little came to HRA directly.
15 And that decision of how those dollars are being
16 spent, is being made at the Deputy Mayor level,
17 with an overall picture of the entire City. I
18 think in one case we got a little support for the
19 Neighborhood Improvement Project, which we're
20 doing in Southeast Queens. But with regard, and
21 in that discussion, there was not, no dollars were
22 made available, for instance, for the Scatter Site
23 II.

24 COUNCIL MEMBER JAMES: Well, I
25 would hope that someone from the Administration is

listening to my voice. And what I have witnessed in Central Brooklyn is an increase in individuals living with HIV and AIDS. What I have witnessed is more people who are patronizing food pantries; what I have witnessed is more homelessness; what I have witnessed, unfortunately, is more individuals who are living below the poverty level. And so, I would hope that this Administration would provide you additional funds so that you could reduce poverty in the City of New York. The jury is still out on whether or not all of these programs have been effective. I've not seen any evidence of that. And last but not least, I do share my concerns with the Chair and the members who are in the audience, that the Back to Work program, we're not getting our bang for the buck, and that we really need to really look at how we're spending our money, our precious dollars, as you refer to it, and whether or not we are, it has yielded any significant results.

ROBERT DOAR: I take your concerns seriously.

COUNCIL MEMBER JAMES: And I thank you for all of that, and again hopefully we'll get

2 beyond this and we will rebound. Thank you.

3 ROBERT DOAR: Thank you.

4 CHAIRPERSON DE BLASIO: Thank you,
5 Council Member. Okay. I'm going to do some
6 follow ups. Commissioner, let's, in the interests
7 of time, we're going to do a follow up letter to
8 you right after this hearing on all of the Back to
9 Work and transitional jobs issues, so we can get
10 to a common set of numbers and then continue our
11 debate on this.

12 ROBERT DOAR: Happy to do that.

13 CHAIRPERSON DE BLASIO: I reiterate
14 that I hope you will be open minded, you sounded a
15 little more open minded at the previous hearing,
16 'cause I do think the economy is, unfortunately,
17 going to be throwing you a curve ball, and I think
18 you're going to need new approaches. But let's
19 get our numbers all on the same page--

20 ROBERT DOAR: Yep.

21 CHAIRPERSON DE BLASIO: --and then
22 we'll continue the debate.

23 ROBERT DOAR: Thank you for
24 allowing me to correct the record.

25 CHAIRPERSON DE BLASIO: Let me take

you to the question of food stamps and hunger.

First of all, obviously, there is more pressure being put on your agency. You have fewer personnel, or at least you're not filling lines that you would've filled. The demand is high, and I think, as you say, you've--a good news story is the fact you've gotten more people the benefits they deserve, especially at a time when they need them so desperately. But I'm concerned about what this will mean in terms of all the work you do with benefits. So let me start with hunger and then go through the other areas. In terms of continuing to keep up with the applications for food stamps, given your current staffing alignment, do you believe you can do that?

ROBERT DOAR: Yes. I do believe we can do it, I think the record of the past year, given the tremendous increase, has been pretty encouraging in that we've been able to meet the demand without falling behind on timeliness rates or having a serious problem with error rates. But it is something I watch very carefully. And as I said in my testimony, to the extent that I can apportion the headcount reductions or the savings

to other parts of the agency, as opposed to the eligibility specialists, I've tried very hard to do that. We also are using technology and new ways of processing applications, and getting people in and out more rapidly or allowing them to do telephone research, or telephone interactions with the agency, so that they don't have to come in at all. And we are engaging in some increased partnerships with community based organizations, so where applications can be taken and then delivered to us. So I am hopeful and conf--pretty feel good about the ability of our agency to respond to the increasing demand of food stamps. But it is, does concern me, and I'm watching it and I--I also should point out that the loss of State funding for food stamp administration is a significant problem.

CHAIRPERSON DE BLASIO: Okay. So, you have, in other words, you're not out of the woods by any stretch of the imagination.

ROBERT DOAR: No.

CHAIRPERSON DE BLASIO: And let me now take you specifically to this, this fits with the questions about HASA, as well. So, obviously

2 folks served by HASA also, in many cases, are
3 eligible for food stamps. Let me ask you
4 specifically about your HASA eligibility
5 specialist level III. What, do you have, can you
6 give us a sense of the caseload for those
7 eligibility specialists?

8 ROBERT DOAR: Within HASA?

9 CHAIRPERSON DE BLASIO: Yes.

10 ROBERT DOAR: I--I cannot, off the
11 top of my head. And I wouldn't venture to do
12 that. I could give you it in writing.

13 CHAIRPERSON DE BLASIO: Okay, I
14 mean that in terms of understanding what the--

15 ROBERT DOAR: Caseload.

16 CHAIRPERSON DE BLASIO: Right, in
17 terms of understanding what is happening here with
18 demand and with the impact of budget cuts and one
19 thing or another, I would assume this would be a
20 pretty basic statistic.

21 ROBERT DOAR: Matt?

22 MATTHEW BRUNI: Yes. Right now the
23 current ES3 to client ratio is a little over 175,
24 it's somewhere in the neighborhood of 180. And
25 generally, we use 175 to one as the prevailing

2 ratio. So, on that basis, we're slightly over,
3 but in the vital indicators of eligibility
4 delivery, we actually continue to do quite well.
5 For instance, as evidenced in our CBCFA
6 determinations, which as you know, Mr. Chair, is
7 the case-by-case financial assessment
8 determination, in which HASA clients present
9 requests, and if approved, we will deliver that
10 benefit within 30 days, where we remain at 95
11 percent delivery.

12 CHAIRPERSON DE BLASIO: Give me a
13 sense of, you're saying 170 to 180 is the average
14 now--

15 MATTHEW BRUNI: I'm sorry 175 to
16 one is the typical--

17 CHAIRPERSON DE BLASIO: 175 is
18 typical. First off, can you give us, this is a
19 conversation we have with ACS all time, can you
20 give us the lowest to highest range in terms of
21 caseload?

22 MATTHEW BRUNI: I have it on my
23 email, and I'm trying to produce it. There's
24 definitely been a little variance, and we have it
25 and we can produce it after the meeting. But it

2 has generally hovered around 175. It's gone as
3 high as 190, I will say, and it's gone as low as
4 165 over the last few years.

5 CHAIRPERSON DE BLASIO: Alright,
6 we're going to be with you for a few minutes, so
7 if you can get that information quickly, that
8 would be ideal. And how does that compare, that
9 175 or so. How does that compare to what you've
10 had in the previous last few years.

11 MATTHEW BRUNI: It's stayed roughly
12 the same, we've gotten hiring authority, we've
13 been able to hire ES3s and supervisors as well.
14 PA1s and PA2s. And so it's generally remained
15 constant, as I said a moment ago, any, hovering
16 anywhere to as high as 190 to as low as 165. But
17 generally around 175.

18 CHAIRPERSON DE BLASIO: We've
19 gotten reports of individual level III workers
20 having as close, having close to 210 cases, so
21 certainly over 200, which would be a troubling,
22 troubling additional level past your goal of 175.
23 And so, first of all, I'd like you to check your
24 figures and see if you believe that's true,
25 because that would be cause for alarm. And second

2 of all, do you have a contractual limit of 175?

3 MATTHEW BRUNI: No, we don't, we
4 essentially parallel with our sister agency, FIA,
5 on that basis, and historically--

6 CHAIRPERSON DE BLASIO: On which,
7 I'm sorry, which sister agency?

8 MATTHEW BRUNI: Family Independence
9 Administration, FIA. I'm looking here, and I do
10 have the data in front of me, in 2004, the overall
11 was 176, ranging as high as 197. 2005, it was up
12 as high as 200, in some instances. 2006 was also--
13 -it, as high as, I will say as high as over 200.
14 And in 2007, generally in the 190 to 195 range.
15 In 2008, it was in the 190s, and this year it's
16 more in the 180 range. But I'll be happy to
17 produce more concrete ES3 data.

18 CHAIRPERSON DE BLASIO: So, in the
19 past you've been around 200 in your high--

20 MATTHEW BRUNI: As high as 200,
21 yes.

22 CHAIRPERSON DE BLASIO: And this
23 time you're saying you think you're not beyond
24 190.

25 MATTHEW BRUNI: That's correct.

2 CHAIRPERSON DE BLASIO: But you're
3 going to be able to confirm that.

4 MATTHEW BRUNI: Based on our most
5 recent data, that's so, yes.

6 CHAIRPERSON DE BLASIO: Okay.
7 Alright, now, we'd like that obviously as quickly
8 as possible, in light of the budget process
9 happening right now, over these next weeks.

10 MATTHEW BRUNI: Certainly.

11 CHAIRPERSON DE BLASIO: [pause]
12 Just one second, please. [pause] Just want to
13 make announcement, we know we have a number of
14 people standing in the back, and we appreciate
15 that you're here and you are about these issues.
16 You can go into this room right next door, the
17 Committee Room, and there is a live audio feed, so
18 you'll be able to hear quite well what's
19 happening, and be more comfortable. So just want
20 to encourage folks to go right next door to the
21 Committee Room. Okay. Oh, I'm sorry, I'm going
22 to get, I have a few more questions, but I think
23 Council Member Felder has a question in the
24 meantime.

25 COUNCIL MEMBER FELDER: Good

2 morning. Just want to ask you about the housing.
3 When you, when you send people, clients, for
4 housing, do you do that temp--you know, for
5 temporary housing--are you sure, I don't know
6 whether it has anything to do with you, so this'll
7 be an easy one, you'll say it has nothing to do
8 with me.

9 ROBERT DOAR: Well, with HAS--yeah.

10 COUNCIL MEMBER FELDER: Alright,
11 what I'm concerned about is that I've noticed some
12 facilities that they turn, it could sometimes be a
13 two-family, three-family house, into housing. I
14 asked some of the people that go in, go out, they
15 seem to be getting housing vouchers or whatever it
16 is. I don't, the vouchers not the work. What I'm
17 trying to find out is whether you know whether
18 those providers actually have the proper zoning
19 for their facilities to provide the housing that
20 they're providing?

21 ROBERT DOAR: I would be happy to
22 look into any specific situations--

23 COUNCIL MEMBER FELDER: Yeah.

24 ROBERT DOAR: --you would like me
25 to. We have a very limited number of housing

2 programs in the HASA program, and in the domestic
3 violence housing. By far and away, the larger
4 housing provider is the Department of Homeless
5 Services.

6 COUNCIL MEMBER FELDER: Okay, thank
7 you. If you want to--

8 ROBERT DOAR: I would be happy to
9 talk to you, go over what any--

10 COUNCIL MEMBER FELDER: No, I don't
11 want the question to be too easy, you seem like
12 you liked--

13 ROBERT DOAR: [laughs]

14 COUNCIL MEMBER FELDER: Thank you.

15 ROBERT DOAR: Thank you. - -

16 CHAIRPERSON DE BLASIO: Okay.

17 Commissioner, let me take you back here, now.

18 Commissioner I want to take you back for a second

19 on your previous answers on HASA with Council

20 Member Brewer. So, you're not disagreeing that

21 the Health Department's figures suggest a growing

22 problem with HIV and AIDS in the City in general,

23 I'm not talking about your response to it, I'm

24 saying do you agree we have a growing challenge as

25 a matter of public health?

2 ROBERT DOAR: The--I don't, what
3 was the question, I wasn't, I didn't, Matt was
4 whispering in my ear.

5 CHAIRPERSON DE BLASIO: Again--
6 focus, Commissioner, focus.

7 ROBERT DOAR: Yes. [laughter]

8 SERGEANT-AT-ARMS: Quiet, please.

9 [background noise]

10 CHAIRPERSON DE BLASIO: That's
11 right, you are disconcerting him. Last August,
12 2008, figures from the New York City Department of
13 Health, showed that New Yorkers are contracting
14 HIV at three times the national rate. So I just
15 want to start this really--

16 ROBERT DOAR: I don't, I don't
17 contest those numbers, and in fact we went over
18 immediately after that came out and spoke with
19 Commissioner Frieden, and asked him what we needed
20 to do within HASA to help contribute to preventive
21 efforts, to reduce the number of new cases of
22 HIV/AIDS. And we engaged in very good dialogue
23 about that, including some additional training and
24 outreach efforts that we've undertaken within
25 HASA. And so we're absolutely engaged on that

issue, and we acknowledge that it exists. HAS eligibility, as you know, is not just based on HIV/AIDS, having HIV/AIDS. And so, there the issue is not, I don't think our caseload is growing within HASA. I think it's more flat. But the question of a higher incidence of HIV/AIDS or more new infections, troubles us, concerns us, and we are doing what we can in HASA to help the Department of Health, and other partners, address it.

CHAIRPERSON DE BLASIO: And all I'm saying, I just want a simple response here, based on the previous dialogue. The concern was raised that over the course of two years, 22 percent more people with HIV and AIDS are living in commercial SROs. And what I heard you say was you thought that trend was decreasing. But what I'm concerned about is the overall health trend is not--and the state of the economy is not getting better any time soon. So, in terms of your choices around reductions in case management and supportive housing services, I'm concerned that you're making your decisions based on overly rosy assumptions. So can you speak to that?

MATTHEW BRUNI: Absolutely. Yes, you're absolutely correct, that data reflects that the instance of HIV infection has gone up. It should be noted, though, that people who become infected at that point are HIV asymptomatic, and the medical eligibility criteria for HASA is based on HIV symptomatic clinical illness or AIDS. So, it will not necessarily follow that HASA, when we look back ten years, 20 years from now, actually had a spike in new clients based on the number of new HIV infections. Now, with respect to the SROs, there's not question, based on the publicly available data, the census has gone up, but as I stated a few minutes ago, it's dynamic, it's actually come down. January was a high number for us, it was 1,027. Now it's at 955 at the, as the April SRO census. It is dynamic, it could go up a little bit, it could go down a little bit. And ideally, it will continue to go down with the continuing introduction of New York, New York III housing. Many of our clients are, would, are presumptively eligible for New York, New York III housing, which as you know emphasizes chronic homelessness. And in the service of qualifying

clients as quickly as possible, most of our centers, through a partnership with HHC, we have licensed clinicians who work with HASA clients to develop housing applications, and indeed if they appear to be eligible for New York, New York III housing, developing the application and getting it qualified quickly, so we can start to make placements. So we would anticipate that the SRO usage will actually decrease over this year and the next.

CHAIRPERSON DE BLASIO: But on a pure budget level, if you're building in assumptions of less need, and therefore reducing your case management level and your housing services levels, do you have the ability to recover and add additional resources, if in fact the trends go the other way, rapidly?

ROBERT DOAR: Well, within HASA, we have the ability, because we're governed by a local law with regard to case management numbers. And so we would have to add staff to meet increased case load numbers.

CHAIRPERSON DE BLASIO: And you can do that on a timely basis?

2 ROBERT DOAR: Well, given the,
3 yeah, given the fact that it's a specific Local
4 Law 49 issue, we would have to move rapidly.

5 CHAIRPERSON DE BLASIO: Okay.
6 Staying on the subject of staffing again for a
7 moment, so you've, you talked about your overall
8 plan to eliminate positions, which again I have a
9 huge concern about, both in terms of service
10 levels and in terms of the anti-stimulus effect.
11 We've talked consistently about provisional
12 workers, and trying to treat them more fairly, and
13 also keep their expertise in our City employment.
14 Could you tell us, with the last hearing, you
15 agreed that you would talk to DCAS and you would
16 take follow up steps to see if there was some way
17 to provide for a system of testing the experience
18 levels and the capacity levels of these workers
19 and the different manner that would allow you to
20 keep them in employment more consistently. And I
21 think you said sincerely you were willing to
22 explore those options, especially because you
23 expected additional demands in terms of benefits
24 applications, etc. So, have you made any progress
25 on that front?

2 ROBERT DOAR: We did have success
3 in slowing the process down, of complying with - -
4 decision, especially for eligibility specialists.
5 And we have provided some assistance to
6 provisionals in taking civil service exams so that
7 they could be successful in passing those exams,
8 being cleared for permanent placement. We have
9 not been successful in getting, in arriving at a
10 way in which we can do, with DCAS, the experience
11 and testing. And that is a work progress. We
12 have more work to be done there. And in addition,
13 I just need to be clear that complicating matters
14 is that some of the people who may come to HRA as
15 a result of layoffs in other agencies, will have
16 the option, may have the opportunity to bump into
17 provisional titles within our agency. So, for
18 provisionals, the situation is not clear. And one
19 in which, due to the fiscal situation, is
20 problematic. We do have to continue talking to
21 DCAS about the experience and education exam, but
22 I have not successfully achieved that yet.

23 CHAIRPERSON DE BLASIO: When do you
24 expect to have some outcomes on that?

25 ROBERT DOAR: Well, I need to, I

2 would, let's say in the next three weeks, I'd like
3 to get that resolved. And maybe the answer is no.
4 But I want to make sure I've done everything I can
5 to explore it fully.

6 CHAIRPERSON DE BLASIO: And how
7 many provisionals have been laid off to date?

8 ROBERT DOAR: Do I have that
9 number? 127. 127.

10 CHAIRPERSON DE BLASIO: And can you
11 break out now, or can you get to us shortly, the
12 years of experience--

13 ROBERT DOAR: I can't do that now--

14 CHAIRPERSON DE BLASIO: --range?

15 ROBERT DOAR: --but I can get that
16 to you shortly.

17 CHAIRPERSON DE BLASIO: Okay,
18 'cause I think an area that you and I agree on is
19 that the folks who have substantial number of
20 years of experience, I'll say ten or more, just
21 for the sake of discussion, are a particular
22 asset, and that's why these conversations with
23 DCAS are so important.

24 ROBERT DOAR: Yes. I also would
25 say that for those agency employees and other

2 agencies that are coming to HRA, we need to be
3 prepared to train them, welcome them into the
4 agency in the most effective way, so they can get
5 right into the work that we need done within our
6 agency.

7 CHAIRPERSON DE BLASIO: Okay. I'm
8 just going to do a few other quick questions, also
9 referring to some of the topics I raised in my
10 opening. So, again on the Emergency Food
11 Assistance Program, this confuses me, because
12 there's no one who doubts the need is greater.
13 And this is one, I think one of the most basic
14 functions government provides. So, is there
15 anything you can do to stop this \$2 million cut to
16 EFAP?

17 ROBERT DOAR: [pause] Okay. We
18 came in with a baseline proposal consistent with
19 the Administration's previous budget proposals, as
20 I understand it. So we did not cut the
21 Administration's proposal, but because in previous
22 years the City Council has added dollars, and last
23 year we made a special provision of I think
24 \$800,000 to deal with additional demand, and to
25 address the issue. We've not been able to come

2 back at that, both of those two changes and make
3 them baseline. So we have come in with our usual
4 \$9.5 million proposal for EFAP, of City Council
5 funding. There is, I--so the answer is, no, at
6 this point, we are sticking at \$9.5. We'll
7 examine other funding sources, and see what the
8 issue is. But that's where we are.

9 CHAIRPERSON DE BLASIO: Well, as
10 you know, our own budget process here is going to
11 be a big question mark this year, 'cause of the
12 overall situation.

13 ROBERT DOAR: Yes.

14 CHAIRPERSON DE BLASIO: So, I'm
15 just concerned that you're in effect saying that
16 you're ready to see that level of reduction, when
17 you agree that the need is greater than ever. So,
18 in the context of priorities and the budget, which
19 is what these hearings are all about, how could we
20 not make a priority of food?

21 ROBERT DOAR: It's, first of all I
22 want to correct you. Our proposal's \$8.4, not
23 \$9.5; the City Council added to get it up to \$9.5.
24 We have monitored, to the extent that we are able
25 to monitor usage at food pantries and soup

2 kitchens. I will note that while you are correct,
3 the self-reporting data indicates an increase from
4 a year ago, it has, it did seem to go down between
5 the first quarter of this year and the previous
6 period. But it's an issue which we are monitoring
7 very carefully--

8 CHAIRPERSON DE BLASIO: But food
9 costs--you don't doubt food costs have continued
10 to rise radically over the course of this decade.

11 ROBERT DOAR: I'm not--

12 CHAIRPERSON DE BLASIO: So, in
13 other words, the same funding does not achieve--

14 ROBERT DOAR: I will say at the
15 same time, that the 13 percent increase in food
16 stamp benefits went into effect, we put that in
17 effect in March, I believe. I mentioned in my
18 testimony that's 25, \$20 million additional
19 support for food purchases for low income New
20 Yorkers. That'll happen every month going
21 forward. We've also significantly increased the
22 use of food stamps by working New Yorkers over the
23 last six months. So, I don't concede that we
24 haven't made a priority of trying to help people
25 deal with food - -

2 CHAIRPERSON DE BLASIO: That's,
3 Commissioner, I'll, I'm going to turn to, Council
4 Member Foster has a comment, but I, no one's
5 saying you haven't made it a priority; we're
6 saying you're not making it enough of a priority
7 if in fact you're cutting back emergency food
8 programs when the need is greater. But we
9 obviously have a disagreement there. Council
10 Member Foster.

11 COUNCIL MEMBER FOSTER: Thank you
12 very much. I would just be remiss if I didn't
13 comment with the Back to Work issues and that
14 education we're not sure is the key. Let me ask a
15 question, just step by step. The majority of the
16 people that are on the Back to Work program, are
17 they black and Latino?

18 ROBERT DOAR: I think that is
19 correct, I don't have that in front of me.

20 COUNCIL MEMBER FOSTER: So that's a
21 fair statement?

22 ROBERT DOAR: I think so, I'm not
23 sure about it, but I'm pretty sure, yes.

24 COUNCIL MEMBER FOSTER: Okay. And
25 with the Administration's policy--Okay, let me

2 take it back. The, would you say, just given a
3 educated guess that the majority of the workers on
4 Wall Street are white men?

5 ROBERT DOAR: I, if I took a guess,
6 I guess I'd say that's correct, but I don't--

7 COUNCIL MEMBER FOSTER: Okay.

8 ROBERT DOAR: Lot of women work on
9 Wall Street, too.

10 COUNCIL MEMBER FOSTER: Okay, let's
11 remove gender, and just say a lot of those that
12 work on Wall Street are white men and women.

13 ROBERT DOAR: Okay.

14 COUNCIL MEMBER FOSTER: Okay, just
15 follow me. We will reinvest to educate Wall
16 Street, but we don't think as a policy that
17 educating people on, to get back to work, and
18 saying "If you're in college or going to get a
19 masters, does not help one get off welfare," and
20 we really think that these workforce, giving
21 people skills in terms of cleaning up parks or
22 working at minimum wage jobs, are going to give
23 them [applause] the education they need--Wait,
24 just a minute, wait a minute, wait a minute--is
25 going to give them what they need to succeed.

2 ROBERT DOAR: I don't run programs
3 that help people who have been displaced by work
4 at, on Wall Street, that's not what I--

5 COUNCIL MEMBER FOSTER: I
6 understand that.

7 ROBERT DOAR: I don't have anything
8 to do with that. I work a program--

9 COUNCIL MEMBER FOSTER: So what you
10 have to do with, answer that.

11 ROBERT DOAR: What we do in HRA is
12 help people get to work. That's what we focus on,
13 that is the direction from the federal government,
14 it's the direction from the state government, that
15 that should be our primary and core focus. And we
16 have done I think a pretty good job at that.

17 COUNCIL MEMBER FOSTER: Would you
18 say that to become Commissioner of HRA, it was not
19 because of, you know, just your charm, but your
20 education that got your to become Commissioner of
21 HRA. Education, work experience.

22 ROBERT DOAR: All of that plays a
23 role.

24 COUNCIL MEMBER FOSTER: That is my
25 point.

2 ROBERT DOAR: And I don't object to
3 education. I don't, now don't get me wrong, I
4 think education is a good thing, and is a key to
5 help getting people advance. The problem is we
6 can't allow it to count for required work activity
7 in the cash assistance program. And that's what
8 I've said.

9 COUNCIL MEMBER FOSTER: And what
10 I'm saying to you is that fundamentally that is
11 flawed, because we would, it's assume, seems to me
12 we would want to encourage people to get educated,
13 'cause the best way to get off welfare and to get
14 off needing assistance by the City or the State or
15 the federal government, is actually through
16 education, and not through a workforce where we're
17 not sure if the numbers are correct in terms of
18 tracking people after three months, or after six
19 months, and giving incentives to the employers
20 instead of incentives to the recipients, and like,
21 "Here, go to school, get the, get a degree."

22 ROBERT DOAR: I all, from our
23 perspective, programs that were heavily focused on
24 training and education and graduate degrees or
25 college degrees in the previous period, were not

successful in helping people get employment and raise their incomes. And that's really what we want to get. We want, we think there's an appropriate mix: work and education, combined with work supports like food stamps, child support collections, child care subsidies, the earned income tax credit. We think that's been more successful than a heavy emphasis on training and education. In our programs.

COUNCIL MEMBER FOSTER: In your program. I think it is again, Chair, and I will allow this Committee to continue to push this and follow up with it, I think it's a flaw, and that we, when we look at the color of the recipients, and we are saying that it's fine for you not to get educated, but to do this work where it's going to end nowhere. I think it's a fundamental flaw and it really is a reflection of this administration and how at the end, and remember this is an election year, everyone, so just don't hold up a flyer [applause]. It will, it is how we will be judged on what we did for those most vulnerable, especially in a time like this, when this country and this City and State is facing

2 economic crisis. Thank you.

3 CHAIRPERSON DE BLASIO: Thank you,
4 Council Member Foster. [applause] The--I agree
5 with you strongly, and I think what, the concerns
6 I'm raising on changing the Back to Work program
7 and focusing more on transitional jobs, and the
8 concerns you're raising about giving more
9 opportunity for education, they go together,
10 because it's trying to acknowledge the economic
11 reality and whether we are maximizing opportunity
12 for people at a point when the private sector's
13 going to have fewer and fewer immediate
14 opportunities available. But I think we know
15 [laughs, applause] we know that we have a
16 fundamental disagreement with the Administration
17 on this issue, and we will keep raising it. And I
18 agree with you, this is a good year for the public
19 to be discussing this issue, and having a vibrant
20 debate on it. Commissioner, just a few more
21 things, then we'll be done. You owe us something,
22 and I think you say you're, I think you have it
23 almost ready, from the February hearing, we asked
24 you a series of questions, not just about moving
25 towards transitional job programs, but about the

2 question of whether contracting out has proven to
3 be effective or not.

4 ROBERT DOAR: Yes.

5 CHAIRPERSON DE BLASIO: Are you
6 going to be able to give us a written response to
7 that?

8 ROBERT DOAR: Today.

9 CHAIRPERSON DE BLASIO: Today
10 you'll have it.

11 ROBERT DOAR: Yes.

12 CHAIRPERSON DE BLASIO: Do you have
13 it know, or you're saying later today.

14 ROBERT DOAR: There's a--later
15 today.

16 CHAIRPERSON DE BLASIO: Okay.

17 ROBERT DOAR: I told Molly earlier
18 that I would have it for you later today.

19 CHAIRPERSON DE BLASIO: Very good.
20 We look forward to that. Back on the previous
21 question, quickly, about the job center
22 consolidation, Euclid and Bushwick, Commissioner,
23 you know, we're talking about radically different
24 locations, one in east New York, one in Bushwick.
25 I'm a little confused how you think that won't

2 fundamentally dislocate the folks served by these
3 centers, if it's such a difference of geography.

4 ROBERT DOAR: Seth.

5 CHAIRPERSON DE BLASIO: And how,
6 what have you done to analyze what this will
7 actually mean for the folks being served?

8 SETH DIAMOND: The people served at
9 Euclid don't necessarily live right near the
10 Euclid Center, and we can share with you a
11 transportation analysis that shows the travel
12 distances and the travel times that will change.
13 In most cases, it's a modest difference in time
14 between the two locations. And most people also
15 don't have to go regularly to their job centers
16 for appointments. They may have to go once or
17 twice a year, but their more frequent interaction
18 is with an employment program or something like
19 that, which is not, which may be closer to where
20 they live.

21 CHAIRPERSON DE BLASIO: I'm just on
22 a common sense level a little astounded that we're
23 talking about two such different locations without
24 great transportation between them, and you think
25 it won't have an impact on folks served. But I'm

2 not surprised, we'll let that one go. Let's move
3 to another issue. I want to take you back, 'cause
4 we talked about in the beginning, in the opening,
5 the--client contribution issue that has been in
6 the news the last few days, there's been
7 tremendous concern that it's an unfair, an
8 unproductive policy to ask folks who are in
9 shelter to pay toward the cost of shelter to begin
10 with. And that it undermines their ability to
11 save resources they could use to eventually get on
12 their own two feet. And there's obviously been a
13 bit of a comedy of errors of this policy being on
14 again/off again. Now, as I understand it, HRA was
15 responsible for calculating how much money
16 homeless families would have to contribute towards
17 a course, towards the cost of shelter. And that
18 you were also involved in the noticing of
19 families. Tell us what happened.

20 ROBERT DOAR: First of all, it's a
21 State requirement that for folks receiving
22 temporary housing assistance, who have income, be,
23 make some contribution toward the cost of their
24 care. It's been true across the State, it has not
25 been perfected within DHS shelters in the City of

New York. The State brought some pressure on us to comply with that requirement, and fiscally penalized the State, the City, for not complying with it. The calculation of the amount owed is conducted by the State's Welfare Management System. In order to be done correctly, workers at HRA put information into the system, and the system produces a notice at the State level, and the State sends that notice describing the amount to be contributed by the client. That calculation and that programming to the State system was done by the State. And we found, soon after beginning the process, that those calculations were incorrect. And we brought that to the attention of the State, and the State acknowledged mistakes in the programming that led those calculations to be incorrect, and determined that they would notify us and the clients that this process would be stopped, until those calculations conducted by the Welfare Management System administered by the State of New York could be corrected. And that's where we are now. The, I do acknowledge that for some folks, due to the way in which the rebudgeting was done from HRA, some of those

cases, not the calculation, but the generation of the notice, was not triggered by an action by HRA workers. And we discovered that, and brought that to the attention of the State, and the State considered that in addition to the fact that the underlying calculation programmed by the WMS system was incorrect in determining that the process which they had mandated on the City needed to be stopped.

CHAIRPERSON DE BLASIO: Do you believe the State law should be changed? 'Cause there is a proposal in Albany now to end this practice.

ROBERT DOAR: The pra--My, first of all, they're, we're seeing there are a lot of proposals, and the City is looking at what's out there. The aspect of people with income making some contribution to the cost of their temporary housing, these are folks who have a job or other source of income, does not trouble me. It's an aspect of personal responsibility. If they're, a portion of that contribution could be devoted to savings, that would not be a bad thing. But given the fact of the matter, right now it's existing

requirement, and there are some potential fiscal risks for the City if we don't comply, that's really what we've been dealing with. But it's-- the aspect of making a contribution all by itself, if done correctly, does not trouble me.

CHAIRPERSON DE BLASIO: Well, we'll, we're going to not dwell on this, because your colleague, Commissioner Hess of DHS is coming in shortly, and we're going to talk to him about this. I think this is a very different policy that what you describe in the sense of potentially asking quite a bit of shelter recipients and not setting them up for self-sufficiency thereafter. And I think it's also been badly mishandled in implementation. But I would hope the Administration would think about joining the effort in Albany now to change the State law so we're not having our hand forced in this manner.

ROBERT DOAR: Well, I can, yeah.

CHAIRPERSON DE BLASIO: Go ahead, I'm sorry.

ROBERT DOAR: I just, people who are in temporary housing facilities, the cost of care is significant. If they have income that

2 they can contribute, it gets them in the habit and
3 practice of making contributions towards their
4 housing, which is something that must be faced
5 eventually, as they transition out of the shelter.

6 CHAIRPERSON DE BLASIO: I think
7 there's a very big difference between a
8 contribution that's held in escrow for their
9 future use, to help them get on their, you know,
10 get on their own, versus a contribution that just
11 goes back into the City or State coffers. But we
12 will debate that further with Commissioner Hess.
13 To closer out, Commissioner, I know my colleague
14 Tom White has a question, councilmember just if
15 you'd be kind enough to keep it a little brief,
16 'cause we are behind schedule, I'd appreciate it.
17 Council Member White.

18 COUNCIL MEMBER WHITE: Thank you
19 very much, Mr. Chairman. I see here that you are,
20 you estimate, you have identified \$620 million in
21 savings for the prior fiscal year '08 through '12.
22 And that--

23 ROBERT DOAR: Yeah, so, yes.

24 COUNCIL MEMBER WHITE: And that
25 the--how did you derive at that?

ROBERT DOAR: Well, this was over multiple savings exercise directed by the Director of the Division of Budget, or Office of Management and Budget, to address the remarkable shortfall in revenues at the City and State level. And so we, we went out to each of our program heads, down to fairly low levels, and said, "We need to achieve these targets of savings, could you give us some ideas?" And we gave each of them their own individual target, and we asked them to come up with ideas that would, and I said, we want them to be, not to affect our core services and our ability to serve people that are in need. And so they went through their books and their processes and came up with suggestions either in increasing revenues or in cutting costs that we could afford to cut, and still deliver our programs.

COUNCIL MEMBER WHITE: Well, I know, you know, I arrived here because I wanted to hear the President speak concerning his nominee for the Supreme Court. And I'm happy that it was a Latino, it was a woman. But I'm more impressed by what the President said, that I do not pick up from HRA right now. And what he said in making

his decision was he wanted a knowledgeable, a person that knew the law, her track record--I believe Princeton, and then Yale, and then working Morgenthau's office, so forth and so on. But one of the key things that he said, in her nomination, was he wanted somebody that had the empathy to take a look, and be able to put themselves in other people's shoes. So my [applause] And he described the kinds of analysis that was done, and how many pages was in that analysis. So here's my question, and I've been hearing it about, we understand that we're in an economic downturn. But I'm concerned about the people who make these decisions concerning people's lives, day in and day out. Do you have in that analysis and in those audits, people that look like me, that woman, that has had some union experience in representing the union? Have you taken a look at that as opposed to just taking a look at a bottom line and say, "Well, we can save X amount of dollars."? And it would appear to me that that was the only target, how much money we can save, and the impact that it would have too a backseat. And I have serious reservations about approving

such things, because having been in the City Council before, it's always the hard services that are, remain. The soft services like taking care of our children, taking care of the workers that take care of our children, people that work every day, is left last, and left for us to restore. And if we don't restore them, then nobody gets them. [applause]

ROBERT DOAR: Well, council member, I believe I do have that empathy, and I work hard to listen to all the members of our agency. I have a long experience in social services, I've worked in social services since 1995. My family's been involved in social services. You have to ask around, though, and see what folks say, but I think I've brought that, and that's why in trying to get to these savings, I work very hard to ensure that we not affect our direct service to the people of the City of New York.

COUNCIL MEMBER WHITE: Well, I'm not attacking you directly. What I'm saying is, have you asked the workers who are out there doing the work? Have they had input into this decision making?

2 ROBERT DOAR: Well, I--

3 COUNCIL MEMBER WHITE: You say you
4 went around. What I'm saying is, when you go
5 around and you really, and you really want--you
6 want to do a good job, I'll give you that. But in
7 order to get a good job, and a good analysis, you
8 have to do a 360 degree assessment. So I'm
9 saying, did you do 360 degrees by talking to the
10 unions, by talking to the workers, by talking to
11 the administrators, by talking to your
12 accountants. Did you do that wholesome approach,
13 or did you just do the economic approach?

14 ROBERT DOAR: No, I think I looked
15 at the whole picture. If I could do more of it,
16 and I will, and if you're urging me to, I will. I
17 do, I did conduct many, many, many open forums
18 across the City and all of our offices, or most of
19 our offices. I listened to direct feedback from
20 workers. I have an open email ability for anybody
21 to contribute, to ask questions or to bring up
22 issues. I think I have a pretty open door
23 relationship with the union leaders, who I talk to
24 quite frequently. So, I honestly believe that our
25 agency has done what you're suggesting, but I will

2 work at it even harder in the coming year.

3 COUNCIL MEMBER WHITE: Well, I
4 would appreciate it, because I'm really not
5 satisfied with the end results today. So, let's
6 work a little harder, and let's dig a little
7 deeper, as my colleague said about Wall Street,
8 alright. We did a lot in terms of, with the
9 taxpayers' money, and some people that's going to
10 get laid off or not have jobs, some of their tax
11 money that they paid went towards bailing out
12 other people that really don't look like us.

13 [applause] And the least that we can do in this
14 City, because I hear it day in and day out, in my
15 district, people losing their homes because they
16 lost their jobs, and things of that nature, then
17 they have to go on public assistance. But they
18 can't go on public assistance because you don't
19 process 'em right. You got a set budget, you're
20 going to delay, delay, delay. And what I'm saying
21 is, in this city, we have a opportunity, the same
22 way the federal government bailed out Wall Street,
23 we're right here on Main Street, and I think that
24 the City should work for Main Street on up, and
25 not give people jobs and rescue packages from the

1 COMMITTEES ON FINANCE, GEN WELF, WOMEN'S ISSUES110

2 Wall Street, with jobs and job opportunities,
3 within our system.

4 ROBERT DOAR: That's the world that
5 we work in, in HRA.

6 COUNCIL MEMBER WHITE: And guess
7 what? There's one thing I know, if I don't know
8 for sure: we created the world, and guess what?
9 We can change it. [applause]

10 CHAIRPERSON DE BLASIO: Yes, sir.
11 Okay. Thank you, Council Member. And
12 Commissioner, thank you. Appreciate your
13 testimony and that of your staff, and we look
14 forward to your additional responses based on the
15 questions today in writing and follow up. Thank
16 you. Okay, we're now going to have--

17 [scattered applause]

18 SERGEANT-AT-ARMS: Quiet, please.

19 CHAIRPERSON DE BLASIO: We're now
20 going to have Administration for Children's
21 Services come up, so let's see if we can make a
22 quick transition. Let's try and make a quick
23 transition here.

24 [pause]

25 MALE VOICE: Please exit quietly

2 ladies and gentlemen. Find seats. This hearing
3 is going to begin again fairly shortly. Thank you
4 much. Take any conversations outside.

5 [pause]

6 [gavel, background noise]

7 CHAIRPERSON WEPRIN: The Finance
8 Committee is back in joint session with the
9 General Welfare Committee. I'm David Weprin, I
10 chair--and I chair the Finance Committee. And
11 we're also joined by the Committee on Women's
12 Issues, chaired by Council Member Darlene Mealy,
13 to my right. And we're about to hear from
14 Commissioner Mattingly. But before we hear from
15 Commissioner Mattingly, I believe Chair De Blasio
16 and Chair Mealy have a statement. Chair De
17 Blasio.

18 CHAIRPERSON DE BLASIO: I don't
19 think she does. See if she does or not. I don't
20 think she does. Thank you, Chair Weprin.
21 Welcome, Commissioner and your team. First of
22 all, I want to acknowledge the members who are
23 present who were not in the previous part of this
24 hearing, Council Member Melissa Mark-Viverito,
25 Council Member Helen Sears, Council Member, let's

see, Council Member Mealy we mentioned before, Council Member Crowley. And want to thank the staff who helped put together this part of the hearing, including Molly Murphy, Migna Taveras, and Paki Sangupta [phonetic]. So just a few points up front, Commissioner, to you and your team. I think we would all agree, sort of a moral question, as a question of what government is supposed to do, that in tough economic times it's wrong and it's irresponsible to put the greatest burden on children and families who need help the most. That in fact, we need to make them our priority. And despite months of advocacy since the preliminary budget from members of the Council and from community leaders and social service advocates, the Administration has still been unwilling to scale back the drastic cuts which will jeopardize ACS's ability to keep children safe, and to provide childcare to those who need it most. So just a few specific points I want to make at the outset that we hope you'll address in your testimony and in the questions and answers. You still have, your agency with a extraordinary number of losses of staff positions, we were

concerned about this in March and the situation is just as bad now. ACS still faces the elimination of approximately 1,000 positions, more than any of the other social service agencies, more than any of the other large frontline agencies, such as Sanitation and Parks. It's an extraordinary number of positions for you to be losing, and obviously will have an effect. We know they're not all frontline workers, but with that many positions lost, it's impossible to see how the work of the agency will not be negatively affected. Commissioner, you testified at the preliminary budget hearing that the agency originally anticipated 608 layoffs, and the number had gone down to 557; but we do not see that clearly articulated in the executive budget, so we need you to explain that further today.

Specifically on the question of child welfare, over 600 of the headcount reductions, including through attrition, come from child welfare, which is a tremendous concern in and of itself. But we're also losing preventive money, the Council's Child Safety Initiative, which we have very proudly made happen for the last few years, which

keeps the caseload of preventive workers down, has not been restored in the executive budget. And that means providers cannot meet the nationally recommended caseload ratio of twelve to one.

They're going to go back up towards 15 to one, and as you know, that threatens their ability to keep children safe and families together. Also--thank you. Also, in previous years, ACS found \$9

million in its budget from, for prevention, which again we are concerned will not happen this year.

On childcare, there have been some positive developments since the March hearing, but we still have major concerns. I am pleased that ACS will finally be paying the market rate to providers, which is long overdue. And it's vital for the continuation of the work, which is crucial for the working families of this City. And I'm pleased ACS is committed to helping childcare centers that lose classrooms as a result of the kindergarten transition, to age down with stimulus funding, which was a concern raised in the preliminary budget hearing. But on both of these fronts, there's still tremendous problems to address. As a result of the changes on the market rate, the

Administration's made the decision to reduce over 3,000 childcare vouchers. This includes 2,000 priority seven vouchers for large families, and 1,000 priority eight and nine vouchers, for families where parents are either ill or incapacitated or looking for work. Now we think this is going to have a horrible effect on the families involved, and we think we have to find the solution rather than putting these families in such a difficult situation, in the middle of economic tough times. I appreciate ACS will offer slots in centers for these families, but this raises the issue of whether, where the open slots will be, and whether the centers can adequately serve the families in need. ACS has also said that it will help 93 childcare centers of the 125 slated to lose kindergartners, but as usual, the devil's in the details. What will happen to the other 32? How will ACS determine the 93 to assist and the 32 that will not be assisted. And let's not forget the seven childcare centers that have classroom reductions that threaten their ability to stay open. So the question this administration needs to answer is what will happen to the

thousands of low income children and families in New York City who desperately need these services? Commissioner, I say this to you and I say it with absolute respect. We have come a long way since the Nixzmary Brown tragedy, and everyone should be proud of the positive changes we have made, but we cannot afford to start slipping backwards. And these drastic cuts will undermine potentially thousands of children's safety, and it's simply too high a price to pay. So with that opening, Commissioner, we welcome your testimony.

JOHN MATTINGLY: Good morning, good afternoon, Chair De Blasio, Chair Weprin, Chair Mealy, and Chair Sears, members of the General Welfare, Budget and Women's Issues Committees.

I'm John Mattingly, Commissioner of the New York City Administration for Children's Services.

Joining me here today is Susan Nuccio, our Deputy Commissioner for Financial Services, and Melanie Hartzog, our Deputy Commissioner for Childcare and Head Start will join us at the question and answer point. I thank you for the opportunity to brief you on the Executive Budget, and to update you on the progress that we have made in our ongoing

efforts to strengthen our work. As you know, Children's Services' Mission is to ensure the safety and wellbeing of New York City's children. We work to do this by providing child protective investigations, foster care and preventive services, adoption, childcare and Head Start services to vulnerable families. The operating budget for Children's Services for Fiscal Year 2010 is \$2.6 billion, \$702 million of which is City tax levy. As I think the Council is aware, all too aware, New York City is struggling with difficult economic times, along with the rest of the State and country. As a result, all child welfare, all City agencies, have had to make reductions in their budget, and we at ACS have been faced with many difficult decisions about how to produce savings and still carry out the important job we have to do. Like all City agencies, we were asked to identify an additional four percent in reductions from our budget as part of the Executive Plan; that is on top of the seven percent that was in the January plan. At the preliminary budget hearing in March, I walked through our approach to identifying savings in our

system, which consisted of a top to bottom, unit by unit functional analysis through which we looked at all parts of our agency to determine where we could find efficiencies and savings that would not undermine our most critical functions. We looked first to achieve savings wherever possible in administrative costs, including leases and outside consultants. We have made these proposed cuts in this budget. But because more than 80 percent of Children's Services budget is comprised of direct services to children and families, we were unable to find the reductions we needed without looking to make changes to our personnel and to some of our programs. We worked to make changes to our organization that were in line with the vision of the agency, and what we believe will lead us to providing the best services possible for children and families. These were tough decisions to make, and unfortunately as a result, there were 541 positions identified to be eliminated, resulting in staff layoffs. Staff who are at risk of being affected by these reductions received notification earlier this month, and we are currently working

with the City's Office of Labor Relations, unions, and the Department of Citywide Administrative Services, to find every possible way to mitigate the impact of these actions on the people involved. Now, in order to produce savings for the Executive Plan, we identified an additional \$28.6 million in City tax levy reductions to our budget. While the fiscal challenges we face today are difficult, we believe that we have come a long way in the past several years to strengthening our core capacity, to protect children and strengthen families. Every piece of the Child Welfare System has seen major changes to improve the quality of services to children and families. From the child stat system operating every Thursday morning, to enhanced training--[background noise, gavel] to enhanced training, to the Leadership Academy for Child Safety, to community partnerships, we have put a structure in place that will continue to help us to meet our mission through these very challenging times. We do not intend to step back from our commitment to child safety. [pause] As I mentioned previously, we have done everything possible to maintain our ability to protect

children through child protective investigations, our primary responsibility as the child, as the City's child welfare agency. I know the City Council shares our commitment to ensuring that we maintain the strong foundation that we have built in child protective services in recent years. Thanks to the commitment of the Mayor, we have a strong child protective workforce in place.

[background noise, gavel]

CHAIRPERSON DE BLASIO: Okay, hold on, hold on, Commissioner, I'm sorry. I appreciate that there's deep feelings, I share many of your feelings, and I appreciate that you've brought signs as a way of expressing them. We really do need to respect the fact that we don't interrupt the testimony. So, use your signs when you see fit, but please keep it to silent expression. Commissioner, continue.

JOHN MATTINGLY: Thank you, Chair De Blasio. Our caseloads in child protective investigations have dropped to historic lows for the City, for the State, and I believe, the country, at a citywide average of less than eleven cases per worker. Thanks to the hard work and

dedication of staff throughout Children's Services, we now have a structure in our borough offices that supports quality practice and quality supervision. We also have an accountability system through which we are working at all levels of the agency to identify and address practice issues in our investigations, so that we are continuously working together to problem solve and strengthen our work. I know that none of us at ACS and the community, and in all parts of City government, want to see Children's Services move away from the progress we have made to keep children safe. We are committed to sustaining the low caseloads that now have in child protection, and to continuing our efforts to monitor and strengthen our work in this area. This is why, when we have made the difficult decisions around reducing spending in our agency, we have largely stayed away from cuts that would affect our child protective staff. Child protection is of course not our only job. As I've testified on a number of occasions in the past, I am also able to report today that we are moving forward in our strategic efforts to fundamentally change the way that

foster care and preventive services are provided to children and families in New York City. In June, at the end of a long, two-and-a-half year process, we will finally, we will finalize our rollout of improved outcomes for children to all foster care and preventive agencies system wide. After more than two years, of a progressive rollout process, we now have full approval by the State Office of Children and Family Services to move from pilot to full implementation. Every preventive and foster care agency will now be involved. This means, we believe, better and more oversight of the agencies and implementation of family team conferencing for all children and families. As the final step of implementation, we are eliminating the last 159 case management positions within children's services. You may recall we started off with 650. This month, we are bringing on an 80 additional family conference facilitators, the large majority of whom, as promised, are from inside the agency. While family team conferencing, enhanced monitoring and technical assistance and tighter performance measurement, Children's Services is working with

our private agency providers to strengthen key outcomes around safety, permanency and wellbeing.

These outcomes include reducing the number of children who return to foster care after they are reunified with their families; minimizing the number of movements that a child makes from one home to the next while in care; reducing reliance on residential treatment care; and shortening the length of time it takes to reunify a child with his or her family, or for a child to be adopted.

As you know, IOC is cost neutral and unaffected by the PEG as part of the Executive Plan. I am also pleased to report that last week we issued an RFP for new child welfare contracts in family based foster care, residential care, preventive services, and community partnerships--all of which are scheduled to begin in Fiscal Year 2011. So that's July 1, 2010. Through the RFP, we are seeking the help of our provider agency partners, and the City's communities, to expand on progress that we have made in recent years to strengthen our system's ability to protect children and strengthen families. Now in this time of severe financial challenges, Children's Services is

committed, as always, to serving the City's most vulnerable children with quality childcare. I know that the Council Members here today share in our concerns about the continuing underfunding of childcare that the State has experienced on the part of the State and federal governments. The inescapable fact is that we need to make some changes now, so there can be an economically viable system into the future. Our top priorities are to sustain the center based system and continue serving the most vulnerable families. Thanks to the commitment of Mayor Bloomberg and the City's financial support, we have come to an agreement, as the Chair mentioned, with the State, that makes the most of the funds available to New York City at this time, to meet these goals. At the recent hearing about the 2007 childcare market rate, I talked about the enormous challenge of an unfunded mandate to pay an increase to providers in such difficult fiscal times, while being committed to supporting the great work of thousands of home based childcare providers. After months of negotiations, the City and the State have developed a solution that enables us to

provide this increase while making City, State and federal funds available to strengthen the childcare system in New York City. Thanks to the tenacity of Mayor Bloomberg and Governor Patterson, as well as the availability of stimulus funds made possible by the federal and State governments, we are not able to pay for the increase to as many as 27,000 home based, childcare providers. The cost of the increase, however, annually, is \$45 million, which will be funded from City and federal funds. The retroactive payments estimated to cost \$80 million will come from the \$26 million provided by the State for this purpose last fiscal year, with the additional funds provided by the City as needed. The agreement will benefit providers who accept ACS vouchers, and those affiliated with contracted, family childcare networks. Those who qualify will be paid both retroactively to October 2007 and prospectively. Providers can expect to receive the retroactive payments based on the 2007 market rate over a six month period, beginning in July 2009. Under the market rate agreement, the City also sought to preserve capacity in the

childcare system. Children's Service will use additional funds made available by the federal stimulus, to reopen a majority of the seats in ACS funded childcare centers that had been previously filled by kindergarten aged children in order to serve three and four year olds in those classrooms. This arrangement will enable us to sustain 2,000 slots in 93 classrooms across the City. It will also increase capacity for the three and four year old children in ACS's center based childcare system, where it is most needed. As I have explained to Council, the cost of this increase is very large. And we were grateful to receive help from the City and State in order to pay for this. When I testified before the City Council several months ago, I expressed concern that we would need to cut 6,300 subsidies for children receiving childcare, and eliminate capacity in all forms of care to pay for the market rate. This agreement with the State helps us to avoid such a drastic cut; however, in order to help pay for the increase to providers, the City still, nonetheless, had to eliminate 1,000 vouchers for the system from two of our lowest

priority eligibility categories. In addition, as part of the Fiscal Year '10 executive budget, Children's Services has proposed a reduction that will eliminate a third, lower priority category for eligibility from the subsidized system, resulting in an additional 2,000 vouchers being eliminated. Families who are affected by this reduction will have the option to fill a vacant seat in ACS's contracted childcare and Head Start centers, or at DYCD's OST programs. All existing children in these categories that move into a contracted seat, will be allowed to age out of contracted care and no family will lose eligibility upon recertification. Now while the City's budgetary realities have required a contraction of our subsidized system, ACS remains dedicated to sustaining a quality system for the children and families we serve. We know that there's a need in this city for quality childcare, and New York City I think is justly proud of the system that we have in place to meet this need for more than 100,000 children. We will continue to work with members of the Council to support childcare providers and strengthen the system in

the months to come. And we hope for your continued support in advocating to the state about the need for additional resources to support child care in New York City. So, I'll conclude in just a couple of minutes. I wanted to summarize what I believe we are dealing with ere. In Fiscal Year '09, closing now, we have had to face \$102 million in cuts to our budget. Next year, in 2010, we will face an additional \$218 million cut to our budget. The following year, 2011, we will face a \$229 million cut to our budget. Those are hard facts that we have to deal with at ACS, in figuring out how to move forward with losing as little as we can of the gains that we have made. As you know, there are three jobs that we have in child welfare, for example: keeping children safe, providing preventive services to families so that families can keep, stay together safely for their children, and providing quality foster care reunification and adoptive services. We have, indeed, had to make these changes to our budget in line with our conviction that the best we can do in those front line areas is what we have to do the best to preserve. We made the decision, as

you all know from our last hearing, that the focus had to be on minimizing the harm to frontline services provided directly to families. That include child protection investigations; that includes foster care services, that includes the tens of thousands of children and families receiving preventive services. We have done whatever we could to maintain those services as best we can. However, the fact is that 83 percent of our budget is caught up in direct services. To the extent, then, that we are making cuts focused on preserving them, we have a much smaller base to work from in making those cuts, and I think that is the reason why we are here today, with these personnel changes. Just some examples, I think will give you a sense of what we are trying to do here. We have to lay off child safety officers, whom I was attempting to hire more and more of, so that we could do less and less of contracted security services. We cannot hold on to all of those that I had brought on. That's not good. We will be able to continue to provide priority safety services to the borough offices. We'll have to scale back some others. That's an example

of what I mean. Another example would be our investigative consultants, whom you may recall we brought on some three years ago, in order to help support the work of our child protective investigators. We have 60 of them, we're going to have to lose ten of them. In addition to that, we started, under our leadership, a visitation program that would help train provider agency staff in how to use family visiting as, in order to coach them into how they can use family visiting to strengthen the families, not just provide a visit. We've had to virtually eliminate that program. These are tough decisions. I don't like any of them, much less laying off hundreds of people. But the fact is, facing those numbers that you know about, that I just mentioned, we don't have too many other choices within the context of our prioritization. So, I'd like to thank City Council for your continued partnership in this important work, and your dedication to the children and families of this City. I know that you know that especially in these times, there are no quick fixes, no silver bullets, and no easy solutions. Your advice, and indeed your pressure,

2 has helped us to do better and is appreciated.

3 I'll now take your questions.

4 CHAIRPERSON WEPRIN: Thank you,
5 Commissioner. The problem I have is, all we need
6 is one incident of a potential lost life, and I'll
7 say, "How can we not find the money to provide the
8 [applause] child welfare workers?" You know, it
9 seems to me that this Administration often reacts
10 to situations. I recall when we had some tough
11 budget times, and we had the Nixzmary Brown
12 tragedy, all of the sudden the money was found to
13 hire additional workers. [applause] Then we have
14 about two years, you know, that go by, and you
15 know, God forbid, you know, thank God there were
16 no tragedies and, you know, now all of a sudden,
17 you know, we're looking to lay off child workers.
18 You know, these are probably some of the lowest
19 paid individuals, some of the hardest working
20 [applause] individuals. And I say, you know, now
21 is not the time to take the chance on laying off
22 500 or more child welfare workers, when you know,
23 we, thank God, have not had a tragedy, but you
24 know, we don't know what's down the road.
25 [applause] It seems to me there's got to be

2 another way, you know, to find the money and I
3 know Chair De Blasio and I are going to be doing
4 everything in our power, through budget
5 negotiations, but you know, what are you going to
6 do, Commissioner, if these layoffs go through, and
7 God forbid we have another Nixzmary Brown
8 situation. What's going to happen then?

9 JOHN MATTINGLY: And important
10 question. It was not only Nixzmary Brown, it was
11 Korshon [phonetic] Brown, and about nine other
12 children--

13 CHAIRPERSON WEPRIN: That just
14 makes the case even stronger.

15 CHAIRPERSON DE BLASIO: Exactly.
16 [applause]

17 JOHN MATTINGLY: That's why we are
18 not cutting any child protective frontline
19 investigative services positions. That's why we
20 are holding on to that work that we've done, both
21 in training, and in supervision and in management,
22 that the, that we have built over the last four
23 years. Now, there will be another tragedy. There
24 always is. The question is whether we have
25 strengthened child protection enough to believe

that that tragedy will have been investigated carefully if we were involved in it, in the first instance. That's what I can commit to. Would I like to have those 50 clerical workers whom we are, whose positions are being closed out in the field offices? Yes. I'd like to have them, they help our workers. But within the context of those hundreds of millions of dollars, I could not afford them and the workers.

CHAIRPERSON WEPRIN: Well, you know, I'm not convinced, Commissioner. Let me go through some of these specific positions. Staff reductions will be made in both Family Permanency and Family Support Services, as ACS intends to "streamline operations in the Office of contract agency, case management, technical assistance units, and directly operated prevention programs." What specific positions do you propose to eliminate?

JOHN MATTINGLY: Bear with me, got it right here. [pause] In Family Permanency Services, the staff reductions will take place in the Office of Youth Development, Parent Support and Recruitment, Adoption, Technical Assistance

and Case Management. The division will merge several offices, including the Office of Youth Development, Parent Support and Recruitment, and Adoption Technical Assistance. The merging of these units will allow us to streamline how we support the agency's focus on safety, wellbeing and permanency for children in foster care.

Through the development, we think of best practice manuals and other capacity building projects the division has prepared for the integration of these offices. Will it be easy? Will it cause disruption? Yes. Again, within the context of our choices, it's the choice we made. Family Support Services will be, this department, sorry, Preventive Case Management first. This department will be eliminated and replaced by a more robust and effective model of oversight of the contract preventive providers through the improved outcomes for children initiative that is already well in place. Teenage Services Act program TASA, we will continue to serve pregnant and parenting youth, but we will make more use of Medicaid funded provider agencies and a streamlined outreach and referral process. In the past several years, we

2 have also helped to start with the City's Health
3 Department, a nurse family partnership program,
4 nurse family partnership program, to support
5 families having children of all ages. Family Home
6 Care, we are redesigning the Family Home Care
7 program to accomplish eligibility determinations
8 more efficiently. Family Visiting, we have
9 integrated technical assistance with, to the
10 agencies themselves, and as I said before, we've
11 had to move to close down these visiting training
12 programs because we expect the agencies who are
13 responsible for family visiting to have been
14 trained. Parent education, we have eliminated a
15 small, directly operated parent education program
16 in one borough office. The Office of Family and
17 Child Health, we have integrated the Office of
18 Clinical Policy and Planning to continue to
19 provide clinical support to child protective
20 foster care and preventive operations. So we've
21 integrated programs across the board.

22 CHAIRPERSON WEPRIN: Okay, it
23 sounds very well and good, but I'm a little
24 skeptical that these so-called consolidations will
25 not cause a huge gap in the structure of providing

2 whole family services that would not result in a
3 future tragedy. It seems to me that, how much,
4 just tell us the positions you mentioned, the 315
5 or so, this so-called streamlining. How much
6 money are you talking about saving in that
7 consolidation? The positions you just went into.
8 How much money are you talking about saving
9 overall?

10 JOHN MATTINGLY: Do you know
11 offhand? Get that for you in one sec. So it's
12 Family Permanency and Family Support? \$18 million
13 dollars a year.

14 CHAIRPERSON WEPRIN: \$18 million.
15 \$18 million in a \$60 billion budget. When--

16 JOHN MATTINGLY: \$2.6 billion,
17 Chair Weprin.

18 CHAIRPERSON WEPRIN: \$2.6 billion
19 budget, is your budget, yes, but it's our overall
20 \$60--

21 JOHN MATTINGLY: Okay.

22 CHAIRPERSON WEPRIN: I'm dealing
23 with the whole budget.

24 JOHN MATTINGLY: Alright.

25 CHAIRPERSON WEPRIN: \$2.6 billion

2 budget. And this \$18 million, it seems to me
3 that, you have an outside contracting budget?

4 JOHN MATTINGLY: Not in itself, but
5 we do outside contracting--

6 CHAIRPERSON WEPRIN: And how much
7 of--

8 JOHN MATTINGLY: Something that we
9 have cut quite dramatically.

10 CHAIRPERSON WEPRIN: How much is
11 that outside contracting budget?

12 JOHN MATTINGLY: --I say it's not
13 necessarily in one budget. I have it right here.
14 [pause] Sorry, be right with you. Yeah, here it
15 is. Contracted services, Fiscal Year '09 to '10,
16 we are, we have had a \$13.2 million budget. We
17 will bump it down to \$7.6 million, thus saving
18 \$5.6 million. We have eliminated clerical temp
19 contracts of \$4.2 million. We have cut back IT
20 programmers from \$2.7 to \$1.5. We have eliminated
21 car service. We have eliminated escorts,
22 children's escorts, and we have bumped down
23 architects and engineers from \$1.7 to \$1.5. Thank
24 you.

25 CHAIRPERSON WEPRIN: Okay, well,

2 you know, I would sooner look to have more
 3 efficiency in some of these outside contracts, you
 4 know, maybe rebid them a little bit more
 5 competitively, before we start talking about
 6 laying off these welfare workers that you're
 7 talking about. [applause] Among your
 8 administrative personnel potential reductions, I
 9 think you were talking about 293 positions, the
 10 agency wide staff in both Childcare Administration
 11 and General Administration. What specific
 12 positions are we talking about there, among those
 13 293?

14 JOHN MATTINGLY: Is that the
 15 Administrative and the Childcare? Okay, alright.
 16 There, in Administrative Services, there are, have
 17 been and will be reductions in peace officers as I
 18 mentioned, transportation services, technical
 19 design staff, and personnel officers. Reductions
 20 will also take place in the desktop support
 21 network infrastructure, within the MIS Department,
 22 and within the Office of Agency Chief Contracting
 23 Officer. That's 102 positions, out of 623. In
 24 the Childcare Head Start arena, the reductions
 25 will take place in several areas, including

2 administrative services, executive office,
3 technical assistance support compliance, childcare
4 training, Head Start operations, and childcare
5 resource areas.

6 CHAIRPERSON WEPRIN: And how much
7 is that all supposed to save?

8 JOHN MATTINGLY: [pause] \$17
9 million.

10 CHAIRPERSON WEPRIN: \$17 million.
11 Okay, isn't it true, though, in addition to the
12 outside contracting budget that you mentioned
13 before, that you also have outside contracts for
14 foster care and preventive services?

15 JOHN MATTINGLY: Absolutely, it's
16 the largest single item in our budget, has been
17 for many, many years. These agencies--

18 CHAIRPERSON WEPRIN: And how much
19 is that?

20 JOHN MATTINGLY: --primarily
21 predate the public childcare system, child welfare
22 system.

23 CHAIRPERSON WEPRIN: And how much
24 is that budget? Those budgets?

25 JOHN MATTINGLY: [off mic] How much

2 is the total preventive and foster care--[pause]
3 This is for 2010. Foster care is \$597 million,
4 almost \$598 million.

5 CHAIRPERSON WEPRIN: And Preventive
6 Services?

7 JOHN MATTINGLY: Preventive is
8 \$30,303,000.

9 CHAIRPERSON WEPRIN: Okay, you see-
10 -

11 JOHN MATTINGLY: I'm sorry, that's
12 - - , I meant, I'm sorry. It's much bigger than
13 that: \$193,754,000.

14 CHAIRPERSON WEPRIN: But it seems
15 to me that rather than lay off these hardworking
16 workers that potentially could result in a family
17 tragedy, overall tragedy, that there's a lot more
18 room between the \$598 million outside contracting
19 and the \$193 million preventive services outside
20 contract, to save, you know, a total of \$25
21 million. It seems to me that you should be
22 looking there for some of the fat in those outside
23 budgets, before we look to lay off these 500 plus
24 workers.

25 JOHN MATTINGLY: I understand, but

2 you must, in my view, anyway, keep in mind, that
3 these are the agencies who take care of the
4 children, and who provide help to the families.
5 Unlike CPS work, or like CPS workers, to cut into
6 the, to increase dramatically the caseload sizes
7 of foster care or preventive agencies, I think
8 would immediately impact services to families;
9 whereas, administrative staff at 150 William or
10 thereabouts, will not have the immediate impact,
11 although it is something we do not want to do.

12 CHAIRPERSON WEPRIN: Okay, I just
13 did a little rough math, and it seems to me that
14 if you cut those large outside contracting budgets
15 by less than three percent, you'd be achieving
16 this, these savings. But that's just a little bit
17 raw math. But - -

18 JOHN MATTINGLY: Keep in mind,
19 we've already cut foster care by five.

20 CHAIRPERSON WEPRIN: Alright, but
21 you know, I still would hate to see another
22 tragedy, and then all of a sudden we're going to
23 be looking at how to play catch up, which
24 sometimes can take years to do. And if we save
25 one life, I think this is a very good use of money

to find, to prevent that type of tragedy in the future. I'm going to turn it over to Chair De Blasio who I know has a number of questions.

CHAIRPERSON DE BLASIO: Thank you, Chair Weprin. Commissioner, you said at the end of your testimony that our pressure from the Council has helped the agency to do a better job. I say this with no disrespect, you're going to feel a lot of pressure, the Administration's going to feel a lot of pressure in these coming weeks because we're just dissatisfied by what we're hearing here. And I think the bottom line is [scattered applause] the numbers are stunning. And I don't know what kind of internal discussion has occurred about how to divvy up the, you know, the difficult cuts among agencies. But I just don't hear an argument that this is sustainable, especially when you talk about the cuts you're taking now, and then the ones you'll have to take in the fiscal years ahead. When you talked about the areas that you are unfortunately having to make reductions in, it's obvious that's going to affect the performance of the agency overall. So, I just, I feel like, and I think David made the

point, "Well, that after Nixxmary Brown, there was a rush to invest," and thank God there was, it helped immensely. That was actually one of the better things that's happened this decade in New York City, was that there was a agreement to put the resources we needed in to protect kids, and the public responded in kind by reporting much more of what they saw, and has sustained that level of reporting, which means the burden on the agency remains high. To think about close to 1,000 fewer jobless, it's just astounding to me how, there's no way you can provide the same service at that level. So my question is, when you had these internal discussions, with the Mayor's office, with OMB, what was the response to the notion that you literally could not the do the same work anymore now, and God forbid what you're going to be able to do when you get up ahead a year or two, with the additional layoffs on top of that. I just don't understand how this was something that the Administration could've agreed to comfortably.

JOHN MATTINGLY: Let's keep in mind a couple of things. First, we have to worry that

we're facing major cuts in the State budget, as they pass along more things for us to do with less money. After recent announcements, I'm quite concerned about what will happen to Preventive, to the foster care block grant, to childcare funding. That's still out there. But right now, the cuts we have, are making at this point, with a couple of additions that don't involve personnel, in 2011, will be sufficient to carry us through, to cover those losses I talked to you about. So, that's still in place. Now, if City revenue continues to be in the tank, I don't know what will happen next November, next January. You're right, there is a point at which we have to be clear about what we can and cannot do within the Administration. I hope that I have been clear about that up to now. I have felt heard, but I also know that I have only one part of the burden here in the City, and that the Mayor and OMB have got to make decisions about which hurts the most where. So, I'm telling the Council as I have in the past, a couple of things, but one that I will go to the Mayor should I believe that we are in a position where we cannot meet our basic

expectations on the part of the City. I don't believe this budget takes us there. I believe we can still continue with the low case loads in Child Protection, I believe that the lower case loads in Preventive and foster care have helped us get better in those areas. And I believe we will, generally speaking, be able to support them.

CHAIRPERSON DE BLASIO: But, Commissioner, I guess you couldn't do your job if you didn't have a certain kind of optimism, but I think you've left the--What you're saying just doesn't make sense to me, and I'll tell you why. It's just, it does, the numbers do not add up. [applause] You couldn't have had a tragedy three-and-a-half years ago that led to this immense investment, and retooling of the agency, and I would daresay in a sense, what happened after Nixzmary Brown finally created the environment we should've had long ago, where we prioritize protecting children, we prioritize prevention, you had the additional personnel to bring down the caseload, you had the kind of support, like the law enforcement experts, that was long needed, you could do more training, you could do child stat.

It's almost like what you're saying here, and again I don't envy you, that you have to face OMB and the Mayoralty and whatever their priorities may be. But in terms of your logic, we made all those investments to get things right, which was the right thing to do, it was noble, it was proper, it worked. And the level of reporting was high and remains high, and so the world sort of, things proved to get to their natural place, we needed that kind of investment, to actually protect children the right way. You cannot take 1,000 people out of the agency and end up with the same product, it's just not human possible. And so in a sense, what we're doing is, even if you think management has improved, or the strategies have improved, we're taking a huge step backwards materially, and trying to get the same result we got after a high level of investment and focus. So, I don't understand the logic, I don't understand how--I believe you, you're going to try and do the most you can with it, but that's not the same thing as it being a realistic goal. How on earth can you lose 1,000 people and still get the same outcome?

2 JOHN MATTINGLY: Chair De Blasio,
3 first off, every investment we made, in terms of
4 training and child stat and the Leadership
5 Academy, and in terms of caseload sizes for both
6 supervisors and workers, and for child protective
7 managers, all of those investments are still in
8 place with this budget. Yes, we will miss those
9 541 people, they do good work for us, but the fact
10 of the matter is, every investment you just listed
11 is still in place, it hasn't been cut, I'm sorry,
12 with the exception of those investigative
13 consultants.

14 CHAIRPERSON DE BLASIO: But the,
15 again, you didn't, respectfully, you didn't say at
16 the time after the tragedy when you were trying to
17 move forward, "Oh, you know what, give me these
18 investments, or give me the right to make these
19 investments, and I'll lay off all these people
20 over here, 'cause I don't need 'em, if I can put
21 my energy over here, that'll be fine." You wanted
22 the level of staffing that you knew you could make
23 the agency work with.

24 JOHN MATTINGLY: Don't--

25 CHAIRPERSON DE BLASIO: So--

2 JOHN MATTINGLY: Don't think for a
3 moment that we don't need these 541 people, we do.
4 You may recall that I shut down Direct Congregate
5 Care because of our commitment to family care for
6 troubled teenagers. We didn't lay those people
7 off initially, we held them as long as we could.
8 It's my job to hold on to as many jobs as I can,
9 because we need them all. Do they meet with the
10 priorities I've told you about, to focus on
11 frontline child safety, foster care and preventive
12 service? They may not. But are they needed and
13 useful to us? Yes.

14 CHAIRPERSON DE BLASIO: And
15 therefore, taking that point, we can therefore not
16 guarantee that we're not going to see a very
17 different impact on children because they are
18 needed. These positions are needed. So I'm
19 trying to understand the logic of the
20 Administration.

21 JOHN MATTINGLY: It's two different
22 statements there.

23 CHAIRPERSON DE BLASIO: Maybe you
24 think it is, I really--and I'm going to say to
25 you, I understand you have to respond to OMB, and

2 I understand you have to respond to the Mayor's
3 office. So my argument here, as a City Council
4 and as these three committees joined together, we
5 are trying to make sense of the budget and trying
6 to decide in our negotiation with the
7 Administration, what has to change, and what we
8 don't think is acceptable. And I can tell you
9 several areas that there's a broad consensus in
10 the Council, are very troubling about this budget.
11 I think this is one of them. I think that we now
12 see a level of cut that's not sustainable, and the
13 results are clear. That we would, we couldn't
14 help but ending up at some of the contradictions
15 we ended up with, before 2006. And so, if you had
16 come here today and said, you know, "No problem,
17 we can make these cuts, no exposure," that's fine.
18 You're not saying that. I think you're being
19 straightforward in saying, "These positions
20 matter."

21 JOHN MATTINGLY: Sure.

22 CHAIRPERSON DE BLASIO: And I don't
23 think you're arguing that when given the choice in
24 2006, you said, "Don't worry, I'll lay off these
25 500 people so I can make these other reforms," it

was not an either/or. You needed both to make sure you could do the work properly. I don't understand why your agency is taking such an extraordinary hit, when other agencies that don't do as fundamental thing as protecting children, are taking a lesser hit. So that's the whole point. This is not personal, this is our job. Our job is to look at the whole budget and say, "Does it make sense or does it not make sense?" On this issue, it just doesn't make senses. It's too big a hit. [applause] And I guess I'm, you know, you have said repeatedly that in the instance that there was a need that grew larger, that you believed you could turn to OMB, turn to the Mayoralty, and ask for additional relief. But I think this level of impact is so high that the, by the time you went for that additional relief, or got that additional relief, we don't know what happens in the meantime. So, I just think it's extraordinary, and I think it's left us feeling like the logic just doesn't add up. And I want to turn your attention very quickly to the prevention piece of this, which you know has been a particular passion of all of us on the General

Welfare Committee, 'cause we think it's been one of the most fundamental changes that occurred since Nixzmary Brown, was to focus more and more attention, prevention and reducing the caseloads in particular. So, once again we have, we have the child safety initiative, which the Council has sponsored, which we don't know in this budget environment what we're going to be able to do. And you know it's not in the executive budget. So that's a huge hit right there. And then there's the question of the \$9 million that has historically been a challenge for you to find that you've had some success in the past finding, but I assume it's going to be harder than ever now. What is the status of that \$9 million?

JOHN MATTINGLY: [pause] Oh, these are the service enhancements. Right?

CHAIRPERSON DE BLASIO: Yes.

JOHN MATTINGLY: The \$9 million, we had to cut last year, to \$4.5. It is not in the budget, but as I have told you, I think each year that we've gone through this process, it is still out intention to fund that \$4.5 million for the service enhancements for the preventive programs.

2 CHAIRPERSON DE BLASIO: And do you
3 believe realistically this, the level of cut
4 you're taking now, that you're going to be able to
5 do that?

6 JOHN MATTINGLY: Well, we're taking
7 the cut. The question is, with preventive not
8 being cut any further by the State, we believe we
9 can find the funds to continue the service
10 enhancement.

11 CHAIRPERSON DE BLASIO: So you're
12 saying you are convinced it will not be cut
13 further by the State, or that's still an open
14 question.

15 JOHN MATTINGLY: Well, as you know,
16 what's going to happen after November, I, none of
17 us really know with the State.

18 CHAIRPERSON DE BLASIO: In terms of
19 the State having to reevaluate its budget.

20 JOHN MATTINGLY: Yeah.

21 CHAIRPERSON DE BLASIO: So, let's
22 be cautious, because we're talking about
23 children's lives, and say, "What if that didn't
24 cut the right way?" Do you then have the capacity
25 to find additional resources, so we don't lose

that preventative, so they don't lose your preventative capacity?

JOHN MATTINGLY: As I said each time, we're committed to doing it, each year I've said this. And each year we managed. Now, we had to cut it in half last year. But we think, again, we can manage. The same thing with the thousand additional slots that we added, again we self-funded that, you will recall. And we have continued that. Now, it's true, that we aren't at a thousand now, we're somewhere under that, I'm not sure exactly what. What we've done is when poor performing agencies, or agencies that really were not functioning, closed, we took their slots and divided them out, not in toto, but to those communities that most needed additional preventive services. So that funding, we believe, will still be there in the coming years, so that we don't have to cut any more slots, any slots.

CHAIRPERSON DE BLASIO: At this moment, what is the ratio in prevention? And what is the timeframe for getting a family to preventative services, when they need it. What kind of time lag is being experienced?

2 JOHN MATTINGLY: The time lag has
3 dropped dramatically. It depends on the
4 particular borough office. But we ask that
5 question every Thursday of the two borough offices
6 who are presenting. And we've gotten to the point
7 where no one is saying we cannot access preventive
8 services in a timely way. We don't have any one
9 of these borough offices telling us that they have
10 to put kids on a waiting list. So we think we're
11 barely managing, but barely managing is much
12 better than where we used to be.

13 CHAIRPERSON DE BLASIO: And what
14 about the question of ratio?

15 JOHN MATTINGLY: Say it again, I'm
16 sorry.

17 CHAIRPERSON DE BLASIO: The ratio,
18 the current ratio for the preventative case
19 workers.

20 JOHN MATTINGLY: Well, it was
21 bumped down to twelve with the Council's help. It
22 is, it last year, it went, I'm not exactly sure
23 what happened between twelve and 14, I just don't
24 know yet, we don't have those--

25 CHAIRPERSON DE BLASIO: What is

2 that when you say you're not--

3 JOHN MATTINGLY: Well, you gave ten
4 point--you gave less money last year.

5 CHAIRPERSON DE BLASIO: We gave
6 less, although you still got matched by the State
7 for a substantial amount.

8 JOHN MATTINGLY: Yeah, yeah.

9 CHAIRPERSON DE BLASIO: So--

10 JOHN MATTINGLY: So, I'm still
11 presuming twelve, but I'd have to do a survey, to
12 look at that carefully.

13 CHAIRPERSON DE BLASIO: Alright,
14 now that's, Commissioner, respectfully, that, this
15 is, you know this is one of our most central
16 concerns. And we've raised it every budget
17 hearing.

18 JOHN MATTINGLY: Yes.

19 CHAIRPERSON DE BLASIO: So, I'm
20 confused by your answer. Usually, your answers
21 are pretty precise. Someone here in your group of
22 experts must know exactly what the ratio is at
23 this point. I mean, granted, the Council was able
24 to give somewhat less funding, and therefore the
25 match went down, but you did receive Council

2 funding, you did receive match, you have your
3 internal resources that you've been able to use
4 creatively. So, you must have a working number
5 here at the--

6 JOHN MATTINGLY: All my experts say
7 to me the general preventive caseload ranges from
8 12 to 14.

9 CHAIRPERSON DE BLASIO: Okay, I
10 don't, again, let me dwell on-- [background noise]

11 JOHN MATTINGLY: Which is what I
12 estimated.

13 CHAIRPERSON DE BLASIO: I know my
14 colleagues have questions, so I'll finish really
15 quickly. What does that mean? Where you said
16 "any give point" I assume you have statistics that
17 tell you what the caseload is. So what are you
18 saying? That on a given day it could be 14, on a
19 given day it could be 12? We're therefore
20 assuming at any point it might be as high as 14?
21 Is that what you're saying?

22 JOHN MATTINGLY: No, it depends
23 dramatically on which agency we're talking about,
24 at which point in time.

25 CHAIRPERSON DE BLASIO: But how do

2 you average it for the system.

3 JOHN MATTINGLY: I can give you--I
4 can--we definitely have the ability to pull out
5 those numbers, I just don't have them immediately--
6 -

7 CHAIRPERSON DE BLASIO: Alright,
8 so, let me state the common sense facts. So,
9 obviously we've left twelve behind in the rear
10 view mirror and that's a problem. Because the
11 twelve to one ratio we all agreed was the way to
12 do prevention correctly, and I think we saw real
13 tangible results for families from it. And by
14 saying 12 to 14, this is before the impact of
15 everything we're talking about here, and the
16 potential November state budget action, bluntly
17 we're all looking at the option, unfortunately, of
18 the ratios going to a place that you agree is much
19 less effective for protecting kids.

20 JOHN MATTINGLY: I'm saying to the
21 Council, as I have before, whatever help you can
22 provide would be appreciated; however, it's our
23 intention to struggle throughout this coming year
24 to keep the caseloads below 14, as close to twelve
25 as we can. And as we move through the year, we

expect to be able to put some additional funds into help with that. We will do that regardless of the Council's action, I just don't know how much, so I don't know what the implications will be. Now, I do want to say, Chair De Blasio, and you know this, I think, from our experience together, I mean, when I came here in Fiscal Year 2004, we put about \$104 million into Preventive. With the Council's help in '09, we put \$150 million into Preventive. We've committed to Preventive. We have had the highest number of families being served, I believe in history. We have changed the practice so that CPS investigative workers meet with Preventive workers, and the family, to start the practice together, so that there's not that split between the two. With improved outcomes for children, we expect to have agencies no longer have to call in a new report to get us to step in and help, when a family is not making the move toward better protection. All those things will continue. The \$150 million will continue. It's a constant balancing act, I understand that. I think you all do, too. I wish it weren't, but it is, and we've

delivered before, and I expect to deliver again. Preventive, after all, is essential to child safety. We don't want to be taking children into care, if their families can safely take care of them. If we don't have Preventive in the middle of this, more children will have to come in to care, and that's not what we want.

CHAIRPERSON DE BLASIO:

Commissioner, I believe you believe in Preventive services. I'm just really profoundly troubled at the direction we're going in, and I think it's obvious that, again, we're making a choice here, this is what it comes down to. We're making a choice as a City about what to prioritize. You're not the only guy in this, and, you know, for better or for worse, there are a bunch of decision makers in the Administration. And right now, we are taking a risk by right away our Preventive numbers are changing before our eyes, because you're saying 12 to 14, and I haven't heard that in a while. We know it could get worse. So we're making a choice to do less to intervene in families' lives and families in crisis, and it's obvious what the results of that would be. And I

think it, sometimes it's important to say, "Well, if the people in New York City were in the room and they could decide what they wanted," and you said, "Would you want to take a chance with children's lives?" You've got a proven way of saving children, so you're either going to invest in that or you're going to go invest in something else. I'm pretty certain people would say, "We want to protect children." I think the Nixzmary Brown crisis grabbed at people's hearts, like others have before and since; but that one in particular I think everyone felt like that was their daughter. And they couldn't have thought of a greater tragedy. And I don't think the people of this City would want us to move away from Prevention. So, the first time in years, I hear that that's effectively what's about to happen.

JOHN MATTINGLY: No, that's, that's not what's about to happen.

CHAIRPERSON DE BLASIO: Despite your desire otherwise.

JOHN MATTINGLY: That's not what is about to happen. We have worked hard to preserve the Preventive budget. I expect to spend every

2 bit as much on the Preventive budget in the coming
3 year as I have in the past year. I expect to
4 continue to bring these enhancements to the fore,
5 I just have to work it as we go forward in the
6 budget year. We are not walking away from
7 preventive services any more than we're walking
8 away from foster care or child protective
9 investigations.

10 CHAIRPERSON DE BLASIO: Okay,
11 Commissioner, I know there's many other questions.
12 I'll come back to you later in the hearing with
13 some more, but now let me turn to Chair Mealy.

14 CHAIRPERSON MEALY: Good afternoon.

15 JOHN MATTINGLY: Hi.

16 CHAIRPERSON MEALY: Well, I'll be
17 very brief. I see that in your statement, our
18 caseloads in child protective investigations have
19 dropped to a historic low for the City, State,
20 country and at city large, less than eleven cases
21 per worker. Is that true?

22 JOHN MATTINGLY: Yes. And I can
23 prove it.

24 CHAIRPERSON MEALY: Do you have the
25 documentation? Do you--you're saying case, social

2 workers only have eleven cases.

3 JOHN MATTINGLY: Social workers in
4 child protective services who are investigating
5 cases, have between ten and twelve cases on
6 average. We track it every Thursday morning.

7 CHAIRPERSON MEALY: Do y'all have
8 the statistics of it?

9 JOHN MATTINGLY: Yeah.

10 CHAIRPERSON MEALY: You say you,
11 you have it with you?

12 JOHN MATTINGLY: I have the April
13 child statistics, sure.

14 CHAIRPERSON MEALY: Can we have
15 that, Chair?

16 JOHN MATTINGLY: Sure.

17 CHAIRPERSON MEALY: That's
18 important that we will know for sure, if you're
19 saying that it's eleven cases. I believe a lot of
20 the social workers would say a totally different
21 numbers. 'Cause they sit there every day and see
22 these cases come before their desk. So, please,
23 let us see that.

24 JOHN MATTINGLY: [pause] Pardon me?
25 [pause] I'm talking about this. I'm talking

1 COMMITTEES ON FINANCE, GEN WELF, WOMEN'S ISSUES163

2 about this, what's wrong with giving them this? I

3 know. Okay. [pause]

4 CHAIRPERSON MEALY: Wow. [pause]

5 JOHN MATTINGLY: Oh, good, yeah.

6 [background noise]

7 CHAIRPERSON MEALY: Chair, have you

8 seen this package? You have it?

9 JOHN MATTINGLY: Actually we give

10 Council a quarterly report, but this is more up to

11 date. Council has our caseloads each quarter.

12 CHAIRPERSON MEALY: And just for

13 the record, I'm the new Chair of the Women's

14 Issue.

15 JOHN MATTINGLY: Mhm.

16 CHAIRPERSON MEALY: Committee. I

17 see it's on here, you said--

18 JOHN MATTINGLY: Oh, I'm sorry.

19 CHAIRPERSON MEALY: Council Member

20 Sears. You say--and I'm going by Brooklyn, I'm

21 from Brooklyn.

22 JOHN MATTINGLY: Good.

23 CHAIRPERSON MEALY: Unfounded,

24 twelve number, 70 percent? I'm going by here.

25 JOHN MATTINGLY: Sure.

2 CHAIRPERSON MEALY: Right. [pause]

3 JOHN MATTINGLY: Look on page
4 three, you can start there, right at the
5 beginning.

6 CHAIRPERSON MEALY: You said it's
7 in April, though.

8 JOHN MATTINGLY: Well, is this,
9 what? May 7th.

10 CHAIRPERSON MEALY: This is--

11 JOHN MATTINGLY: Oh, it would be
12 April 5th to May 7th, okay? See the top there on
13 page three? Alright, that's the first thing. If
14 you look at pending rate, that's how many new
15 cases each worker gets a month. We have targeted
16 five new cases a month, and twelve cases
17 [background noise] what? What?

18 CHAIRPERSON MEALY: Go ahead,
19 continue, I know it cannot be. But go ahead,
20 finish please.

21 JOHN MATTINGLY: It is. You look
22 here, you'll see "Pending Rate Average By
23 Availability," and the bottom one is pending rate
24 average. By availability means how many workers
25 were available to take cases during this period of

2 time, and what that average looked like. So it
3 wasn't just the number of workers on staff, it was
4 the number of workers who were there that day.

5 And you could see that's well under five. Then if
6 you look at the next page, it's the different
7 kinds of units, which we can go into if you want.

8 Then if you turn to the average CPS caseload--
9 yeah. If you look at the average CPS caseload--

10 CHAIRPERSON MEALY: It's at eight.

11 JOHN MATTINGLY: Across the entire
12 city, including Brooklyn, and the zone we were--

13 CHAIRPERSON MEALY: 4.2?

14 JOHN MATTINGLY: --meeting with
15 that morning. So you can see, those are the
16 caseloads during that month in this City.

17 CHAIRPERSON MEALY: So May was
18 4.42?

19 JOHN MATTINGLY: I'm looking at
20 page six. There's a difference between new cases
21 each month, versus caseload sizes at the end of a
22 period, here on May 2nd.

23 CHAIRPERSON MEALY: Mhm.

24 JOHN MATTINGLY: We aim for five
25 and twelve.

2 CHAIRPERSON MEALY: But I know we
3 can invent, we can interview ten case workers, and
4 they will give us totally different count.

5 JOHN MATTINGLY: Not in child
6 protection. No, ma'am.

7 CHAIRPERSON MEALY: Okay, thank
8 you. Okay, it's almost, I got to agree with my
9 colleagues. Only when something happen, the City
10 pop out with the money. That's almost cutting off
11 our nose to smite our face. We have to stop doing
12 this process over and over and over again. And I
13 know from this day forward, I know the money will
14 pop up somewhere. And laying off 500, you say we
15 losing 541 jobs, right? And now, you said that as
16 you promised, how many you said in your, in your
17 statement? You said as the final step of imple--

18 JOHN MATTINGLY: This is not
19 related to the PEG, but this is the final step in
20 the implementation of improved outcomes for
21 children. Which was the, which is the way in
22 which we are more intensively monitoring the
23 foster care agencies and seeing to it that they
24 use family conferencing, which we will often be
25 at, to make decisions in cases.

2 CHAIRPERSON MEALY: Family
3 conferences is when you hire someone to meet with
4 the family?

5 JOHN MATTINGLY: No. What we're
6 speaking of is, we've started inside of ACS, so
7 that before--

8 CHAIRPERSON MEALY: Okay, right, I
9 meant--

10 JOHN MATTINGLY: --a child is
11 removed, we have a child safety conference.

12 CHAIRPERSON MEALY: Yes, gotcha.

13 JOHN MATTINGLY: We also are
14 requiring the foster care agencies to have a
15 family conference before they make big decisions,
16 like should a child move from one place to a next.
17 The family needs to be invited, the foster family
18 needs to be there, etc. So that's what IOC is
19 about. We are down. We started with 650 case
20 managers.

21 CHAIRPERSON MEALY: - -

22 JOHN MATTINGLY: We are now down--

23 CHAIRPERSON MEALY: And now you
24 only have--

25 JOHN MATTINGLY: --to 159. And 80

2 new positions are being filled to finalize
3 improved outcomes for children, of which 70--I'm
4 sorry. 67 are internal hires. That's what we
5 promised that we would work hard to hire
6 internally.

7 CHAIRPERSON MEALY: That's what I
8 see, 80.

9 JOHN MATTINGLY: The ones who
10 weren't hired internally were hired because we
11 needed Spanish speaking facilitators, and the
12 applicants--[background noise] the applicants had
13 not, we couldn't fill out the list without going
14 outside. Those are the people we hired from
15 outside.

16 [gavel]

17 CHAIRPERSON WEPRIN: We share your
18 frustration, but you really have to abide by the
19 rules of being silent. Believe me, you have a lot
20 of support here, but you have to cooperate with
21 the rules.

22 CHAIRPERSON MEALY: So, could you
23 give a breakdown of how many Spanish speaking
24 people who already was employed with you, have
25 jobs now, that were on the list to be laid off?

2 JOHN MATTINGLY: No, I cannot.

3 CHAIRPERSON MEALY: So there's no
4 real breakdown with that?

5 JOHN MATTINGLY: Well, there could
6 well be, sure.

7 CHAIRPERSON MEALY: That we would
8 know how many--'Cause you just gave, made a
9 statement that you kept some of the people who
10 were going to be laid off, just because they spoke
11 Spanish. Did you not just say that?

12 JOHN MATTINGLY: And we had to hire
13 people from outside the agency who spoke Spanish,
14 because we didn't have enough in the final team.

15 CHAIRPERSON MEALY: Aren't we
16 trying to save money right now? And we're still
17 hiring from outside the agency? We cannot find no
18 one inside the agency?

19 JOHN MATTINGLY: I'm sorry, but to
20 hire twelve people from outside in order to meet
21 this need, I think was reasonable.

22 CHAIRPERSON MEALY: I know I'm not
23 a finan--I know you don't--the Chair of Finance,
24 but we in a budget crunch right now. And I know,
25 how many, we have how many union members here?

300? No, 30,000 members, and you cannot find twelve of 'em that speak Spanish? We have to start thinking those twelve people are mothers, fathers, trying to keep their families together, in this economic time, and we're still outsourcing our City jobs. That is a tragedy in this day and age right now. And especially with just, you're the Commissioner. We have to do better than this. So I just want to thank my colleagues, I know a lot more of my colleagues have a lot of questions, but we still cutting off our nose to smite our face. We will be right back in the same position if we do not just put the money where it really belong, in the future of our youth, and let it stay there. Thank you.

CHAIRPERSON WEPRIN: Thank you, Chair Mealy. I have to agree, and over \$800 million outside contracting budget, that we should be looking to use our in-house unionized employees before we look to hire even twelve outside workers. But I have a feeling that it's probably going to be more than twelve if these layoffs do go through, I can't imagine how much more money we're going to end up spending in the end, to

2 provide the basic services without a tragedy. God
3 forbid a tragedy should occur, you'll see how
4 quickly the employees could come back. But
5 obviously, that's not the way to go. Council
6 Member Tom White.

7 COUNCIL MEMBER WHITE: Thank you
8 very much, Mr. Chairman. I'm going to ask you the
9 same question that I asked HRA Commissioner. How
10 much money were you asked to save or to cut?

11 JOHN MATTINGLY: In 2009 fiscal
12 year? About \$100 million. In 2010 about \$220
13 million.

14 COUNCIL MEMBER WHITE: Okay. So,
15 now, you spoke in terms of, we're talking about
16 laying off or displacing, or redeploying 541 staff
17 personnel?

18 JOHN MATTINGLY: Yes.

19 COUNCIL MEMBER WHITE: Now. And
20 you talked about in your testimony about, and you
21 just said it, about the child stat system. Every
22 piece of the child welfare system has seen major
23 changes to improve the quality of services to
24 children and families, from the com stat system
25 that meets weekly, to enhance training, to the

2 Leadership Academy for Children's Safety, to the
3 Partnership. That is on a weekly basis?

4 JOHN MATTINGLY: Yes.

5 COUNCIL MEMBER WHITE: Okay. Now,
6 you've done the best that you could do. And I
7 have to ask you, who, in terms of dealing with
8 this problem, of \$200 million, and having to
9 reduce cuts, who do you consult with to make these
10 cuts? And I'm going to give you the same way I
11 posed it to the other Commissioner. This morning,
12 a Latino was appointed to the Supreme Court, who
13 happened to be a woman. [applause] Now, in
14 listening to the President, he had certain
15 criterias to make that decision. And then, I
16 would think, if I heard correctly, he added one.
17 And that criteria was--

18 JOHN MATTINGLY: Empathy.

19 COUNCIL MEMBER WHITE: I beg
20 pardon?

21 JOHN MATTINGLY: If I recall,
22 empathy.

23 COUNCIL MEMBER WHITE: Empathy.
24 Right. Putting yourself in other people's shoes.
25 And try to walk. I want to know how much empathy

2 has went into one, did you consult with the
3 unions? Did you consult with workers that are out
4 there on every day? Did you get input--and if you
5 did, can you point to one piece of documentation
6 that you had that you put into this reduction of
7 staff and placement? Who did you talk to?

8 JOHN MATTINGLY: I won't--

9 COUNCIL MEMBER WHITE: Not by name,
10 but--

11 JOHN MATTINGLY: I understand. I
12 won't try to lead you anywhere with this question.
13 As far as I'm concerned, we had a long process, we
14 had a lot of people involved. But I want to be
15 clear about this, there are people who are not in
16 this room, who's concerns have to be my first
17 concern. And those are the families whom we
18 investigate, the children who are at risk of abuse
19 and neglect, the young people and the children who
20 are in foster care, and the families who are being
21 served, more families than ever, by preventive
22 services. They're not in this room, I try to
23 empathize with the people in this room, and with
24 them. They don't have the voice. I try to, in
25 any way I can, speak with their voice, as well.

2 COUNCIL MEMBER WHITE: Do--do you
3 hold forums for unionized workers to go to?

4 JOHN MATTINGLY: Do I? No. Do I
5 ask for questions? Do I open myself up through my
6 email and through our website? Yes. Do I go
7 around to the field offices regularly? Yes. We
8 do not now, but I don't want to mislead on terms
9 of what basis I'm acting. I'm trying to represent
10 everybody.

11 COUNCIL MEMBER WHITE: I understand
12 that you're trying to help everybody. But one of
13 my colleagues, she's no--she stepped out for a
14 moment, asked a very important question, but it
15 was a question that I'd asked you about six or
16 seven months ago, and I never got the answer. And
17 that is, how many people are black and Latino in
18 that system?

19 JOHN MATTINGLY: The vast majority
20 of children in foster care, families who are
21 subjected to child protective services, families
22 who are in preventive service, the vast majority
23 of them, a with the vast majority of our staff,
24 are people of color.

25 COUNCIL MEMBER WHITE: Alright.

2 And I had asked you how many people in foster care
3 were white.

4 JOHN MATTINGLY: How many children
5 in foster care?

6 COUNCIL MEMBER WHITE: Yes, yes.

7 JOHN MATTINGLY: Underrepresented
8 population, I don't have it right in front of me,
9 the same thing with Asian-Americans.

10 COUNCIL MEMBER WHITE: Because you
11 said you were going to give me that information,
12 because you could not answer that question. And I
13 asked you that not from a racial standpoint of
14 view, I asked you that because every child
15 deserves to be protected and cared for and loved.

16 JOHN MATTINGLY: That's right,
17 that's right.

18 COUNCIL MEMBER WHITE: That's not
19 the issue. But sometimes our process, because I'd
20 asked you about the team that you had put
21 together, that was sitting in the front row. And
22 I said, "How many of--" you pointed to the people
23 that you brought aboard, in policy making
24 positions. And none of them represented, at that
25 time, any people of color.

2 JOHN MATTINGLY: That's not true.

3 COUNCIL MEMBER WHITE: At that
4 time, I said.

5 JOHN MATTINGLY: No, even at that
6 time.

7 COUNCIL MEMBER WHITE: Well, I can
8 only see, and assume, there's just one or two now.

9 JOHN MATTINGLY: It's the wrong
10 group of people.

11 COUNCIL MEMBER WHITE: Oh, okay.

12 JOHN MATTINGLY: I got a bunch of
13 budget folks here. [laughs]

14 COUNCIL MEMBER WHITE: Oh, okay,
15 alright. Well--

16 JOHN MATTINGLY: I think if you
17 compare our deputies across the City, we do as
18 well as anyone, if not better, in representing the
19 people of color in this City.

20 COUNCIL MEMBER WHITE: [pause] The
21 computer system used by the State to monitor the
22 number of cases on caseloads, supervisory level
23 ones, giving caseload as well--

24 JOHN MATTINGLY: I'm sorry, what's
25 the question?

2 COUNCIL MEMBER WHITE: The question
3 is, what's the connection with the computer system
4 used by the State monitor number of cases on
5 caseloads?

6 JOHN MATTINGLY: I have no idea
7 which you're talking about, so let me try to walk
8 through it. Connections is our system for keeping
9 track of preventive cases, of investigative cases,
10 and of foster cases. So, that's the system that
11 we use to keep track of the number of cases, or of
12 who has which case.

13 COUNCIL MEMBER WHITE: Okay, now
14 you, you use some statistical data about outcomes.
15 In--in terms of the assessment and the
16 determination that you get when you're dealing
17 with com stat, etc., when you're dealing with a
18 case, a family, you deal with the outcomes, am I
19 correct?

20 JOHN MATTINGLY: We deal with a lot
21 of different things.

22 COUNCIL MEMBER WHITE: Okay.

23 JOHN MATTINGLY: Do we look at how
24 many, the percentage of cases that were founded or
25 indicated, versus those that were unfounded? Yes.

2 COUNCIL MEMBER WHITE: Okay.

3 JOHN MATTINGLY: Do we look at the
4 number or percentage of children who are served
5 through preventive as opposed to foster care?
6 Yes.

7 COUNCIL MEMBER WHITE: Okay.

8 JOHN MATTINGLY: You'll see all
9 those data in the material I gave to Chair Mealy.

10 COUNCIL MEMBER WHITE: Alright, now
11 what about, and I had a meeting with 17 daycare
12 centers, aftercare centers, concerning the issue
13 of transferring children to public school.

14 JOHN MATTINGLY: Kindergarten,
15 mmhm.

16 COUNCIL MEMBER WHITE:
17 Kindergarten. I have here a letter dated January
18 20th, to the Chancellor Klein, to you, and Mr.
19 Shirtumin, Schretzman. Okay, about--

20 JOHN MATTINGLY: Maryanne
21 Schretzman.

22 COUNCIL MEMBER WHITE: Yes.

23 JOHN MATTINGLY: Yes, uh-huh.

24 COUNCIL MEMBER WHITE: Thank you
25 for the correction. About finding space. Okay,

2 that was on January 30th. Coming up with a plan.

3 And then I have something, another communiqué, on

4 March the 24th. It says that Commissioner

5 Mattingly and Deputy Commissioner Hertzog--

6 JOHN MATTINGLY: Hertzog. She's
7 sitting right next to me.

8 COUNCIL MEMBER WHITE: Hertzog.
9 Right. Forgive me. Testified, "This plan will
10 result in a \$15 million savings" but they were
11 unable to answer what cost DOE and DYCD would
12 incur with this transaction, and whether City Hall
13 would save money overall, as a result of this
14 transaction. As I mentioned at the hearing
15 yesterday, I'm writing to request that you provide
16 answers to the following question. Will this
17 transition cost, in an overall cost savings to New
18 York City or only to ACS?

19 MELANIE HARTZOG: Good afternoon,
20 I'm Melanie Hartzog, I'm the Deputy Commissioner
21 for Childcare and Head Start. I believe you're
22 referring to a letter that was sent to both DOE
23 and ACS with several questions from the Council,
24 which I believe we have.

25 JOHN MATTINGLY: There's three

2 letters, I only have two.

3 MELANIE HARTZOG: Okay. I'm
4 referring to the most recent letter where you
5 specifically asked a question about the savings.

6 COUNCIL MEMBER WHITE: Yes.

7 MELANIE HARTZOG: Associated with
8 the kindergarten transition. The answers we have
9 and will be getting to you shortly in writing.
10 So, in answer to your question about the \$15
11 million in savings, the City will save \$50 million
12 as a result of the transition of five year olds
13 from ACS contracted childcare, to public school.
14 It is at no additional cost to the Department of
15 Education, because they will absorb these children
16 within their existing capacity.

17 COUNCIL MEMBER WHITE: Okay. I see
18 here that you did an analysis only--your analysis
19 only, concerning the voucher subsidy reduction.
20 Your analysis only included zip codes with five or
21 more priority seven children receiving vouchers.
22 And I'm looking here and I see zip code 11--21911,
23 18, 206--in other words, I see Ballpark, Green
24 Point, Williamsburg, Borough Park, Bushwick, East
25 Williamsburg, Crown Heights, Borough Park, and

2 Bedford-Stuy taking the biggest hits out of all of
3 that. [pause] Okay, okay. [background noise]
4 [pause] Could you explain this analysis to me,
5 please?

6 MELANIE HARTZOG: I believe what
7 you're looking at, I don't have it in front of me,
8 which is a breakdown of all the children who are
9 receiving vouchers, that are part of priority code
10 seven. As part of, just for background purposes,
11 as part of State and federal law, aside from the
12 public assistance population in childcare, which
13 is the mandated and child welfare cases,
14 preventive, protective and foster care, the
15 balance of children that we serve have to be
16 identified by a reason for care. We have nine
17 total categories outside of those that I've
18 mentioned, and priority seven is children who's
19 families have a non-ACS child welfare need or
20 family need, who are in need of childcare. The
21 analysis you're looking at shows those children
22 that are receiving vouchers concentrated by zip
23 code, and it should be all children, all children
24 that are receiving vouchers, that are in the
25 priority seven childcare reason for care.

2 COUNCIL MEMBER WHITE: Okay.

3 Commissioner Mattingly, my last question, 'cause
4 other people want to ask questions, I really think
5 that--you know, you have a difficult job, I
6 understand that. However, have you consulted with
7 the union and reached an agreement with the union,
8 in terms of the jobs and the transfers? And the
9 things that you mentioned? Have you met with
10 them?

11 JOHN MATTINGLY: We are still
12 discussing, especially the mitigation phase, of
13 all of these changes, as we've gone along. Did I--
14 -so, that's what we've done. We followed the
15 contract and I think we've done the best we could.

16 COUNCIL MEMBER WHITE: So, if I
17 hear you correctly, you're still in some kind of a
18 deliberation with the union?

19 JOHN MATTINGLY: We have given the
20 at-risk letters to the staff, and we now are
21 entering into the mitigation phase, which is
22 focused on what we can do to mitigate the impact
23 of these layoffs.

24 COUNCIL MEMBER WHITE: Alright. So
25 you're saying currently you're operating according

2 to the union contract.

3 JOHN MATTINGLY: That's right.

4 COUNCIL MEMBER WHITE: And when
5 does that contract expire?

6 JOHN MATTINGLY: I don't have that
7 right in front of me. We may know, but--[pause]
8 Oh, I'm informed that this is the Civil Service
9 Act of the State law, under which we are
10 conducting these discussions.

11 COUNCIL MEMBER WHITE: Okay. Due
12 respect to the Chair, I have many more questions,
13 but I don't want to eat up all the time. Thank
14 you very much.

15 CHAIRPERSON DE BLASIO: Thank you,
16 Councilman, we are behind schedule, and we do have
17 another four people that requested to ask
18 questions, who I know will be brief, but concise,
19 and get to the point, in their advocacy. Council
20 Member Tish James.

21 COUNCIL MEMBER JAMES: We're
22 objecting on this side, so we respectfully decline
23 your request. And we say that in all fairness
24 because Council Member Fidler and I have sat
25 through this, and we have a number of serious

2 questions representing concerns of our
3 constituents. Thank you.

4 COUNCIL MEMBER FIDLER: Thank you,
5 Council Member James.

6 COUNCIL MEMBER JAMES: You're
7 welcome, no problem. So, first I just, again, I
8 ask these questions out of respect for you,
9 Commissioner, and your staff, but I ask these
10 questions in the spirit of Mr. Charles Brown, who
11 was an employee of Local, Social Service Employees
12 Union Local 371. And so in honor of his passing,
13 and in salute, and in, as a tribute to him, the
14 following questions will be asked. First, the
15 operational strategies that you have in place and
16 that you propose in this budget will leave
17 countless number of families without preventive
18 services. The policy initiatives will have a
19 devastating impact on poor families, particularly
20 families of color, all throughout the City of New
21 York. These layoffs will affect a broad range of
22 services and a broad range of communities, and
23 these cuts will definitely hurt children. And I
24 recognize that this budget is a priority of this
25 Administration, it's a political document, and

this Administration is gutting Department of Homeless Service, ACS, and HRA, and I would hope that everyone would be mindful of that when they go to vote come this November. Don't you ever forget that. Some agencies are being held harmless, but the social services and the human services in the City of New York is being brought to its knees. And there should be a major outcry in the City of New York. And the fact that children and families, vulnerable children and families are being put in the forefront, I cannot sit by idly and limit my questions or limit my tongue. And I am just outraged. And Mr. Commissioner, some constituents who work for your administra--for your office, have come to my office. Because I want, because I'm concerned about retribution, I will not identify them, they will remain anonymous. I will not show to the public the pictures that they have provided to me, pictures where there are caseloads which exceed the numbers that I heard earlier. The numbers eleven and 14 are fictitious. The numbers exceed, because you were only counting incoming cases, you are not counting cases that are awaiting closure,

you are not counting transfer cases that need CPS intervention, you are not counting family services cases in the family services unit, and you are not counting cases in preventive services. These caseworkers who've come to my office, who have showed me pictures on top of open cases, on top of open cases, indicate to me, have proven to me, without any shadow of a doubt, that they are dealing with at least, on a minimum, 20 to 25 cases on average. [applause] And that [gavel] is just an accident waiting to happen, another Nixzmary Brown. Let me also go on to say that I have read the Mayor's preliminary report, which also indicates that there's an increasing trend in reports of child abuse and neglect, during the first four months of Fiscal Year 2001. These-- 2009, excuse me. These are not my numbers, but the numbers of the Administration. The trend is increasing. And so, here we are, laying off--361 child protective services, 315 child welfare services, 293 administrative personnel, and the number goes on and on and on. But yet, again, my constituents, who came to me in confidence, have indicated to me that you are hiring. You are

2 hiring. [applause] And you are hiring under this
3 guise called "Improve Outcomes for Children,"
4 otherwise known as IOC. And my question to you,
5 Commissioner, is why are we hiring in the midst of
6 all of these layoffs, why are we continuing to
7 staff? And I understand the offices of OFC are
8 beautiful, they're immaculate, they're clean,
9 they're fabulous. Why are we hiring to fill this
10 unit and laying off all of these people, again who
11 cover the spectrum in every corner of the City of
12 New York?

13 CHAIRPERSON DE BLASIO:

14 Commissioner, go ahead, I'd like to hear the
15 answer to that?

16 JOHN MATTINGLY: The fact of the
17 matter is that the 541 workers who are the subject
18 of this PEG are separate from what is, amounts to
19 the third year of the Improved Outcomes for
20 Children effort that we have discussed with the
21 Council over--

22 COUNCIL MEMBER JAMES:

23 Commissioner, do these people not improve the
24 outcomes of children each and every day?

25 [background noise]

2 JOHN MATTINGLY: Sure, they do.

3 COUNCIL MEMBER JAMES: So then why
4 are we, why do we feel it necessary to start
5 another unit, and hire additional people at a time
6 when we are laying off close to a thousand
7 childcare workers?

8 JOHN MATTINGLY: Again, it's 541.

9 COUNCIL MEMBER JAMES: Yes.

10 JOHN MATTINGLY: Improved Outcomes
11 for Children, again, this is the third year of the
12 changes we have been making, which are cost
13 neutral. We have moved to the point where we are
14 hiring the last 80 staff, at the same time as 159
15 childcare case managers positions are being done
16 away with. That's the final step.

17 COUNCIL MEMBER JAMES: So why are
18 we hiring additional 50?

19 JOHN MATTINGLY: Well, just bear
20 with me. Only 12-13 of those 80 are actually
21 coming from outside the agency; the others are all
22 being hired from inside the agency.

23 COUNCIL MEMBER JAMES: So,
24 Commissioner, either they're lying--

25 JOHN MATTINGLY: Don't go there, I

2 don't think you want to go there.

3 COUNCIL MEMBER JAMES: --or someone
4 else in this room is lying.

5 JOHN MATTINGLY: I take exception
6 to that.

7 COUNCIL MEMBER JAMES: Well, I
8 didn't say it was you. I just--

9 JOHN MATTINGLY: I can show you the
10 facts.

11 COUNCIL MEMBER JAMES: Okay.

12 JOHN MATTINGLY: I can sit down
13 with you any time that you would like to, and walk
14 through them, including the caseload sizes. And I
15 stand behind them. And I take exception to your
16 saying that I'm lying to the Council.

17 COUNCIL MEMBER JAMES: But
18 Commissioner, let me ask you this question.

19 JOHN MATTINGLY: Never have and I
20 never will.

21 COUNCIL MEMBER JAMES: And I
22 appreciate that. So let me ask you this question.
23 Are you, is it your testimony that you, these
24 individuals, some of whom are being laid off, are
25 being rehired as IOC workers? Or within the IOC

2 unit? Is that your position? [background noise]

3 JOHN MATTINGLY: That's right.

4 COUNCIL MEMBER JAMES: And if they
5 are being hired in IOC, it's also my understanding
6 that the qualifications for these, for the jobs in
7 the IOC, are at a, you're requiring additional
8 educational experience, or educational
9 achievements.

10 JOHN MATTINGLY: As we discussed a
11 couple years ago--

12 COUNCIL MEMBER JAMES: Yes.

13 JOHN MATTINGLY: --we have in fact
14 changed the requirements for those people being
15 hired to monitor the foster care agencies, and to
16 lead the family conferences that have to be held
17 as part of this effort.

18 COUNCIL MEMBER JAMES: Now, I
19 appreciate, you know, having educational, having
20 a, you know, educational requirements. I
21 obviously am a proponent of education, and believe
22 education is absolutely critical, and it's
23 critical to success. But there's something to be
24 said about life experience and work experience.
25 And the fact is, is that though you have raised

the standards for this unit, the reality is that these workers who are being laid off, I believe are well suited to meet that criteria, because of their world experience, their general experience, their work experience, notwithstanding the fact that they may not have MSWs. And so my question is, you know, I know what you say, but again based on my communication with my constituents who came to my office, seeking anonymity, and I will protect them, have indicated to me that they are not being considered for these positions, and in fact you are hiring outside of the agency at a time when you are laying off close to 1,000 people. So, if you, I would--

JOHN MATTINGLY: If I get the question--

COUNCIL MEMBER JAMES: I mean, if we could sit down, perhaps with the Chair, with the Finance Chair and the Chair of this agency, Council Member De Blasio, and if you can demonstrate to them, and show to them, how many people you have hired from within the agency, versus how many people you have hired outside of the agency, I would greatly appreciate that.

2 JOHN MATTINGLY: Be happy to.

3 COUNCIL MEMBER JAMES: And
4 including in that meeting, I would like, if you
5 don't mind, is a representative from the local
6 union. Would you mind? Would you have a problem
7 with that?

8 JOHN MATTINGLY: No.

9 COUNCIL MEMBER JAMES: Thank you.
10 Okay. Next. Moving onto childcare. Now, moving
11 onto childcare. Commissioner Hartzog testified
12 that there was, be, it would be budget neutral, it
13 would not cost the City any funds to transfer five
14 year olds to kindergarten. But my, again, because
15 I have a very, very, very, as Commissioner knows,
16 very articulate and empowered and educated
17 district, my principles have come to me, and
18 indicated to me that their case, that their, the
19 cap for kindergartens has now exploded. And at
20 one point in time, we placed a cap on
21 kindergarten, but because of this transfer, now
22 the kindergarten classes will have to be
23 increased. Is that a true statement?

24 JOHN MATTINGLY: If I could--

25 COUNCIL MEMBER JAMES: Sure.

2 JOHN MATTINGLY: It's Deputy
3 Commissioner Melanie Hartzog.

4 COUNCIL MEMBER JAMES: Sorry. I
5 cold have my dream, can't I, not one day,
6 hopefully, maybe, have Commissioner Hartzog be
7 promoted. That would greatly increase diversity
8 in the City of New York.

9 MELANIE HARTZOG: So the answer to
10 your question is that in the majority of public
11 schools, kindergarten classrooms are currently at
12 an average of about 20 children. Maximum capacity
13 for a kindergarten classroom is 25. Based on
14 DOE's analysis of absorbing our five year olds, in
15 some instances they would have to expand the
16 capacity to 25, in some of the classrooms.

17 COUNCIL MEMBER JAMES: So--

18 JOHN MATTINGLY: Don't
19 misunderstand me, I was suggesting that her name
20 is Hartzog--

21 COUNCIL MEMBER JAMES: Hartzog.

22 JOHN MATTINGLY: Not Hertzog.

23 COUNCIL MEMBER JAMES: I'm sorry.

24 JOHN MATTINGLY: That's all I was
25 talking about.

2 COUNCIL MEMBER JAMES: It's
3 Hartzog, you're absolutely right. So, we have
4 fought to limit classroom size in our
5 kindergartens to 20, and now in some cases we will
6 have to go to 25. Yes? Because of the transfer.

7 MELANIE HARTZOG: According to DOE,
8 in some classrooms they may have to go to 25.

9 COUNCIL MEMBER JAMES: And the
10 after school programs, some of these children will
11 have to be absorbed in, I guess, some of the OST
12 or after school programs, and some of these
13 children will have to be escorted to those sites
14 that are not in the school. Yes? Did we
15 calculate that into our funding?

16 MELANIE HARTZOG: OST programs
17 provide for safe passage, so that--

18 COUNCIL MEMBER JAMES: They--so, in
19 existing, so what you're saying then is, all of
20 this can be absorbed in existing budgets.

21 MELANIE HARTZOG: The school, OST
22 has enough capacity to absorb these children. I'd
23 like to add, though, that in addition to the
24 transfer of school age programming over to DYCD,
25 since that time, we have invested funding to

2 expand OST as well.

3 COUNCIL MEMBER JAMES: Okay.

4 MELANIE HARTZOG: To absorb these
5 children.

6 COUNCIL MEMBER JAMES: Now, we
7 were, we, at one point in time we were talking
8 about eliminating classrooms, and now we're going
9 to keep open some classrooms, as a result of
10 federal stimulus dollars. Have we identified the
11 classrooms that will no longer be eliminated?

12 MELANIE HARTZOG: We're in the
13 process of identifying those classrooms. We hope
14 to have that analysis done within the next week or
15 two.

16 COUNCIL MEMBER JAMES: Okay, if you
17 could provide that, and share that with my office,
18 that would be greatly appreciated. My second
19 question is, will there be any additional expenses
20 in aging down to the Centers?

21 MELANIE HARTZOG: No, because for
22 the stimulus funding that will be coming back to
23 programs, it's to serve threes and four year olds,
24 so the program, that classroom is already
25 outfitted to serve preschoolers, so there should

2 be no additional costs.

3 COUNCIL MEMBER JAMES: And will
4 some of these centers have to increase their
5 staff? Because it's my understanding the three
6 and four year olds, the ratio is, it's a little
7 higher, they're, instead of one-to-one, it's like
8 two teachers per three-to-four year old. Am I
9 correct about that, or no?

10 MELANIE HARTZOG: No, they will not
11 have to increase.

12 COUNCIL MEMBER JAMES: Okay. Will,
13 they have to adhere to Department of Health
14 regulations, which would require them for, to make
15 some capital improvements to the Centers? Some of
16 them.

17 MELANIE HARTZOG: They are already
18 in compliance with Department of Health
19 regulations, because they're licensed to serve
20 pre-schoolers in that classroom.

21 COUNCIL MEMBER JAMES: Okay.

22 MELANIE HARTZOG: And the age range
23 for pre-schoolers is three to five, and so there
24 shouldn't be any capital costs, if in fact the
25 classroom, which it is, already licensed for that

2 age group.

3 COUNCIL MEMBER JAMES: And do we
4 have a transitional plan in place again for the
5 five years olds transferring to kindergarten? And
6 if we do have that plan, can it provided to the
7 Chair of Finance and the Chair, Chair De Blasio?

8 MELANIE HARTZOG: As part of the
9 questions that were asked, that Council Member
10 White had asked, and there was a series of other
11 questions about the transition, we can respond,
12 and we plan to, in writing, to all of those
13 questions, which some of which had to do with the
14 transition, in terms of outreach to parents,
15 letters, etc.

16 COUNCIL MEMBER JAMES: By no means
17 I want anyone to take my questions as support for
18 this proposal, this initiative. I believe it is
19 foolish to transfer five year olds into
20 kindergarten. I am adamantly opposed to it, and I
21 believe that they are once again are putting young
22 children in jeopardy, particularly young children
23 of color. And I will continue to fight it. And I
24 believe that the vast majority of progressive
25 minded council members are opposed to it. There

2 are some who we are working on, but the vast
3 majority of them are opposed to it, and we will
4 draw a line in the sand against putting our babies
5 in harm's way. Out of respect for Council Member
6 Weprin and Council Member De Blasio, I've asked
7 my, I've ended my, that'll be the extent of my
8 questions. Thank you.

9 CHAIRPERSON DE BLASIO: Okay, thank
10 you, Council Member. The Chairs of these two
11 Committees are in the progressive category, as--

12 CHAIRPERSON MEALY: Three
13 committees.

14 CHAIRPERSON DE BLASIO: Three
15 committees, these three committees.

16 COUNCIL MEMBER JAMES: That's yet
17 to be seen.

18 CHAIRPERSON DE BLASIO: 'Scuze me,
19 sorry Chair Mealy. Council Member Felder.

20 COUNCIL MEMBER FELDER: Thank you.
21 Council Member James is not leaving because I have
22 a question, is that correct?

23 COUNCIL MEMBER JAMES: No, the
24 Speaker called me.

25 COUNCIL MEMBER FELDER: Excellent.

Anyway. Before I ask you anything, I wanted to say that I don't want, in any way, that the questions that I have, should send the wrong message. I believe that for the most part, the agency and the employees of the agency, are committed to doing the best that they can, to help families and children throughout the City. That doesn't mean that we, we're not upset, as you are, I think, when they asked you earlier, Councilman De Blasio asked you, you said you would like the 540 that you have to get rid of. Having said that, I am very concerned, but before I get upset, I want to make sure that I know what I'm talking about, which isn't usually the case. So, with the priorities, there's the set of what you termed the non-ACS priorities, one through nine or something like that. Can somebody explain to me how--what, in brief, what those priorities are, and whether they were established at different times? You know, forget about the [laughs] forget about the descriptions, the Council staff wants to make me look stupid, so they just gave me the explanation to my question, which is good. But can you tell me whether they were done at different times? In

2 other words, when were they established?

3 MELANIE HARTZOG: So, I was just
4 asking my staff, because when the childcare block
5 grant came into effect, which was in the 1990s,
6 early 1990s, is when we established the various
7 priority categories. Over time, those priority
8 categories have changed, you know, to add
9 additional reasons for care, based on families'
10 needs.

11 COUNCIL MEMBER FELDER: No, but the
12 question I have is a set up. So, you have to
13 humor me. I need to know the time, the timeline
14 about the, when these were created, these separate
15 categories. Do you want me to just give you the
16 question?

17 MELANIE HARTZOG: I don't--you're
18 asking me for each of these categories--

19 COUNCIL MEMBER FELDER: Yes.

20 MELANIE HARTZOG: --when were they
21 created?

22 COUNCIL MEMBER FELDER: Yes.

23 MELANIE HARTZOG: So, I've given
24 you a broad answer, I can't give you more detail
25 than that, but I can get you that answer.

2 COUNCIL MEMBER FELDER: Alright,
3 alright. Well, you're, I think my colleagues, I
4 can't speak for them, have tremendous respect for
5 you, and for the work that you do, but I must
6 still set you up on this question. But since
7 you're not giving me the details, I'll have to do
8 it without it. See--huh?

9 FEMALE VOICE: [off mic] We're
10 promoting her.

11 COUNCIL MEMBER FELDER: Huh?

12 FEMALE VOICE: [off mic] We're
13 promoting her.

14 COUNCIL MEMBER FELDER: Yes. And
15 the Commissioner was in agreement with that.

16 FEMALE VOICE: I know!

17 COUNCIL MEMBER FELDER: He just
18 corrected you about the name. [laughter] Am I
19 right? So, let me just say, is that the order of
20 the priorities in theory is supposed to represent
21 importance, or is that true or not?

22 MELANIE HARTZOG: Yes.

23 COUNCIL MEMBER FELDER: But would
24 it be fair to say that if they were established at
25 different times, there's a possibility, for

2 example, that maybe priority eight could possibly
3 be more important than priority five? Is that a
4 possibility? I don't mean, I'm just using those
5 two as an example, because they were created at
6 different times.

7 MELANIE HARTZOG: I think it might
8 be helpful to understand when we talk about
9 priority in numbers--

10 COUNCIL MEMBER FELDER: Yeah.

11 MELANIE HARTZOG: --what's behind
12 them.

13 COUNCIL MEMBER FELDER: Yeah.

14 MELANIE HARTZOG: I also think
15 that, yes, we have to establish reasons for care,
16 but I think from our perspective, every child in
17 care needs care.

18 COUNCIL MEMBER FELDER: Good.

19 MELANIE HARTZOG: Regardless of
20 whether they're a priority one or not.

21 COUNCIL MEMBER FELDER: So--

22 MELANIE HARTZOG: But just to, so
23 we can understand, priorities one and two are
24 protective, preventive and foster care. Priority
25 three are public assistance families who may have

not been in compliance to maintain their childcare; we've moved them onto priority three. Priority four are homeless families. Priority five is our biggest population of employed families. Many of these families come from public assistance, meaning they have received childcare under public assistance as part of their case. They've transferred over to low income, and we're maintaining their childcare. Priority six is training and education. Priority seven is ACS, and this is, it's ACS non-social service, and what that really means is just that the family has a need for childcare, but it's not a protective, preventive or foster care case. It could be a family who, a parent is undergoing substance abuse treatment and needs childcare, for instance. So it's a social service need, but it's not affiliated with the preventive/protective.

COUNCIL MEMBER FELDER: But the-- so, for example, the child five is preventive?

MELANIE HARTZOG: Priority five is employment.

COUNCIL MEMBER FELDER: So that's not preventive, right?

2 MELANIE HARTZOG: That's not
3 preventive.

4 COUNCIL MEMBER FELDER: So I don't
5 want to put you through this, 'cause it's been a
6 long day, and I know you feel lonely without all
7 the attention, especially, what's the woman
8 sitting there, you, what's her, what's your name?

9 JOHN MATTINGLY: Susan.

10 COUNCIL MEMBER FELDER: What's your
11 last name?

12 SUSAN NUCCIO: Nuccio.

13 COUNCIL MEMBER FELDER: You feel
14 very lonely, 'cause no one has bothered you yet.
15 I wish I had something to talk to you about. But
16 the, what I'm getting at, really, without playing
17 any more games, is that the under-the-budget, the
18 priority seven vouchers are slated to be
19 eliminated entirely. Is that true?

20 MELANIE HARTZOG: Correct.

21 COUNCIL MEMBER FELDER: And what
22 I'm saying to you is that it seems to me that in a
23 budget where you, you have to set some priorities,
24 I understand with the preventive vouchers, there
25 is some mechanism by where you decide something is

more important than the other, even if all of it is important. But to take one category, which is what you're doing, you're taking one category, and I don't mean you. When I say is that you've been given the ultimatum, or some would say the charge, to get, to save that money, and you have to do it somehow. If somebody said to me, "You take all those priorities, for example, that are non-preventive, and you have to slice a piece off of it to be able to save money," I'd still be upset. But you just took one category. You took one category, and then you did take a little bit, I'm sorry, you did take a little bit of the eight or nines, or maybe a substantial part of the eight or nines. I'm sorry, I apologize. Let me rephrase my question, 'cause it wouldn't get that punch that I needed. The, any categories above the seven, whether they were preventive or not, have been spared entirely; whereas anything seven and below, you just took the numbers. And if my theory is correct, that some of these categories were established later, right, they were mainly not established at the same time, I could argue, and I am arguing, that the, perhaps a seven is

more important than a five. Maybe. Or, as long as it's not preventive. And why are you taking these categories and just, it's almost like, you know, you take a piece of paper, and anything that's on the bottom, you just take and you tear off the bottom piece, whatever's off the bottom. That's not fair.

MELANIE HARTZOG: Okay, so the first thing is that priority seven was actually started in 1990, so it was established as a priority category when the childcare block grant was established. The second point is that we had to look at--and the State requires us to look at when we have to cut subsidies, unfortunately we have to go starting from the lowest priority up. Again, every child in care needs care, but we have to start from somewhere, as you just said. But the other criteria that I just want to point out, is that when you look at priorities nine, eight and seven, these are families who are not working. And so the balance of families in our system, from six up, are working, with the exception of we may have some child welfare cases that are not. But the bulk of our population, which is really in

2 priority five, that is the majority of our system,
3 are all working families who've transitioned off
4 of public assistance.

5 COUNCIL MEMBER FELDER: I don't
6 want to argue with you. Unless you want to argue,
7 do you want to argue?

8 MELANIE HARTZOG: No, I do not want
9 to argue?

10 COUNCIL MEMBER FELDER: Alright,
11 that was not the right answer. [laughter] But I
12 don't want to, I don't want to extend--I just want
13 to ask you if you're in favor of medicinal
14 marijuana. [laughter]

15 JOHN MATTINGLY: No comment.

16 COUNCIL MEMBER FELDER: No, I'm
17 asking Deputy Commissioner Hartzog that question.
18 And if you don't know the answer, can you get it
19 back to me in writing. [laughter]

20 MELANIE HARTZOG: I'll put my
21 answer in writing, sir.

22 COUNCIL MEMBER FELDER: Thank you.

23 CHAIRPERSON DE BLASIO: Thank you,
24 Council Member. Council Member Brewer.

25 COUNCIL MEMBER BREWER: Thank you

very much. I have a question. All of us tried to find a way of preventing the State getting back some of the pre-K money that could also--'cause it couldn't be used full day, it only could be for half day. Can you tell me the amount that went back? And is that going to happen again this year?

MELANIE HARTZOG: I don't have the answer to that question. Department of Education manages the Universal Pre-K program. I can ask them and get back to you on that.

COUNCIL MEMBER BREWER: Well, okay, but would that help us in any way, in terms of staving off some of these budget cuts, if you were to, you could, some of your nonprofits that you work with, also get some of that funding. If it was to be the way in which we feel it should be allocated, which is full day.

MELANIE HARTZOG: Correct. And yes.

COUNCIL MEMBER BREWER: So what are you doing to work with DOE and the State to try to make sure that this money does come to the City of New York 2010?

MELANIE HARTZOG: From the time that I've been in this position, which is now three years, we have lobbied very hard, along with Department of Education, and State legislative affairs, to provide flexibility in the universal pre-K funding. Whether it's for full day, to increase the State cap on universal pre-K, acknowledging what you just said, which is the entire early childhood education system benefits from it, including ACS programs.

COUNCIL MEMBER BREWER: Alright. It is very frustrating. On Head Start, I think you will achieve, if you get what you are suggesting, not that we agree, about \$11 million in cost savings. And I think in addition, providers, or as part of that, are asked to take a three percent cut in contracts. So we're worried about quality, we're worried about are there other ways that we can, to make the cut, that would not impact Head Start. And how will these agencies still manage with this cut? As we know, Head start is one of the most successful, oldest early childhood programs, gets rave reviews. Can you talk about Head Start for me?

MELANIE HARTZOG: For many, many years now, the, under the previous federal Administration, the Head Start grant has not kept pace with increased cost. For some time, we have been putting funding in where we can, to support our programs and basically to offset the need to have to make reductions. And we've come to a point in time where we can't do that any longer. The deficit that Head Start's facing is a \$11 million. Meaning, the expenses are \$11 million greater than the grant. What we're doing, and what we hope to do, and it's still up for discussion--as you know, there's shared governance in Head Start, and involves a policy council, which are the parents, a critical player in our work--is to use some of the stimulus funding to really support core programming. So in other words, we don't want to have to make expense reductions or reduce programs, we'd like to use some of the stimulus money to support them. But the stimulus funding is not enough, and so we will have to implement a three percent cut.

COUNCIL MEMBER BREWER: Unless--
alright, so that you're saying that the stimulus

2 funding, even with it, you still have to make an
3 \$11 million cut?

4 MELANIE HARTZOG: No, it's not an
5 \$11 million cut, it's actually \$4 million.

6 COUNCIL MEMBER BREWER: Okay. But
7 then why would you have to cut the programs three
8 percent? You're just making that decision as part
9 of what you're looking at. In other words, that
10 could be a different number if you, if we so
11 decide. The lower number.

12 MELANIE HARTZOG: No, that's saying
13 we've looked at all the stimulus funding we're
14 going to get, and against that \$11 million, we're
15 using all the stimulus money. We're proposing to
16 use all of it to support the programs as I said,
17 but that still leaves \$4 million that we can't
18 cover of the \$11.

19 COUNCIL MEMBER BREWER: Alright.

20 MELANIE HARTZOG: Which we will
21 have to reduce programs.

22 COUNCIL MEMBER BREWER: Alright,
23 that's one scenario. Back to what Tish James was
24 asking about, just so I understand. You're using
25 stimulus for Head Start, you're also using it in

2 some of the childcare centers. Can you be
3 specific as to where you're putting stimulus in
4 general? We just talked about Head Start, can you
5 be specific as to where else it's going and what
6 the positive impact is?

7 MELANIE HARTZOG: So, the stimulus
8 funding in childcare will go to two areas. The
9 first is to pay for the market rate increase.

10 COUNCIL MEMBER BREWER: Right.

11 MELANIE HARTZOG: For providers.
12 That includes our voucher providers, as well as
13 family childcare network providers. The other
14 part of the stimulus funding will be used to
15 restore 93 classrooms that were formerly serving
16 kindergarten children; they will now serve three
17 and four year olds. And we're in the process of
18 identifying which programs would receive
19 restoration.

20 COUNCIL MEMBER BREWER: Okay.
21 Another issue of course, and need, is for infant
22 childcare. How does any of this impact positively
23 the need for infant childcare?

24 MELANIE HARTZOG: Unfortunately at
25 this moment, with the kindergarten, the classrooms

that we're restoring, that were serving kindergarten children, the dollars must be spent quickly. And so, right now, we're just focused on serving threes and fours; down the road we anticipate, we hope that we can age those seats down, as well as other seats in our system, to serve infants and toddler. But that's--

COUNCIL MEMBER BREWER: And when you say, "in the future," what does that mean?

MELANIE HARTZOG: Within the next two to three years.

COUNCIL MEMBER BREWER: Alright. And then just finally, I know there was much discussion about the child welfare, child protection. How do you, if these layoffs go through, and we all hope that they do not, how do you overall feel that you really can maintain the kind of support for the families? Let me be specific. I know they were always nervous about, God forbid, somebody, some child would die, but in between there are so many other aspects to keeping that family in their home, child support, kinship care, etc. I think we all have families that come to us on a regular basis. And in that it is a

challenging economy in general, how have you as, thought about this, because it does seem with that kind of layoff, that there will be instances not, let's hope of death, but many, many family traumas as a result. How are you thinking about this, with this massive layoff? I don't think there's another agency that's taking quite the hit.

JOHN MATTINGLY: Briefly, we are holding on to the preventive programs that we've developed and that we've increased. We are making a cut, but not a major cut, or an overwhelming cut, to foster care agencies. We have, as you may recall, doubled the number of family services workers, between 2007 and now. They are un--they will not be affected by these cuts. And we have of course dramatically increased the number of child protective workers, and they will not be affected by these cuts.

COUNCIL MEMBER BREWER: But, alright, 'cause--[sigh] Finally, the issue of technology, which I know well. What are you doing to collaborate with Do It? I know you mentioned that you're cutting some of the consultants for technology that will be more of a timeframe in

terms of waiting on helpdesks and so on. But what are you doing to collaborate with Do It, so that you are decreasing your costs? Do It claims that they're working with all agencies on a much more collaborative basis.

JOHN MATTINGLY: Well, I and my team have been meeting with the Commissioner and his team regularly. We also, within the past six months, hired one of his best people, I'm proud to say, away from him to help us build our IT capacity. And her knowledge of everything that's going on in the City, especially at Do It, has been very helpful to us. However, I don't want to mislead people, the fact that we have had to cut back on IT support will make it harder to get, it will take longer to get the help that people need throughout the agency, and to do projects, and to respond to requests for helpdesk services. That's part of this overall PEG, not affecting staff, mostly, I don't think.

COUNCIL MEMBER BREWER: Well, I think it's hard on staff, because when people are in the field--

JOHN MATTINGLY: That's right.

2 COUNCIL MEMBER BREWER: --they are,
3 it is really, really hard, and that's when you
4 need your information the most. So I think
5 actually, it will have an impact on staff.

6 JOHN MATTINGLY: Yes.

7 COUNCIL MEMBER BREWER: Thank you,
8 Chairs.

9 CHAIRPERSON DE BLASIO: Yeah, we've
10 been joined by Council Member Fidler and Council
11 Member Foster, who I believe has a question.
12 Council Member Foster? No? Okay. Council Member
13 Fidler. Council Member Fidler.

14 COUNCIL MEMBER FIDLER: Thank you,
15 Mr. Chairman, and good afternoon, Commissioner.
16 I'm frequently puzzled after Council Member Felder
17 finishes a Q&A, and I'm a little puzzled now. I
18 just want to go back to the vouchers for a second.

19 COUNCIL MEMBER FELDER: Council
20 Member Fidler, I am also puzzled after I ask a
21 question. [laughter]

22 COUNCIL MEMBER FIDLER: I know,
23 that's why I knew I could say it. So let's go
24 back to the vouchers for a second, and I am
25 particularly concerned, Commissioner, because

2 priority seven seems to particularly affect one
3 community in the City, and almost, you know, is a
4 cut, you know, right on their back. But I'm
5 always concerned when I, and I'm sorry I wasn't
6 here for your testimony, but I've had the
7 opportunity to read it. When you say that DYCD's
8 OST programs will absorb the 3,000 young people
9 who are, or at least the 2,000 in priority seven
10 who are losing their vouchers, how do you know
11 that?

12 MELANIE HARTZOG: It's not 3,000
13 children that DYCD will absorb, it's a portion of
14 those children who are losing their voucher, are
15 school age children. Some of them are infants and
16 toddlers and pre-school children, who can be
17 absorbed into our contracted childcare seats.

18 COUNCIL MEMBER FIDLER: Oh, so how
19 many are going to be absorbed into OST?

20 MELANIE HARTZOG: [pause] For
21 priority seven?

22 COUNCIL MEMBER FIDLER: Yes.

23 MELANIE HARTZOG: Of the priority
24 seven population--1,300 are school aged children,
25 that could go into DYCD's OST program.

2 COUNCIL MEMBER FIDLER: And--

3 MELANIE HARTZOG: That's of the
4 2,000.

5 COUNCIL MEMBER FIDLER: Given the
6 fact that the priority seven children are all kind
7 of concentrated and given certain cultural
8 sensitivities about where OST programs are, and
9 who these priority seven kids are, have you
10 matched the capacity of the OST sites, and are you
11 aware of the fact that DYCD is seeking to cut OST
12 slots in the executive budget?

13 MELANIE HARTZOG: I am aware of the
14 fact that DYCD had a PEG related to OST. My
15 understanding is that it's not for the school age
16 children, elementary school age children. And--

17 COUNCIL MEMBER FIDLER: Well,
18 that's not entirely true. I mean, that would be,
19 you know, there is an OST cut for high school age
20 children, but they're also seeking to eliminate
21 option two OST, which affects children on all age
22 levels.

23 MELANIE HARTZOG: So my staff is
24 telling me that at the March 5th hearing, you asked
25 this question. And DYCD testified to the fact

2 that the PEG that they did take was not related to
3 the school age. I think the question you're
4 asking me about the analysis--

5 COUNCIL MEMBER FIDLER: No,
6 actually, at the March 5th hearing, I asked about
7 the ability of DYCD to absorb the kids who were
8 being affected by the kindergarten transfer. This
9 is an additional burden, so let's be clear, I'm
10 actually clever enough to remember March 5th.

11 [laughter]

12 MELANIE HARTZOG: We've done the
13 analysis, looking at where OST capacity is, vis-à-
14 vis where these children are.

15 COUNCIL MEMBER FIDLER: And you
16 have that analysis, is it available to share with
17 me?

18 MELANIE HARTZOG: Yes, we can share
19 it with you.

20 COUNCIL MEMBER FIDLER: I would
21 appreciate seeing that, and I certainly have got
22 to ask Commissioner Mulgrave about this again,
23 because, you know, it's clear that you're not
24 aware of the fact that the OST cut is also to
25 school age children, when you consider the option

two cut, which is a \$6.7 million cut to OST. So, I just want to be sure that we're not promising the same seats to two different sets of kids. Now, as long as you raise the, as I raised the transfer, Commissioner, you're aware because you sat in this chair when I have been extraordinarily critical of the transfer of kindergarten age children to, out of day--out of childcare centers. And I am, you know, just tickled pink to see that federal stimulus dollars are coming in to help absorb some of the impact of that, even though I still will insist that that transfer does not actually save dollars for the City of New York. I think that is pretty clear, when Director Page was sitting in this chair about a week-and-a-half ago, he still couldn't provide any numbers for the Council as to how that was saving a dime of taxpayer money. So, I still don't get it, and I don't expect you to answer that question, if the head of the Office of Management and Budget can't answer that question. But I just, I guess my question then for you is this, is while the impact on the health and vitality of 93 centers is to be somewhat mitigated by the infusion of federal

2 stimulus dollars, what's going to happen to those
3 centers when the stimulus money runs out?

4 MELANIE HARTZOG: Some of those
5 programs--by the way it's 93 classrooms, not
6 centers.

7 COUNCIL MEMBER FIDLER: Oh.

8 MELANIE HARTZOG: Just so we're
9 clear. Some of those programs have already
10 approached us, or some programs have approached us
11 talking about what their options are, which we've
12 talked about for many programs where we've reduced
13 capacity. To merge, collocate with another
14 program, some programs have told me that they have
15 three sites, that they're looking to consolidate
16 into two sites. And operating a private paid
17 classroom, which we've been providing technical
18 assistance on.

19 COUNCIL MEMBER FIDLER: We love the
20 word "consolidate" here because we all understand
21 that as "close." So, I'm just--I just then, I
22 want to, you know, just at least understand your
23 statement of intent here. Is that you're going to
24 work with every childcare center in the City of
25 New York that is going to be losing out on this

2 transfer, to make sure that they are going to stay
3 in existence and thrive and provide the services
4 that we are counting on them for in the City of
5 New York. Is that your promise?

6 MELANIE HARTZOG: Yes.

7 COUNCIL MEMBER FIDLER: And
8 remember, we're on videotape, so just remember
9 that, yes.

10 MELANIE HARTZOG: I'm clear, yes.

11 COUNCIL MEMBER FIDLER: Okay,
12 alright. So, you know, and I will remember that
13 promise, I'm sure everyone in this room will, as
14 well, because I am extremely concerned, you know,
15 that when the federal dollars disappear, some of
16 these childcare centers will disappear with it,
17 and I just want everyone here to remember the
18 promise that has been made here by the Bloomberg
19 Administration.

20 CHAIRPERSON WEPRIN: Thank you,
21 Council Member. I want to remind everybody we're
22 about an hour behind schedule, so if we could kind
23 of, you know, summarize your questions. We've
24 been joined by Council Member Alan Gerson from
25 Manhattan. And the next questioner is Council

2 Member Mark-Viverito.

3 COUNCIL MEMBER MARK-VIVERITO:

4 Thank you, Mr. Chair, and I think I'll, you know,
5 part of my question was exactly what my colleague
6 Councilman Fidler just asked about the stimulus
7 money running out in the Centers. Now, you're
8 projecting also to utilize stimulus money for the
9 market rate increase. So, what is ACS's plan, or
10 what is, what do you foresee, that once the
11 stimulus money runs out, how that's going to
12 impact, again, providing of childcare services?
13 What's the, what's looking forward? Is it that
14 you're projecting that we're going to get an
15 increase in revenue as a City, therefore you're
16 going to be able to keep at that rate in the
17 future? But what happens once the stimulus money
18 runs out?

19 MELANIE HARTZOG: The stimulus
20 money for both childcare and Head Start is for two
21 years. It's our anticipation and hope that with
22 this new administration that this will actually be
23 baselined, at the federal level. So moving
24 forward, it won't be for just two years, it will
25 be in the federal budget ongoing, beyond that.

2 COUNCIL MEMBER MARK-VIVERITO: Are
3 you getting any assurances that that's the case?

4 MELANIE HARTZOG: I think we're
5 getting positive feedback that this is the case.

6 COUNCIL MEMBER MARK-VIVERITO: I
7 don't know, I don't know where that's coming from,
8 but that's of concern. But if that is not the
9 case, what is the plan? How would that impact,
10 not having those stimulus dollars, when you're
11 taking into account the market rate increase that
12 is being provided now, what, in two years down the
13 line if we don't get it, if we don't get any of
14 those additional dollars, if it's not baselined,
15 what do you foresee happening?

16 MELANIE HARTZOG: I think at that
17 time we'll have to assess where we are and what
18 the capacity, what the funding is, and we'll have
19 to make decisions at the City level, as to what to
20 do.

21 COUNCIL MEMBER MARK-VIVERITO: I
22 can't believe that you haven't really forecast any
23 of those scenarios in your discussions at this
24 point. Two years is not that far down the line.

25 MELANIE HARTZOG: And right now we

are trying to get that funding out to all the providers and get that funding restored in all those kindergarten classrooms.

COUNCIL MEMBER MARK-VIVERITO:

Well, that's not very, I'm not getting much assurance in that. I also, not to, you know, drag this out, 'cause I know we're behind, but I really do want to strongly, you know, add my voice to the comments that were made by my colleagues earlier, particularly Tish James, with regards to the jobs, and basically kind of hiring from outside. I think what we've seen, and the Civil Service and Labor Committee has also had hearings on a report that came out with DC37, not only on the outsourcing of contracts and money, but really what we're seeing is really an erosion of unionized jobs in this City. It's a very serious concern for me, because I believe that these jobs are critical for really stabilizing families and stabilizing neighborhoods, many of which are economically disadvantaged neighborhoods, like the one, in districts, like the one I represent. These jobs are critical jobs. And we have seen over this Administration's tenure, that there's

been a serious whittling away at that, and that there might be attempts, also, you know, in a backroom way, of trying to deunionize some of our agencies. And so that's really of concern. I think it's something that we need to be very vigilant about. I know we are dealing with it, and we've had hearings, Civil Service and Labor, DC37 has done its report. But we need to go beyond that. And I think that as a City, and with the union movement, we need to also really be proactive and coming comprehensively together and figuring out how to battle this. Because it really does, again, destabilize our neighborhoods in a very critical economic downturn, in a critical time, and what we're going to see is more problems, I think, emerging in our neighborhoods, as a result of these jobs being lost. It's the base of the working class in this City, and we need to continue to provide for them, because in the end, it's protecting our children, it's protecting our families, it's protecting our neighborhoods. So, with that, you know, I just want to, I want to leave it there, 'cause I know there's a lot of work that still needs to be done.

2 But we're watching, we're aware of what's
3 happening here, and we're going to continue
4 question ACS and every other agency about this
5 hiring from outside, as opposed to really trying
6 to work, you know, from within the ranks. Thank
7 you.

8 CHAIRPERSON WEPRIN: I'm going to
9 turn it back to Chair De Blasio, has a couple of
10 questions.

11 CHAIRPERSON DE BLASIO: Thank you,
12 Chair Weprin. Commissioner, let me first talk to
13 you about, a little more about the layoffs, and
14 then just some questions on childcare, and we'll
15 be done. On the layoffs, I'm still not hearing if
16 there is a clear approach to trying to ensure that
17 any workers who are displaced get another
18 opportunity in ACS or in another City agency. Can
19 you tell us exactly what's being done there, and
20 how many workers you think will be accommodated in
21 that fashion?

22 JOHN MATTINGLY: We have been
23 working as closely as possible with DCAS on this
24 one, and with OLR. I cannot tell you specifically
25 how things are going to play out because we have

1
2 been waiting for DCAS's picture of not only our
3 seniority list, but others within--I'm sorry,
4 regardless of the seniority list, there's a
5 question of what positions are comparable. And we
6 have not heard back from DCAS on that, so we can't
7 go any farther with the other agencies at this
8 time.

9 CHAIRPERSON DE BLASIO: Alright,
10 well I'm concerned about that answer. We had a
11 situation that you're probably familiar with, with
12 workers at the Housing Authority who were
13 providing service at the community centers, that
14 the Administration, I think mistakenly decided to
15 lay off. But there was a coherent effort that the
16 Council pushed for very hard to make sure that any
17 of those workers that were laid off had an
18 immediate, available opportunity at another
19 agency, or elsewhere in the Housing Authority,
20 whatever would be most readily available. And
21 there was a meeting with the Office of Labor
22 Relations that actually led to a specific plan.
23 So, considering that the magnitude of your layoffs
24 is greater, and I think it's fair to say there's
25 been a certain amount of controversy throughout

2 the whole process, how can we get to a very
3 specific plan so that the workers who are in
4 danger of layoff, know if they have other
5 opportunities in ACS, or in DHS, HRA, or any other
6 agency, how--Can you give us some sense of
7 timeline and the process for getting to that?

8 JOHN MATTINGLY: Well, we have to
9 get this done within the next month. And once we
10 hear from DCAS, we'll be able to start right away
11 to work on that issue. Until we hear from them,
12 we don't know about comparability, so there's not
13 too much we can do. But I have spoken to other
14 commissioners, they are aware of what is
15 happening, and we will work as hard as we can once
16 we have the basis to work with.

17 CHAIRPERSON DE BLASIO: Can you
18 clarify the timing of the layoffs themselves?

19 JOHN MATTINGLY: The layoffs will
20 occur June 26.

21 CHAIRPERSON DE BLASIO: Okay. So
22 in terms of trying to keep people employed, and
23 again I'm always amazed that we're taking federal
24 stimulus money with one hand, to keep the economy
25 going and keep people in jobs, and then we're

2 laying off people with the other hand. So, I'd
3 really like to see us find a way to get people
4 immediately into other employment. So if you're
5 about a month away from the layoffs, and DCAS has
6 not given you what you need to finalize a plan
7 within the Administration, how can we speed that
8 up so there's some prospect of actually people--

9 JOHN MATTINGLY: I expect, I expect
10 a response from them very soon, if not today.
11 They of course, as you can imagine, are very, very
12 busy at this time. And we've have nothing but
13 support from them in trying to get through these
14 difficult times. And I expect it will continue.

15 CHAIRPERSON DE BLASIO: So, can
16 you, is there a plan, in your agency or in the
17 Administration, to have a final approach to
18 dealing with layoffs by a date certain? Meaning a
19 way to handle workers laid off and trying to
20 accommodate? Is there some specific goal within
21 the Administration to resolve that?

22 JOHN MATTINGLY: I can't speak for
23 the entire Administration. I can say that it is
24 our intention to be much, to have a clear sense of
25 where things stand before we have to take this

2 action.

3 CHAIRPERSON DE BLASIO: And do you,
4 have you identified inside your own agency any
5 positions that can accommodate folks being laid
6 off already?

7 JOHN MATTINGLY: Yes. And that is
8 related primarily to the seniority list. But of
9 course, any vacancies that we have available will,
10 that are comparable to the jobs people are doing
11 now, we would of course want to prioritize them
12 for those jobs.

13 CHAIRPERSON DE BLASIO: So, can you
14 give us a sense of how many jobs you might have
15 available that could lessen the blow of the
16 current layoffs?

17 JOHN MATTINGLY: I'm sorry, I
18 can't.

19 CHAIRPERSON DE BLASIO: Alright,
20 we're going to send you a follow up letter, and
21 can we get an answer on that quickly?

22 JOHN MATTINGLY: Sure, sure.

23 CHAIRPERSON DE BLASIO: I mean, how
24 soon? Give me a rough sense of when you would
25 have that number?

2 JOHN MATTINGLY: Well, by the end
3 of the week, I would imagine, to the extent we
4 know it for sure.

5 CHAIRPERSON DE BLASIO: Okay. One
6 other, I want to go back to childcare, but I have
7 one other specific question off of our, I think
8 important discussion on preventative issues, and
9 the ability to intervene in families in crisis.
10 Specific, you heard in my question a concern both
11 about how quickly and to what number we could
12 intervene in families and concern about ratios,
13 but also concern about speed at which, with which
14 we get to a situation. The family preservation
15 program, as I understand it, was a key part of
16 providing quick and 24 hour, you know,
17 availability in the way of intervention in a
18 family. And that's been radically reduced in
19 number. Is that going to affect our ability to,
20 again, provide timely service when we find a
21 family in crisis?

22 JOHN MATTINGLY: It certainly means
23 that over the course of the next year, we will
24 have fewer family preservation specialists
25 available to take on duties. On the other hand,

we do expect family services units, which as I mentioned earlier, the number of family service workers has virtually doubled since we began this work. We do expect them to take on some; we expect the preventive agencies to take on more. And we expect within the coming 18 months to have a new design for family preservation services so that it can be more effective as we develop sufficient resources to provide for it.

CHAIRPERSON DE BLASIO: Okay, what would be very helpful as we go through these coming weeks, I think is to stay in regular touch, 'cause we really want to monitor closely the ability of the agency to respond on a timely basis. So as all these transitions occurring, it's important to us to get regular updates on whether you can actually reach families quickly, as needed. Let me take you to childcare, and this should close out the hearing. I want to very clearly join my colleagues, particularly in terms of the priority seven vouchers. I would say the same about priority eight and nine, but the, numerically the biggest hit is the priority seven. I mean, clearly it's disproportionately hurting

certain communities, but more importantly it's just less childcare. And you know, I think for years now, there's been tremendous consensus between the Council and the Administration to increase the amount of childcare, going back to the first budget that this Administration did with this Council. I feel like we've turned the corner, unfortunately, for the first time, really into a backward direction. And so the fact that we're taking this many vouchers out, you know, in one fell swoop is troubling to me. We are not really in a position to offer that much in the way of alternatives to these families, from what I can see, because it all depends on location and availability of slots. So, I would think that there would be a sense that this is a profound step backward, and we'd want to try and avoid this as we go through the final weeks of this budget process. I mean, do you think there's any way that we can find to preserve these slots?

JOHN MATTINGLY: Given the shortfall in funding, especially what's happened with the feds and particularly the State, in the last four years since I've been here, I don't

foresee any particular way that we can avoid this. It's tragic, I don't want to have to do this, but once again, we have gone from the State and federal government paying for about 67-68 percent of our costs, we've gone from that to them paying under 55 percent. And our costs, naturally, have gone up since 19--since 2000, about 36 percent. With that happening, and our support for childcare--keep it in mind, childcare costs us here in the City about \$750 million. The feds pay about \$400 million of that. We pay about \$267 million of that, a lot of money, and increasing money. And at the same time, less than \$100 million, as best we can tell, is coming from the State, to support us, that, within the context of their raising the market rate. So, within the situation we face now, I do not see a way out of it, of taking this action.

CHAIRPERSON DE BLASIO: You've--You say in your testimony, I just want to confirm this very clearly. I again assume unfortunately relatively few of these families in the seven, eight and nine categories will actually be able to find a space in an existing childcare center, ACS

funded childcare center. But in the event they do, you're saying very clearly that their support would be continued, and that that would be ongoing, it would not just be for the remainder of the year, but they would be renewed and continued.

JOHN MATTINGLY: That's correct.

CHAIRPERSON DE BLASIO: Throughout that child's time in needing childcare.

JOHN MATTINGLY: Yeah. In contracted childcare.

CHAIRPERSON DE BLASIO: Okay. Now, let me take you really quickly to some of the outstanding issues with childcare. There are seven centers that we've been discussing for a long time, from the original list of 21, from the original 21 that were going to receive a substantial reduction in capacity, and potentially be in danger of not being able to stay open, there are still seven that are slated for classroom closures that again could have a very big impact on their overall budget. Could we just get a quick update, is that number seven still accurate? Has there been any change for the better or for the worse in that number?

2 MELANIE HARTZOG: So at the March
3 hearing, I believe you asked the same question,
4 and of the seven, I explained to you that there's
5 one program, Waverly Childcare Center, that was
6 under-enrolled that's actually closing. So the
7 entire site is closing, and that is effective at
8 the end of the summer. We've begun meeting with
9 parents, to plan for that transition, offering
10 them seats in other contracted programs, and
11 looking at what their needs are, should they need
12 a voucher. In addition to that site, there was
13 also, as part of the seven was Young Minds, we are
14 not reducing capacity at this time, because of
15 their proximity to Waverly. So we're looking to
16 see if in fact parents would choose that site, and
17 we're helping young minds get to full enrollment
18 as well, if that's possible. We'll reassess the
19 vacancies at young minds at a later date. Edwin
20 Markham, which is operated by Seamen's Society on
21 Staten Island, was slated for a classroom
22 reduction. That program no longer wants to manage
23 that site, they want to relinquish their contract
24 for that site. And we are currently looking for
25 replacement sponsors for that site.

2 CHAIRPERSON DE BLASIO: So the
3 other four remain status quo.

4 MELANIE HARTZOG: Their classrooms
5 have been reduced.

6 CHAIRPERSON DE BLASIO: Okay. And
7 we don't know yet whether they are going to be
8 able to continue long term or not.

9 MELANIE HARTZOG: They're operating
10 right now. We continue to monitor them, and
11 provide technical assistance by the resource area.

12 CHAIRPERSON DE BLASIO: Okay. On
13 the 125 centers slated to loses kindergartners,
14 93, tell me if I'm getting my numbers right, 93
15 will get assistance in aging down; 32 will not.

16 MELANIE HARTZOG: 93 classrooms
17 will be restored to serve three and four year
18 olds.

19 CHAIRPERSON DE BLASIO: Okay.

20 MELANIE HARTZOG: Not aging down to
21 serve infants and toddlers.

22 CHAIRPERSON DE BLASIO: Say it
23 again, I'm sorry.

24 MELANIE HARTZOG: 93 classrooms
25 will be restored to serve three and four year

2 olds, not infants and toddlers.

3 CHAIRPERSON DE BLASIO: Got it,
4 thank you.

5 MELANIE HARTZOG: Mhm.

6 CHAIRPERSON DE BLASIO: Now the
7 other 32, again you have paid--

8 MELANIE HARTZOG: Everybody will be
9 getting a letter, both those programs that will
10 receive the restoration, as well as those that do
11 not. Fro those that do not, again, we will
12 continue to, and the letter clearly states that
13 they should contact us to provide technical
14 assistance, and help them plan for this
15 transition. We want to ensure their viability
16 both before--I'm sorry, during this transition,
17 and after.

18 CHAIRPERSON DE BLASIO: So you are
19 committed to trying to find a specific way for
20 each of them to stay open, whether that takes
21 other creative forms of assistance, or help with
22 enrollment, or--

23 MELANIE HARTZOG: Correct.

24 CHAIRPERSON DE BLASIO: --helping
25 them in changing leadership or finding another

2 center to work with, whatever it may be.

3 MELANIE HARTZOG: Yes. Yes.

4 CHAIRPERSON DE BLASIO: Okay, when
5 will you have the final list of the 93 getting
6 assistance, and the 32 not getting assistance?

7 MELANIE HARTZOG: I anticipate by
8 the end of this week.

9 CHAIRPERSON DE BLASIO: Alright, we
10 would like to get that right away, with the--and
11 just, in a word, what is the fundamental, what are
12 the fundamental criteria making decision which
13 ones get and which ones do not?

14 MELANIE HARTZOG: Enrollment.

15 CHAIRPERSON DE BLASIO: Meaning?

16 MELANIE HARTZOG: We're looking at
17 high enrollment over the last twelve months, for
18 three reasons. One is the demonstrated ability to
19 maintain full enrollment. Two, is that they're
20 likely to have waiting lists. We need to spend
21 the stimulus money as quickly as possible,
22 demonstrated high enrollment means you have a
23 waiting list for those kids. And third is that
24 they have a strong recruitment plan, demonstrated
25 by their high enrollment.

2 CHAIRPERSON DE BLASIO: For the
3 ones that you saw that from, would get the
4 assistance.

5 MELANIE HARTZOG: I'm sorry, can
6 you repeat the question?

7 CHAIRPERSON DE BLASIO: The ones
8 that you see that, those kind of features in,
9 would get the assistance, they would be among the
10 93.

11 MELANIE HARTZOG: That's correct.

12 CHAIRPERSON DE BLASIO: The 32 you
13 would have not seen that progress from, in your
14 opinion, but you were going to try and find other
15 ways to reinforce.

16 MELANIE HARTZOG: Yes.

17 CHAIRPERSON DE BLASIO: Okay. We
18 obviously are happy that the 93 are getting
19 support. You know, it would be, I don't need to
20 say this to you, I know you know it, but I think
21 it's important to say publicly. We would think
22 that this would be a great step backward if we
23 lost a substantial number of those 32. So we're
24 going to keep monitoring, just as we have with the
25 seven centers, or now five centers we discussed

earlier. We're going to keep monitoring to make sure that in each case we're trying to find a plan to help them forward. So, I would think to finish my questions, pass it back to Chair Weprin to say, it's not a surprise to you to know we are deeply concerned to see how this plays out. And understand what is happening to help each center, and how we can help in that process, which you know, I think Council Members have been a productive part of in the past. On the other fronts we discussed, we're deeply concerned to see in general where our ratios, our caseload ratios, particularly in the area of prevention, and we're going to follow up with you on that. And we're deeply concerned to make sure that there is as quickly as possible, a plan to accommodate the workers who are being laid off, and try to make sure that they get into some other City employment in real time, and with as little dislocation as possible. So those are all going to be follow up items we're going to pursue with you Commissioner, and with your team. Thank you for your appearance today, and now to Chair Weprin.

CHAIRPERSON WEPRIN: Okay, just

2 briefly, the IOC workers that you said you hired
3 from the laid off workers, or from the agencies,
4 were those hired at lower salaries?

5 JOHN MATTINGLY: No.

6 CHAIRPERSON WEPRIN: They were all
7 hired at the same salary or higher salaries?

8 JOHN MATTINGLY: Well, they weren't
9 hired at lower salaries. I believe they were all
10 hired at higher salaries, but I don't exactly have
11 the details.

12 CHAIRPERSON WEPRIN: Okay. Just to
13 sum up, you obviously see there's very strong
14 concern among all the Chairs and all the Council
15 Members about these potential layoffs. And you
16 know, we don't want to go back to a situation
17 where, you know, we, thank God, the last three-
18 and-a-half years, you know, have been much better,
19 because of that unfortunate tragedy, where we
20 actually, together, put money back in the budget,
21 and we hate to see it going back. And all it does
22 it take, you know, the loss of one life to make,
23 you know, all of these cutbacks, you know, so
24 tragic. And if you can somehow look back to the
25 outside contracting budget, large, \$600 million

2 budget for foster care, and the \$200 million or
3 so, approximately, preventive services, and see if
4 there can be some more Administrative savings
5 without these potential layoffs, because you know,
6 the family support, as well as the actual
7 preventative services for, you know, these
8 children, are such an important priority and we'd
9 hate to see another tragedy. So if you could
10 please make that a major priority, and we're going
11 to be meeting through budget negotiations; but I
12 know I share Chair De Blasio and Chair Mealy's
13 concern about these layoffs, and I don't think,
14 you know, this situation is over yet.

15 JOHN MATTINGLY: We will do our
16 best.

17 CHAIRPERSON WEPRIN: Thank you.
18 We'll now hear from the Commissioner of Homeless
19 Services, Commissioner Hess.

20 CHAIRPERSON DE BLASIO: Please help
21 us with a quick transition here, so if you're not
22 staying, please exit quickly so the new folks can
23 come in.

24 [long pause, some background noise]

25 CHAIRPERSON DE BLASIO: Okay, we

will now go to the next phase of our joint hearing of the General Welfare Committee and the Finance Committee. Want to welcome Commissioner Hess and his team from DHS. A number of our colleagues have been here for parts of the hearing before, and are continuing with us. Some have been here since the very beginning, notably Council Member Brewer, thank you. Thank you to all the staff who helped put this hearing together. Thank you to Tish James [laughs] and now I'd like to say a few things up front before we turn to the Commissioner. When we were last here at the preliminary budget hearing, we discussed the unfortunate reality that this Administration's policies are failing to meet the goal the Mayor set to reduce homelessness by two-thirds by 2009. To the contrary, unfortunately we are seeing more people go into shelter, not less, and this is according to DHS's own reports. We saw the total number of new entrants to shelter increase by 13 percent from December '07 to December '08, and 19 percent from fiscal year '08 to fiscal year-to-date '09. The number of new families eligible for shelter increased by 28 percent from December '07

to December '08, and 48 percent from fiscal '08 to fiscal year-to-date '09. And according to the 2009 preliminary Mayor's management report, DHS experienced "an across the board increase in the number of entrants into the shelter system, compared to the first four months of fiscal year '08." According to the latest DHS figures, at the end of April nearly 9,600 families lived in emergency housing in New York City. It's clear we need policies that work, but I don't see them in this budget as it's proposed. As more people going into shelter, we are seeing a pattern of adopting punitive policies that will leave homeless New Yorkers stuck in a cycle of poverty. There are an additional 105 headcount reductions in the executive budget, compared to preliminary for ACS, 88 of which are layoffs. We'll be asking who these people are today and how it will affect services. DHS recently adopted a program forcing homeless New Yorkers to pay for staying in shelter, which has generated quite a bit a controversy. DHS and the Mayor have claimed that their hands are tied because of this program, because this program is mandated by the State, yet

there's no evidence of an effort to lobby Albany to stop this program. We know well that when the Mayor and the Administration apply themselves fully to changing a law in Albany, or changing a budget item in Albany, they can have a huge impact. We have not seen it in the case of this State mandate that we force homeless New Yorkers to pay for shelter. It's clear that the Mayor and the Administration need to use their power in Albany to change this law. To the contrary, DHS attempted to adopt public relations tools to justify this unfortunate policy, and rushed to implement it, causing serious problems for shelter providers and residents. The program is ill-advised to begin with, because homeless families need to keep as much money in their pockets as possible, in order to move out of shelter to permanent housing, which should be the goal. Families face serious consequences if they don't pay into this system, most notably ejection from shelter. Despite the seriousness of the issue, families were not properly notified that they would have to start paying, or how they would have to pay. And now this policy has been suspended

because it was unworkable. Now, somehow, DHS has to collect dollars from families who already pay, causing further confusion and strife to those families, and perhaps most troubling, in an email to providers, DHS officials, and we have a copy of the pertinent section on the easel here, DHS officials said they needed help gathering "model families" to put a "positive spin on the policy." If DHS were only implementing the policy because the State made them do it, why is this necessary, why would they not be protesting the policy, as opposed to trying to put a positive spin on it, and trying to provide a separate image of homeless New Yorkers as opposed to "working poor" New Yorkers. It's clear that families have already lost out under this new policy, and we cannot afford to have the Mayor and the Administration sit on the sidelines, we need them to stand up and go to Albany and get this law changed. And there is legislation that's been introduced by Assemblyman Keith Wright and Senator Daniel Squadron that would change the law and eliminate the contribution program. We need the Mayor and his team to go to Albany and lobby for it. In

terms of single homeless New Yorkers, DHS has proposed a \$4 million savings by changing the payments to shelter providers. We need to ask today how cuts to providers budgets will somehow not affect service delivery to homeless singles. And DHS's method of restructuring services for the street homeless remains a concern. While I appreciate that the agency will keep three drop in centers open 24 hours, there's still appears to be an overall loss of capacity. And we need to make sure that specific populations are appropriately serviced under this new model, particularly senior citizens and the mentally ill. Finally, we're pleased that DHS received \$74 million in stimulus funding. This is very important and very positive. But we need clarity about how it will be spent. DHS plans on allocating dollars specifically to DYCD for runaway and homeless youth, to DIFTA and DOHMH for anti-eviction services for the aging, and for people living with HIV and AIDS, which we appreciate. But it is not yet clear how the funding will be allocated, and how it'll be used, and we need to know more about that today. The recession has continued to result

in more and more New Yorkers falling into poverty, and this is moment when more than ever, we need to step up and support New Yorkers in need. The policies under this Administration have not worked, period. If we do not fix these problems now, we will be creating a new generation of impoverished New Yorkers. And that's why the current debate over the budget is so important. With that, we turn to you, Commissioner, we welcome your testimony.

ROB HESS: Good afternoon, Chairman De Blasio and members of the Finance and General Welfare Committees. My name is Rob Hess, and I am the Commissioner of the New York City Department of Homeless Services. Joining me at the table are Steve Pock, a DHS Deputy Commissioner for Fiscal and Procurement Operations; and Lula Urquhart, Assistant Commissioner for Budget and Audit. Thank you for inviting me here this afternoon to discuss the agency's executive budget for fiscal year 2010, and to share an update on both the long term systemic reforms we have undertaken, as well as the daily emergency shelter services we provide to the men, women and children of this City. At

no time in our City's history has it been more important, or as important, to do the work that DHS and our nonprofit providers do. To prevent homelessness, divert those from shelter who can be assisted by other means, shelter individuals and families during a short term crisis, and help them move back into the community where they can once again live independently. We're also focused on helping the men and women who routinely say no to the traditional shelter system, and live unsheltered on our streets and subways by providing them with other housing options that meet their needs, such as a bed at a faith-based shelter facility. Each of these men, women and children is a person, not a caseload, or an ID number. And as we make tough budgetary decisions, we think long and hard about the impact of every dollar on each of them. As a human service agency, we work to ensure that we can maintain the integrity of our system, and leave no one who is in need of our core services unserved. I am pleased to inform this Committee that just last week, DHS submitted New York City's plan for Homelessness Prevention and Rapid Rehousing

Program, or HPRP, to the U.S. Department of Housing and Urban Development. The City expects to receive \$73.9 million in federal economic stimulus dollars, to support strategies that will prevent New Yorkers from becoming homeless, and offer alternative housing options for shelter applicants, as well as help New Yorkers who become homeless move rapidly into permanent housing. We anticipate receiving final approval for our plan from HUD by July 2009. In developing our plan for these funds, DHS received valuable input from key stakeholders throughout the City. Our final submission to HUD ultimately included recommendations received throughout this process. As a result, we believe our submission is comprehensive and far reaching, yet targeted to those New Yorkers who but for this new funding would be homeless, due to the economic downturn. As this Committee is aware, DHS had to make tough budget decisions. Our focus was on maintaining core services, such as shelter programs, resulting in the reduction of discretionary spending in our budget. Particularly in non-shelter programs, such as prevention. We strongly believe in the

power and benefit of homelessness prevention, and thankfully our HPRP funds will do a number of things, including give us the ability to enhance and expand short and medium term financial assistance, housing relocation and stabilization services, benefits advocacy and case management services to households who are homeless or at risk of homelessness, including those sadly experiencing the risk of foreclosure. It will also help us support additional resources for programs that provide emergency rental arrears payments for families at risk of eviction. It will allow us to expand anti-eviction legal services to meet the growing demand by adding new service lots for single adults and childless couples, as well as making such services available to people living with HIV/AIDS and seniors through partnerships with the City's Department of Health and Mental Hygiene, and Department of Aging. And will allow our home based prevention program to reach other vulnerable individuals being imminently discharged into homelessness from the City's correction facilities, through a partnership with the single stop service center on

Riker's Island, to offer assistance with housing placements. In order to ensure that more people in need of our prevention services know how to access them, DHS will target a public education campaign to those most at risk of homelessness. DHS will also use the HPRP funds to implement a rigorous evaluation of our homelessness prevention programs, to measure program and cost effectiveness, and ensure continuous quality improvement. DHS will expand important after care services for families moving out of shelter through the Advantage New York Rental Subsidy Program. We will also provide funding to New York City Housing Authority, to expedite the processing of Section VIII applications for clients, including domestic violence survivors, who are in the process of moving to permanent housing. In addition to homelessness prevention efforts, these stimulus dollars will be invested in strategies that employ the rapid rehousing philosophy for both individuals and families who have become homeless, including our ability to fund short term housing assistance and case management services to allow street homeless individuals to work with

outreach teams in a safe environment as they move towards securing permanent housing; to allow us to work with the City's Department of Youth and Community Development to provide housing services that meet the specific needs of runaway and homeless youth; allow us to enhance our current relocation assistance program with critical case management services, to follow families in moving back to permanent housing more rapidly; will enable our existing family shelter providers to enhance engagement services that move families more quickly from shelter to permanent housing and creating a program, it will allow us to create a program to help families with significant barriers to securing permanent housing due to health, mental health or substantial service needs, and other disabling conditions in accessing permanent housing. I'm also pleased to report to this Committee that DHS has recently received \$5.7 million of the City's community development block grant, federal economic stimulus funds, dedicated for homeless adult services. These additional funds will cover nonprofit shelter provider contracts for fiscal year 2010, which were

previously impacted by funding reductions made by New York State. This funding will allow DHS and the shelter provides to continue to meet the need for emergency shelter, as well as stabilize homeless adults and transition them into permanent housing. I'd like to take this opportunity to provide you with an update on the drop in centers and faith based shelter beds. We anticipate--We anticipate that contracts will be in place by July 1st 2009, for the following sites: the Manhattan based drop in center run by Urban Pathways; a Brooklyn based site run by CAMBA; and a Staten Island based location run by Project Hospitality. These three sites will operate under the new 13 hour-a-day model that was set forth in the RFP. In addition to these three sites, that were awarded contracts through the RFP, street homeless clients will be able to access services at three other drop in locations: Main Chance run by Grand Central Neighborhoods, and the Open Door run by Urban Pathways in Manhattan, and the Living Room in The Bronx, which is federally funded and run by the Citizens Advice Bureau, or CAB. These sites will continue to operate under the 24 hours, seven

day a week, as we transition to the new vision for drop-ins, to be service hubs that link street homeless clients to housing, rather than a place for them to sleep, night after night after night, in a metal chair. Currently, DHS does not have a drop-in center location in Queens. Our initial plan called for the creation of a drop-in center in Queens, but after much deliberation, we decided not to operate a site in Queens. The 2009 Hope Survey estimated 98 street homeless individuals in the borough, down more than 70 percent from the 335 individuals counted in 2005. This reduction marks a clear victory in the effectiveness of our outreach strategies, and played a significant role in our decision. Although Queens will not have a drop-in, client will continue to access resources at drop-in centers throughout the City. Our new respite bed model will continue to link clients to faith based shelter beds through a drop-in center. While the drop-in center will be the referral source, respite bed coordinators will be responsible for the day-to-day operation and coordination of the program. We anticipate contracts will be in place by the beginning of the

fiscal year for CAMBA in Brooklyn, and Project Hospitality in Staten Island. To meet the needs in the other boroughs, where respite bed coordinator proposals were not received, DHS will utilize drop-in centers and/or street outreach providers to play dual roles. In Manhattan, Grand Central Neighborhood and Urban Pathways will serve as the respite bed coordinators; in The Bronx, CAB will function as the coordinator; and in Queens the responsibility will be shared by one of the Manhattan providers, which we are still working to finalize, and the Brooklyn provider CAMBA. To allow for a smooth transition and to strengthen the relationship between the faith based shelter beds, the new drop-in providers in DHS, I sent a letter on May 8, 2009 to more than 100 churches, synagogues and mosques throughout the City, inviting them to borough based meetings to address the operational details of the new program, and to solicit further input. All throughout the process, we have committed to working with the various congregations to address their concerns about the new program model. In fact, I am happy to report to the Committee that we have been

successful, that we have been able to successfully address the four major issues raised in the meetings with the faith based community in the following ways. DHS will maintain the current practice of screening clients at drop-in centers before they are sent to faith based shelters. DHS has funded the drop in centers to provide round trip vehicular transportation for clients to the respite beds each night, and back to the drop in centers each morning. In order to maximize the overnight bed capacity for clients, DHS will work to partner with any faith based organization that is interested in providing sheltering services. Our respite bed coordinators, through DHS funding, will provide transportation, linens, beds, laundry services, supplies, food and fuel reimbursement grants to the faith based shelters. I will continue to meet with key stakeholders as we move forward with the implementation of this program, and dedicate the resources needed to ensure its success. Recently, I watched a national news program that highlighted what it called "the new face of homelessness, the family." Naturally, I stayed tuned to the cover story of a working

mother and her son who were in shelter in another state. Her husband had lost his job and abandoned the family. She and her son became homeless and were happy to find refuge at a municipal shelter with modest accommodations: curfews and other rules that she and the other shelter clients had to follow, not unlike most of the family shelters here in New York City. However, that is where the similarity ends. The mother was grateful for getting the scarce spot in a shelter, where she and her son would need to leave at the end of six months. Unlike New York City, there was no homelessness prevention program in the community, or shelter diversion services, trying to keep the family housed after her husband left and she could no longer afford the rent on her own. Unlike New York City, spots in shelter were a scarce resource, a waiting list, and time limited stays. And unlike New York City, there was no rental assistance program or aftercare, to help the mother and son get another apartment, and move back into the community. When I look at the New York City shelter system, I can see how far the system has come. The transformation of family

intake, the creation of a world class prevention program, and municipal rental assistance program that not only helps thousands of families access shelter, but provides rent payments for one to two years, as well as a savings match. All of this is being done with record numbers of families with children seeking shelter. Fiscal Year 2009 applicants to-date, July through April, are 28 percent higher than in Fiscal Year 2008 for the same period. Despite the significant increase in demand, the census has been leveling off since November 2008. The average monthly census was 8180 in November 2008, compared to 8087 in April 2009. DHS has accomplished this through increased diversions, decreased lengths of stay, and increased access from shelter into permanent housing. This has been possible through the many reforms implemented by the Administration over the last few years. Gone are the days of old family intake and eligibility process, that often resulted in children sleeping overnight on the intake floor, where families in crisis languishing for more than 20 hours for their application to be processed. Instead, families now apply using a

streamlined system, and by 2010 will be accommodated at a newly built facility to better meet their needs. We have in place a system that will continue to withstand the test of time, and continue to support whatever the demand may be in the coming months. We truly believe that shelter is not the only option, and that whenever possible, families are best served by helping to stabilize them in the community, and to avoid shelter. To this end, DHS has developed a number of strategies in collaboration with nonprofit partners or other City agencies, like the Human Resources Administration, to help families before they cross the threshold of the shelter, including providing family mediation services between the shelter applicant and family members on how to coexist in the same housing unit; restoring previous housing options by offering post-eviction rental arrears payments, and reinstatement of tenancy for families through HRA; and offering services that would assist clients in relocating to a new apartment. In 2008, DHS and HRA performed a record number of diversions, more than the two previous years combined. From January 2,

2008 through December 31, 2008, 5,358 diversions were performed, an 80 percent increase over 2007. We've also been assisting record numbers of families with children and moving into permanent housing. In 2008, DHS helped a total of 7,065, or 27 percent more than the 5,567 families in 2007, move into homes of their own through Advantage New York subsidy program. As of May 1, 2009, a total of 8,897 families with children have signed Advantage leases with weekly Advantage lease signing surpassing previous rental assistance programs. For instance, when URP Section VIII was the primary rental assistance strategy, 73 families signed leases each week; under Housing Stability Plus, 86 families signed leases each week. In comparison, in Fiscal Year 2009, on average 116 families, 116 families, signed lease, Advantage Leases each week, 59 percent more than with URP Section VIII. In fact, during the Bloomberg Administration, more than 47,000 families have been helped to move into permanent housing through a variety of rental strategies. That is the key: offering a variety of rental strategies. In addition to the Advantage program,

DHS continues to offer assistance through Section VIII. We use Section VIII vouchers in a targeted way, for those who need the long term subsidy.

Our allotted vouchers are used in the community through Home Base, as well as to help fixed income Advantage and children Advantage clients transition after their first year of the subsidy.

I'd now like to focus on the fiscal year '10 executive budget. For the current year, fiscal year '09, the Department's expense budget is \$873 million. For next year, fiscal year '10, the budget is \$774 million. Of the \$774 million, \$303 million are City funds; \$216 million are State funds; \$136 million are federal funds; \$10 million are grant funding; and \$108 million are inner city funding. The \$774 million budget allocated \$268 million to services for single adults; \$455 million to services for families; and \$50 million to support services. The DHS capital plan. As of fiscal year '10 executive plan for the five year period fiscal year '09 to fiscal year '13, is currently \$167 million. Capital projects for homeless families totals \$76 million; projects for single adults total \$37 million; \$47 million has

been allocated for support services; and \$7 million for City Council funded projects. I want to assure members of this Committee that our budget actions were strategic, in order to minimize the impact on programs, and ensure that clients continue to receive quality services during our economic crisis and beyond. We focused on protecting our core service, by providing emergency shelter and providing resources needed to move families back to the community as quickly as possible. For fiscal year '10, DHS' total budget reduction target was \$15 million in City funds in the November plan, \$20 million in City funds in the January plan, and \$11 million in City funds in the fiscal year '10 executive plan. At this time, I'd like to discuss with you several budget reductions included in the executive budget for fiscal year '10. Agency personnel reduction. As part of the fiscal year '10 executive plan, DHS will reduce its active workforce by 88 positions. In fiscal year '10, this will result in savings of \$4.8 million in City funds. Effective July 1, 2009, DHS will eliminate 17 special officer positions through attrition. This will result in

a savings of \$816,000 in City funds for fiscal year '10. DHS will reduce City expense budget funds for capital eligible renovation costs, and will use DHS capital funding for this project. The savings will be \$2.6 million in the City, funds in fiscal year '10 only. DHS is currently reexamining shelter security and administrative functions, to find cost effective ways of providing the same level of service. DHS projects that these efficiencies will result in savings of \$2.4 million in the City funds in fiscal year '12 and the out years. As I discussed earlier, due to the success of our street solution initiatives in Queens, DHS has decided not to operate a drop-in center in that borough. Therefore, funding previously set aside for this purpose will allow the agency to save \$1 million in City funds in fiscal year '10. Federal dollars will support important prevention programs, resulting in savings of \$1.8 million in City funds in fiscal year '10. Yesterday was a day to commemorate those men and women who gave their lives for our country. So I would like to conclude my testimony with an update on all the work we are doing in New

York City to honor those men and women who served this country proudly, but have fallen on hard times. As a veteran, I speak from personal experience when I say that we cannot allow men and women who served our country to live on our streets. I believe that this Administration is taking all necessary steps to ensure that our veterans will receive the housing they need, and be treated with the dignity and respect they deserve. It was exactly this commitment that led the Mayor and the U.S. Department of Veteran's Affairs to create Operation Home Taskforce in February 2007. Recently, DHS and the VA issued a progress report on the implementation of the five recommendations set forth by the taskforce. Three of the five recommendations are fully complete, including the creation of a multiservice center that serves as a central intake point for homeless veterans. The Center, which has been up and running since May 2008, integrates DHS intake services exclusively for homeless veterans with access to medical, mental health and substance abuse treatment, and access to housing and other supportive services. To-date, 1,066 homeless

veterans have been served by this program.

Shortly, we will open the first veteran specific safe haven. This site will accept referrals from

DHS street outreach teams, as well as VA outreach workers. Once veterans are placed in the safe

haven, they will be able to access on site social services and other supports offered through the

VA, and various nonprofit partners. More work is

needed, and we continue to implement programs and strategies focused on ending veterans'

homelessness in New York City, such as efforts to reintegrate veterans back into the community

through housing, employment and cash assistance.

In 2008, the City received \$9.4 million to

permanent house a thousand homeless veterans as

part of the U.S. Department of Housing and Urban Development, Veteran Affairs Supportive Housing

Program, or HUDVASH. As of May 1, 2009, the City has distributed 701 of those vouchers to veterans.

Thank you so much for your continued support. We look forward to working with you on these and

other strategies to improve the lives of homeless

New Yorkers. Now I'm glad to answer any questions you may have at this time.

CHAIRPERSON DE BLASIO: Thank you, Commissioner, and I have a number of questions, my colleagues do, as well. Let me start where I ended some of the opening. On this question of requiring payments from homeless people to stay in shelter, which again I think has shocked many New Yorkers, it doesn't fit with the values of this City to subject folks who are poor and distressed and have lost their home to further hardship by taking away some of the few resources they have. And it doesn't make sense as a strategy for getting folks back to self-sufficiency, to take away their resources rather than preserve them for the future. So, I think there's just absolute confusion here about why this policy was implemented and why it was then suspended and what the State's role is in it. So I'm just going to start by asking you, why are we doing this? Why are we attempting to take resources away from homeless folks, as opposed to helping them save them for the future?

ROB HESS: Mr. Chairman, I think it was 1996 or '97, the State passed a welfare reform law that stipulated in part that client

contribution for shelter needed to be paid. It was then over a number of years, apparently implemented in every other jurisdiction other than New York City, every other jurisdiction across the state, and continues to be implemented in every other jurisdiction as of today. New York City, we've resisted, we resisted implementing this State mandate. And in fact, just a couple of years ago, actually received an audit finding from the State saying that we were not in compliance with this particular State mandate, and therefore the State penalized us or fined us effectively \$2.4 million. Obviously, especially in this day of difficult budget times, we can't continue to rack up those kinds of penalties. And so about a year ago, we negotiated with the State a very small pilot, which we implemented at a couple of DHS directly run facilities. We bought ourselves another year that way. Finally, in negotiations and discussions with the State, the State was very clear that they were going to implement this program on May 1st of this year, above our objections. We then, when that was clear, spent a lot of time working with the State, and in State

discussions, to try to have a slow roll out, to have a controlled process, to better understand what the calculation would be that would lead to someone having to pay a fee for shelter. Got very little, made very little headway with the State on any of these issues, and ended up with being forced on May 1st to begin this process. And so that's the short answer as to how we got to this point.

CHAIRPERSON DE BLASIO: So, Commissioner, to put this into layman's terms, we basically spent a decade avoiding this law that obviously a number of people in this Administration and in previous Administration thought was unacceptable for New York City and counterproductive, or we would've been merrily agreeing to the law. So, it feels like from the very beginning of this discussion, it's obvious that the folks responsible for our homeless policies did not believe this was a good policy, or they would've been implementing it a long time ago.

ROB HESS: I think it's fair to say that we were very reluctant to move down this

path. We expressed those objections to the State repeatedly. May 1st became the date we had to implement, and at that point, we did.

CHAIRPERSON DE BLASIO: I assume that among the reasons there was that reluctance over the last decade or more was that this effort would take scarce resources away from homeless families, when in fact your goal, I think, has been to try and find a way to get people to self-sufficiency. So that doesn't fit. It would be punitive and would be felt as punitive to many families, and it would be administratively very difficult to handle day-to-day, and in fact put nonprofits in the positions of having to be bill collectors. So, I'm assuming all of those concerns added up to the City's reluctance.

ROB HESS: I think it's fair to say that there were a lot of concerns, to include, to this day, I don't understand the formula that's used. And so, until you understand all the mechanics of how something may work, you can't really render an opinion as to whether you think it's a good thing or not.

CHAIRPERSON DE BLASIO: So as it

became clear from the time of the audit that the State was more focused, why did the City not redouble its efforts to have the law changed, rather than deal with this at the level of implementation of an existing law. It would seem to me that a lot had happened in the course of the decade, that the environment was very different. Obviously, recently Albany is different in many ways. Wouldn't it have made sense for the State to use, I mean excuse me, for the City to use its extraordinary influence in Albany to try and change the law, if we thought it was this burdensome to the City?

ROB HESS: You know, we clearly had hoped that before we would've gotten to this point, we would've been able to have a discussion with our partners at the State, that would've led us to more of a common sense program approach. Unfortunately, that did not happen prior to May 1st. The good news is, and I'll tell you this, I believe this is good news, that since May 1st, and the, just the terrible rollout of this thing, that the State, trying to follow the State's mandate, and file the State's notices and all the rest,

when it really did not go well at all. The State has suspended the program, and has since sat down with us and begun what I would call as productive discussions, that I am hopeful will lead us to a common sense point of a plan that perhaps we can support. We're not there yet, but I was very encouraged by discussions we had with the State last week. Unfortunately, again, it seemed to have taken the implementation of this policy to get to the State to the point to say, "A, this isn't working; B, we need to suspend it; C, let's sit down and have some real dialogue about what we might do that might lead to a common sense solution."

CHAIRPERSON DE BLASIO: Well, I'm happy to hear that. I have to say, after a decade of this brewing, it doesn't give me undue hope to see that they're recognizing some of the problems because I would've thought the State would've tried to find that productive solution a long time ago. But I'm glad those conversations are happening. Given that there're no guarantees, will the Administration now consider joining the effort to change the law to begin with. As I

mentioned, Assemblyman Wright and Senator Squadron have a bill that would eliminate this requirement. Wouldn't that be a productive direction for the Administration to explore?

ROB HESS: I think it's a little early to tell. I mean, certainly we are looking closely at the bills the Assemblyman and the Senator have introduced. And so we'll have an opinion on that before long. But my hope is that now that we're engaged in thoughtful and productive discussions, is how I would describe it, with the State, that that process will lead us to a common sense solution here, that we can live with, and that that legislation will not be necessary. Time will tell, and as you, Mr. Chairman, have pointed out, I tend to be optimistic, so perhaps I'm wrong, but I really felt like we got to a point last week where for the first time, we could have thoughtful discussion and dialogue with our colleagues at the State. And if we can move that a point where we can all agree on a program that does make sense, then I don't think the legislation would be necessary.

2 CHAIRPERSON DE BLASIO:

3 Commissioner, just for clarification, this has
4 never been a requirement that would produce a
5 large amount of money for the State or the City in
6 any way, isn't that right?

7 ROB HESS: I guess that depends how
8 you define large. It was large to me when they
9 penalized me \$2.4 million.

10 CHAIRPERSON DE BLASIO: No, I'm
11 sorry, I mean to say that the actual collection of
12 the rent payments or whatever you want to call
13 them, the actual collection of money from homeless
14 individuals who are in shelter, would not add up
15 to a substantial revenue source, if you will, for
16 the City.

17 ROB HESS: We can tell you the,
18 what we project that the number would be. [pause]

19 CHAIRPERSON DE BLASIO: Exactly.

20 ROB HESS: While we're looking, we
21 can get you that number in just a minute.

22 CHAIRPERSON DE BLASIO: Yeah.

23 While you keep looking, then I'm going to borrow
24 from Council Member Sanders who raises a good
25 point. There's also the cost and the effort that

2 it would take shelter providers to go to, to
3 actually collect this. And as I mentioned at the
4 outset, I think it changes the relationship
5 between the shelter provider and the resident, if
6 now the shelter provider is a bill collector, and
7 oftentimes residents are obviously going to be
8 very, very short of resources. So, have you
9 factored into this consideration and into your
10 discussions with the State, the fact that there
11 are a lot of unintended consequences on the ground
12 to this requirement?

13 ROB HESS: Yes, we have. I mean,
14 at the end of the day, you're quite right, I mean
15 there's administrative costs related to
16 collection, and administering the dollars, and
17 offsetting payments from the State and all that,
18 that have to be considered. The real question in
19 my mind is, at the end of the day, are we able to
20 craft a common sense program that's consistent
21 with our policy objectives of helping families
22 move quicker from shelter, back into their own
23 homes? And if we can do that, then it makes
24 sense. If we can't do that, then perhaps it
25 doesn't make sense. We just have to see how that

2 plays out. In answer to your question, it's \$1.2
3 million is the CTL amount, so I guess you could,
4 it's probably about \$4 or \$5 million total in
5 impact for the State.

6 CHAIRPERSON DE BLASIO: So, in
7 other words, a very small amount in the scheme of
8 - -

9 ROB HESS: In the overall scheme of
10 things, it's relatively small.

11 CHAIRPERSON DE BLASIO: And one
12 that I think we can say from the beginning is one
13 of, not exactly likely to be realized in full.

14 ROB HESS: Yes.

15 CHAIRPERSON DE BLASIO: Given the
16 dynamic. No, I'm, I think everyone here is
17 profoundly concerned that we're changing the very
18 nature of our efforts to help families in need, by
19 implementing this requirement as effectively a
20 rental payment. This just absolutely warps the
21 whole notion of helping folks who's lives have
22 become dislocated. And I think if you are not
23 satisfied with the dialogue with the State in the
24 coming days, you should immediately move to try
25 and get this law passed before the end of the

session, to provide relief to the City. Now, let me turn you to your own house. You, I'm sure, are very familiar with the email in question, which has caused a lot of concern. I think it causes concern because we don't want to see folks who are supposed to be helping the homeless worried about public relations in this vein, and I think it causes concern because a lot of people think this is a misguided policy, and we don't want to see this City somehow shilling for a misguided policy, especially if it is being forced on you. Some people looked at that email and thought, in fact, it suggested the City embrace the policy fully. So I'd like to know your response to the fact that one of your employees attempted this strategy, and what it means for, and what it says to homeless folks in terms of our efforts to help them.

ROB HESS: Clearly, given our position on this, the email as it's written was quite a surprise. And frankly, was a mistake, was not endorsed by me, was not endorsed by the Deputy Commissioner, is a case of a grossly distorted directive. What in fact was occurring here, is very early on in the implementation of this State

mandated client contribution program, we were seeing rather large contributions being required by some families. And remember, we don't understand the formula, we didn't send out the notices, we didn't know what the contributions were going to be, but even in the discussion groups prior to implementation, we were led to believe it would be a few hundred dollars here and a few hundred dollars there. So, you can imagine our surprise when we saw some families that were paying upwards of \$2,000 a month by way of contribution. What in the world is this? And so, what the Deputy Commissioner was quite rightly doing, was trying to reach out to families in shelters that had these large contribution notices sent by the State, and try to understand what was going on. We thought maybe if we understood what the income was of those families, we could figure out what the formula was. That proved not to be true, but that was the motivation behind what she was trying to accomplish. In a large organization, you know, sometimes people just get it wrong and send out requests for the wrong information. This was just one of those

instances, it was frankly just a mistake, and a very unfortunate mistake, and I will tell you that I take responsibility for it because it happened within my Department. And I would, at this point, extend my apologies to anyone who received this, and felt like we were trying to spin anything. If any, the only thing we were trying to spin for years was our way away from this implementation. And at this point, we were unsuccessful just trying to understand it.

CHAIRPERSON DE BLASIO: Well, I appreciate that very much, Commissioner, and I'd like us to work closely with you in the coming days, again in hopes that either the City will find--the City will prevail upon the State to end this approach, or that we can work together to pass the law in Albany to fix it once and for all. Let me move you to one other topic, and then go to my colleagues, starting with Council Member Brewer. The, you know that we had a very pointed discussion with a representative of your agency, and with representatives of the Buildings and Fire Department a few weeks back on the question of boarding houses, many of them illegal, so called

"three-quarters houses." One of the interesting issues that came up at that hearing was the notion that some shelters were in fact offering a platform, offering an opportunity for owners of these boarding houses to come in and promote the availability of their units. So, in effect, without what appeared to be at least according to what your deputy stated, without any kind of coherent screening process, folks who were providing a substandard service were invited into shelters to make a presentation, which in effect inferred a certain legitimacy on them, unknowing shelter residents I'm sure believed that they were invited in to make a presentation, they must be offering a decent product. And then through whatever kind of process of referral, whatever kind of process of departure, some of your shelter residents ended up in these sites, which are typified by overcrowding and unsafe conditions. Have you had an opportunity to look into that issue, since it came up at the hearing?

ROB HESS: Not thoroughly. I am aware of the issue, I appreciate your letter of May 22nd, that in part, amongst other things,

raised this issue. I appreciated Deputy Commissioner Nashak's testimony that we would look at this very carefully, and we will. I think we promised to be back to the Committee on this within the next couple of weeks, and we will. But we want to take the time necessary to seriously consider each of the recommendations that you and other members of the Committee have made.

CHAIRPERSON DE BLASIO: Well, I appreciate that, and Commissioner I'll just say quickly on this issue, I believe you're trying to protect homeless people, and I want you to really go over that testimony carefully, especially the testimony from the Buildings Department, and more pointedly from the Fire Department, which point what a menace these homes can be. They were not meant for 20 and 30 people, but that's what they've been converted to; many of them don't have sprinklers, don't have adequate wiring, don't have adequate supervision. You, I'm sure, don't want to see a tragedy occur because of this problem, and we unfortunately have too much evidence that there's not a tight enough system at DHS to stop folks from being even inadvertently referred to

such homes. And again, this issue of who's allowed into shelters to make a presentation is a profoundly troubling one. You know I have legislation in which, in my opinion, would help to tighten up the procedures here and help to avoid any referrals to these inappropriate settings. And I think this is something that has to be acted on very, very quickly.

ROB HESS: I think this is one of those issues that DHS alone have trouble in adequately addressing. I think we really need our partners from other City agencies. I've been very pleased recently with the dialogue between agencies. I think there's an interagency solution here, we just need to find it.

CHAIRPERSON DE BLASIO: Well, please do keep us posted, we'll follow up with you as well. I'm going to turn to Council Member Brewer, and I want to thank her at the outset, because I think more than anyone in the City, she led the charge in terms of trying to make sure that the voices of religious communities were heard in terms of how we provide support for homeless folks. I think you would agree there

were some missteps along the way in this latest effort to alter those programs, and I just want to thank Council Member Brewer and turn it over to her now for questioning.

COUNCIL MEMBER BREWER: Thank you very much. I'll ask about a couple of other things, and then I'll bring that up, and I'll say something nice about DHS, and De Blasio doesn't believe me, so you're going to have to answer them.

ROB HESS: [laughs]

CHAIRPERSON DE BLASIO: First of all, on the federal stimulus, the number one issue that I have spent time on, as you know, is prevention. I can't understand how so many people who could be still in their homes end up in your system. So I wanted to go through some of the issues that you mention. But just like right now, I have a couple that lost their job; they owe \$10,362 in back rent from a residential hotel; there's no third party anywhere; and even if they go on public assistance, which we're working on, who's going to pay the back rent because they don't have a third party. Which of course, you

need, 'cause then somebody says, "Who's going to pay this in the future?" and the public assistance doesn't add up to the back rent. So, there are many situations like that. So my first question is, I know you talked about enhancing financial assistance, for rentals, for back rent. Two questions, one, how are you going to deal with this third party issue, 'cause it comes up a lot. Is there some innovation, innovative idea for that. And second, I met a woman this weekend who is in your system with her son, because she said she owed mortgage money. Now, I know we spend hours and hours on foreclosures, but I don't know that we actually give money. Counseling doesn't help, we need money. So my question is, does some of this rent arrears also include mortgage arrears, so that nobody ends up in your system for lack of payment for a mortgage.

ROB HESS: On the rent arrears part, I think the stimulus dollars, which will go largely to fund prevention, will give us a level of flexibility that we haven't necessarily had before. And so I think we'll have an opportunity to look at the third party issue a little bit

2 differently. I don't know what the solution is
3 off the top of my head, but we'll work very
4 closely with our Deputy Commissioner Ellen Howard
5 Cooper and her team--

6 COUNCIL MEMBER BREWER: She knows
7 everything.

8 ROB HESS: --to better address
9 that. I'm sure she does, she knows everything
10 there is to know about Prevention, and then some,
11 I think.

12 COUNCIL MEMBER BREWER: Yes, she
13 does.

14 ROB HESS: So we'll figure that
15 out. On the mortgage side, I'm less clear. I'm
16 not sure that the federal stimulus dollars can be
17 used to pay mortgage payments.

18 COUNCIL MEMBER BREWER: Okay. I
19 mean, this woman said she owed \$500 in mortgage, I
20 don't know. But I'm just saying there's every
21 aspect of keeping people in their home has to be
22 looked at, so they don't end up--

23 ROB HESS: Absolutely.

24 COUNCIL MEMBER BREWER: --every
25 last aspect.

2 ROB HESS: Absolutely.

3 COUNCIL MEMBER BREWER: Alright,
4 the other question is, do you have a breakdown yet
5 on the one, two, three, four, you mentioned four
6 different ways in which the non-shelter prevention
7 issues are going to be dealt with. Obviously
8 anti-eviction support, and so on. Are you still
9 working out the dollars and where these dollars
10 are going to be allocated?

11 ROB HESS: We have submitted our
12 application to HUD. We've also put that
13 application that was submitted to HUD up on our
14 website for anyone to look at who would like to
15 review the application we submitted. We now need
16 to wait for HUD to approve it. Once HUD approves
17 it, then the general categories of spending, we
18 can be more specific about.

19 COUNCIL MEMBER BREWER: Okay, so in
20 other words, once HUD, then you can decide which
21 legal services, how much for rent, etc.

22 ROB HESS: That's right.

23 COUNCIL MEMBER BREWER: Okay. The,
24 we talked last time about recreation staff. I
25 know the question is, is the age mandated by the

State to provide recreation staff in its facilities? I'm really concerned because I think that you look at this as a savings. It is of tremendous concern to those nonprofits who have recreation staff in the family and adult shelters. They feel that they're absolutely necessary to their programs.

ROB HESS: Yes, thank you for that question. With respect to the recreation staff, it's faced with the very difficult budget and economic conditions, and our PEG requirements. We had initially recommended the elimination of recreation as a line item in the budget throughout the shelter system, and we had asked the State for a waiver of that requirement, because recreation is mandated activity by the State. We thought that, what we didn't want to do was give providers a cut without reducing the mandated services they had to provide.

COUNCIL MEMBER BREWER: Unfunded mandate you didn't want.

ROB HESS: Undated--that's right. We're trying to avoid an unfunded mandate. As much as we like recreation, we thought that it was

not necessarily a core service, a shelter, and so that's the recommendation we made. Once we made it, many of our providers came to us with the similar concerns that you've raised, and asked us to reconsider that. Because they asked us to reconsider that, I've withdrawn from the State our request for the recreation waiver. And we will continue to fund recreation in the budgets. Now, the other side of that is, you know, we weren't magically able to come up with more money. And so, what our provider said to me is they would prefer a 1.4 percent across the board cut and let them figure out what to cut, as opposed to cutting recreation, and so we've agreed to do that.

COUNCIL MEMBER BREWER: Okay.

Alright. Thank you, at least I understand it.

ROB HESS: Mhm.

COUNCIL MEMBER BREWER: How many city workers, current or former city workers, are in your system?

ROB HESS: In our shelter system?

COUNCIL MEMBER BREWER: Yes. - -

ROB HESS: I don't know that answer today. We'll get you, we can get you that answer.

2 The last time we ran that, which has been well
3 over a year ago, I think the number was around--
4 150? It was around 150. But we'll, we can do a
5 run of that, and get you the specific number.

6 COUNCIL MEMBER BREWER: 'Cause I
7 believe that I've seen a list that's larger and
8 that's very recent. So we would like to see that.

9 ROB HESS: Really?

10 COUNCIL MEMBER BREWER: Yes.

11 ROB HESS: Okay. We'll run it.

12 COUNCIL MEMBER BREWER: I get lists
13 from different places.

14 ROB HESS: We'll run it.

15 COUNCIL MEMBER BREWER: But my
16 question is, that seems to be the kind of
17 situation that we should be working harder on
18 prevention.

19 ROB HESS: Yes.

20 COUNCIL MEMBER BREWER: So, how
21 would we do prevention for City workers, some will
22 be unfortunately laid off in this current budget
23 season, so they don't end up. What kind of extra
24 provisions can we take so they don't end up in
25 your system?

2 ROB HESS: Interesting question.

3 Certainly they could avail themselves of all the
4 benefits and program possibilities within
5 HomeBase. We have, from time to time, had some I
6 thought very constructive discussions with some of
7 our, some of the union leadership over, around
8 this issue, as to how to better support people.
9 We're certainly open to continuing that dialogue
10 and moving whatever direction that would take us.
11 Certainly we don't want to see City employees need
12 to be in the shelter system.

13 COUNCIL MEMBER BREWER: Okay, but
14 I'm just saying, you need to redouble your
15 efforts, working with the unions, I just don't
16 think one more former, current or future City
17 worker should be in your system.

18 ROB HESS: We agree.

19 COUNCIL MEMBER BREWER: Okay. You
20 said that the veterans are going to get 701
21 vouchers.

22 ROB HESS: Well they'll get a
23 thousand. 701 have been issued already.

24 COUNCIL MEMBER BREWER: Okay, well,
25 can they find housing with a voucher?

2 ROB HESS: Yes.

3 COUNCIL MEMBER BREWER: Where?

4 ROB HESS: As you know, it's a
5 little bit of a slow process, slower than we would
6 like, but there have been, but we have moved many,
7 many people through Section VIII into housing
8 across all five boroughs of the City. Not as much
9 in Manhattan as other boroughs, certainly, but--

10 COUNCIL MEMBER BREWER: Yes, I
11 would like more in Manhattan, but I guess that's
12 not your problem. So you're saying that everybody
13 who received a voucher, 701, and then there'll be
14 a thousand more, or is it total of 1,700?

15 ROB HESS: It's a total of a
16 thousand.

17 COUNCIL MEMBER BREWER: Total of a
18 thousand.

19 ROB HESS: So 701 of the vouchers
20 have already been issued--

21 COUNCIL MEMBER BREWER: When you
22 say distributed, that means they got them, but it
23 doesn't mean that they necessarily have housing.

24 ROB HESS: That's correct.

25 COUNCIL MEMBER BREWER: So, are you

2 keeping track of who actually gets housing?

3 ROB HESS: Yes, we are.

4 COUNCIL MEMBER BREWER: And you're
5 doing that through federal money? Or you just do
6 that normally?

7 ROB HESS: We're doing that through
8 a special allocation of HUD VASH grant from HUD,
9 to us, specifically providing a thousand Section
10 VIII certificates, with VA case management, and
11 supportive services, for each and every one of
12 those thousand, so that the veterans will get
13 whatever support they need in their housing
14 through Section VIII. And so essentially, it's
15 supportive housing for veterans.

16 COUNCIL MEMBER BREWER: Alright,
17 and as Diana Reyes says, how long is the
18 expiration? 'Cause with regular vouchers, we
19 spend lots of time getting them extended. Are
20 these vouchers that go on for a while? Are they
21 going to run out?

22 ROB HESS: Well, it's the same
23 problem. And they do need to be extended if
24 someone doesn't find an apartment relatively
25 quickly. The other piece, though, through

2 stimulus funding that we mentioned in the
3 testimony is that we are going to be funding a
4 unit at NYCHA to expedite our Section VIII
5 request. And so we're hopeful that that will move
6 the process along a little faster.

7 COUNCIL MEMBER BREWER: Alright, so
8 in other words the Section VIII vouchers for
9 veterans will come through NYCHA, the Section VIII
10 program at NYCHA.

11 ROB HESS: That's correct.

12 COUNCIL MEMBER BREWER: Okay.

13 ROB HESS: Special allocation
14 directly to us, for us, through NYCHA.

15 COUNCIL MEMBER BREWER: Alright,
16 so, and that is, and so the case workers will be
17 where? At the VA hospital? How will the veteran
18 find the case worker?

19 ROB HESS: We coordinate all that
20 through our Veterans Multipurpose Center, Project
21 Torch. And so, you're right, the case workers are
22 attached to the various VA hospitals in the area,
23 and then assigned to the veteran as the veteran
24 received the Section VIII.

25 COUNCIL MEMBER BREWER: Alright,

and do you think there are more than a thousand veterans in your programs? Or do you think that's, that'll take care of those that are homeless?

ROB HESS: No, it's not enough. We support in the Senate, United States Senate is now taking up a new allotment of HUD VASH vouchers. We would have hoped it would've been in the federal administration's budget. I don't believe it was. But we're following up on that. We support another round of HUD VASH vouchers.

COUNCIL MEMBER BREWER: Okay. Oh, and the faith based, I want to say thank you. I want people to know that you have been very responsive as an agency. I just, so people understand, originally there was a concern that the faith based community would not be able to continue to work with their guests. And I think thanks to your leadership and your staff, people are actually happy. The issue is that, it was just a meeting that I have updates here on my Blackberry with the providers from the faith based community and with your staff. And my understanding is the folks from Grand Central or

other day programs, so to speak, will be working with the linen issues, the transportation issues, and making sure that even people who are in the faith based community overnight, will be able to get up for work, for those who are going to work at a correct time. So I guess there are some linen issues to be worked out, which I think we can do. And I'm down to the details now, and we want to make sure that people are not walking. But I think most of them will be there by transportation. Again, we spent hundreds of hours on all these issues, I won't go into the specifics, but I wanted to say thank you. I do hope that this continues, because if there are changes or bumps along the road, I hope that in a year or so we don't find that we're moving backward, but we continue to move forward and hopefully all of the guests will end up with housing that's permanent as time goes on.

ROB HESS: Thank you, Councilwoman. I appreciate your support and your leadership on this issue. You know, it's very important to us that we're able to expand the faith based network, because we truly believe that everyone should have

2 an opportunity to sleep in a bed and no one should
3 need to sleep in a chair.

4 COUNCIL MEMBER BREWER: Alright, so
5 we have some details to work out, but generally
6 it's positive and I want to thank you, but I do
7 think it means that we have to continue to keep
8 Open Door and Grand Central and some of the urban,
9 I call it Oliviere [phonetic], but anyway, centers
10 open, and not close them without many, many
11 discussions, 'cause that may not make sense in the
12 future. Thank you, Mr. Chair.

13 ROB HESS: Thank you, council
14 member. Before I turn to Council Member Fidler,
15 first of all I'd like to welcome Council Member
16 Reyna. And Commissioner, you saw that was a
17 heartfelt instance of appreciation from
18 Councilmember Brewer, and she has been the
19 conscience on this issue, so I take that as a
20 major statement. I want to emphasize to you that
21 last part of what she said, that we believe that
22 so many of these faith based efforts have been
23 extremely effective, cost efficient, important to
24 their communities, responsive to their
25 communities. It's very important to us that they

2 continue in operation. And that we're thrilled
3 there's been progress, but that's really the
4 litmus test, honestly, going forward, that any
5 organization that wants to and can provide the
6 service effectively, continues to be able to. So
7 please keep that in mind, and that's the spirit
8 we'd like to see this approached with. And if
9 there are problems along the way, we'd like to be
10 a part of solving them.

11 ROB HESS: Appreciate that very
12 much.

13 CHAIRPERSON DE BLASIO: Thank you.
14 Council Member Fidler.

15 COUNCIL MEMBER FIDLER: Thank you,
16 Mr. Chairman. Good afternoon, Commissioner. As
17 you know, you and I had an offline discussion
18 about the stimulus money. And you in fact
19 referred to the stimulus money in your testimony,
20 but I want to ask you a couple of questions first
21 about process for the stimulus money, because I'm
22 a little confused. You're anticipating \$73.9
23 million of stimulus money. Is that correct?

24 ROB HESS: That's correct.

25 COUNCIL MEMBER FIDLER: And that

2 would be over what period of time?

3 ROB HESS: Over three years.

4 COUNCIL MEMBER FIDLER: In equal
5 buckets or--

6 ROB HESS: No, Councilman, it's
7 \$73.9 million total, that's a three allocation.
8 So roughly \$24.5 million or so per year.

9 COUNCIL MEMBER FIDLER: So, in \$24
10 million equal buckets, that's what I meant.

11 ROB HESS: Yeah, roughly.

12 COUNCIL MEMBER FIDLER: Okay. Yet,
13 when we spoke on the phone, you indicated that
14 that money would not be approved until some time
15 in July. Is that, did I understand you--

16 ROB HESS: That's correct.

17 COUNCIL MEMBER FIDLER: And so, how
18 is that you have a certainty as to the amount of
19 money, but we don't have the approval? I'm not, I
20 just want to clear that--

21 ROB HESS: No, I appreciate that.
22 The way the legislation was written, it was
23 written to be provided under a national ESG, or
24 Emergency Shelter Grant, formula. And so it was
25 \$1.6 billion is the national amount, and New York

2 City's allocation under the formula is five
3 percent. So that gets you to about \$75 million,
4 and then HUD takes off essentially a little
5 operating piece, and has told us that our
6 allocation is \$73.9.

7 COUNCIL MEMBER FIDLER: Okay, so
8 then what is it that's being approved in July?

9 ROB HESS: The \$73.9 will be
10 approved, as will our general spending categories
11 that we provided in the application.

12 COUNCIL MEMBER FIDLER: So, what's
13 essentially being approved is HUD is saying,
14 "Yeah, the number we gave you is correct. And the
15 spending categories that you're proposing to spend
16 are within the law."

17 ROB HESS: That's correct.

18 COUNCIL MEMBER FIDLER: Okay.

19 ROB HESS: [sneeze in audience]
20 Bless you.

21 COUNCIL MEMBER FIDLER: So, you're
22 pretty certain we're going to be getting this
23 money, am I correct?

24 ROB HESS: I never, I'm never ready
25 to sleep, have anything but sleepless nights until

2 we actually get the letter.

3 COUNCIL MEMBER FIDLER: I can
4 appreciate that, and I sympathize.

5 ROB HESS: But I'm optimistic.

6 COUNCIL MEMBER FIDLER: Alright.
7 How--with, can you now then be a little bit more
8 specific about how that \$24 million is going to be
9 spent in the next fiscal year?

10 ROB HESS: Well, here's what I can
11 tell you. I mean, we got to get HUD's approval.
12 I don't want to suggest that we know that HUD is
13 going to approve everything in our application. I
14 hope they do. I hope they have the wisdom to do
15 that. They may or may not. And so I think we
16 need to wait until July. But with that disclaimer
17 out there, you'll also remember that we had to
18 give up most of our Prevention funding in earlier
19 pays. And so the vast majority of the funding
20 we'll receive from HUD, will go to make our
21 Prevention programs whole. Beyond that, there is
22 a wide range of initiatives that we want to
23 support that we've included in the plan, including
24 the dollars that you and I talked about for DYCD
25 to support homeless and runaway youth. And so,

2 once it's approved we'll be able to sit down with
3 certainty and kind of work through that. Until
4 it's approved, I'd be leery to get into too much
5 detail.

6 COUNCIL MEMBER FIDLER: So then,
7 within the application that you've made--

8 ROB HESS: Right.

9 COUNCIL MEMBER FIDLER: --there is
10 sufficient flexibility to be able to fund programs
11 for runaway and homeless youth, that might not be
12 DHS programs, specifically, but are perhaps
13 augmenting DYCD programs.

14 ROB HESS: Yes.

15 COUNCIL MEMBER FIDLER: Okay,
16 that's real good news. Now, I saw, I don't know
17 if staff gave this, or you brought this here, a
18 document that's called "Substantial Amendment to
19 the Consolidated Plan, 2008 Action Plan for the
20 homeless, homelessness prevention and rapid
21 rehousing program." Now, is this your application
22 or is this a change in your application? I mean,
23 it's a confusing--

24 ROB HESS: I guess I'd have, I
25 guess I'd have to look at it. But the application

that we filed with HUD went through that process and is actually on our website. So it's easy to download our application.

COUNCIL MEMBER FIDLER: Well, the only reason that I'm confused is because this form was submitted after the comment period, because it does note that the grantee received public comments, it did not accept any of them. And as much as Speaker Quinn and I and Chairman De Blasio all submitted some of those comments, and while the Speaker and Chairman De Blasio's comments ranged more broadly, we all did ask about the RHY money. You know, I'm obviously just a little concerned about this form.

ROB HESS: There was a number of recommendations that were made that we received as a result of the public comment that were included in the application. That I can assure you. And they were things like the support of homeless and runaway youth, they were things like the support of an expedited process at NYCHA. And I don't remember others, but there was a whole series of things, there were some domestic violence issues, some HIV issues.

2 COUNCIL MEMBER FIDLER: But this
3 comment, this comment in the form that says you
4 have not accepted any of the comments, will not
5 preclude your funding, anything that people
6 commented on.

7 ROB HESS: No. But I'm passed a
8 note here that clarifies what I should've known,
9 which is that that portion of the application, I
10 believe you do have the application, indicates
11 that we may not have accepted every comment we
12 receive. And so we may not have included every
13 comment we received as a change in the
14 application. But that should not be an indication
15 that we didn't consider and accept many of the
16 comments because we did.

17 COUNCIL MEMBER FIDLER: Well,
18 actually, it says you did not accept one or more
19 of the comments, but I'm not going to--

20 ROB HESS: Like as one--

21 COUNCIL MEMBER FIDLER: I'm not
22 going to quibble if you're telling me that there's
23 nothing in this form that's going to preclude you
24 from accepting those comments, and when you
25 actually have the money, and there is nothing

2 within your application that would preclude those
3 expenditures. So, I'm not--

4 ROB HESS: That's true.

5 COUNCIL MEMBER FIDLER: I'm not
6 trying to play gotcha with you. I just--

7 ROB HESS: No.

8 COUNCIL MEMBER FIDLER: --want to
9 be sure. So then I will just, I guess make my
10 public pitch that I've made to you privately, and
11 I told you I'm going to keep on making, and I just
12 want to reiterate, there are 3,800 children who
13 are homeless in the City of New York, on the
14 streets, every night. And 1,600 of them will be
15 sleeping on a subway grating in a transportation
16 hug, or in a car, and 150 of them will have spent
17 the night before in, in or working as or with a
18 sex worker. And I'm not making those numbers up,
19 as you know, Commissioner we had a count in the
20 study last year that showed that. Breaking their
21 cycle of homelessness at their tender age, is
22 homelessness prevention. And I would also say
23 that, you know, we've heard comments about HIV
24 supported housing for the homeless. Every one of
25 these young people is more likely to become HIV

positive. So I will then ask you once more, and my colleagues here all know I tend to be obsessive compulsive, and particularly about something that I care about as deeply as this. We need some of that money for the RHY kids. And I know and I appreciate the comment you made to me about one of our RHY providers receiving some assistance respectively from this money. We need at least a million more a year. And I implore you, I'm going to be an absolute nuisance about this, until, unless it happens. I'm a little unhappy, and I know the timing is not your fault, that we will not have this discussion before the budget passes, but assuming that my colleagues in the Council do the right thing and restore the \$4.6 million of Council funding for homeless shelters, for runaway and homeless youth, we will be allocating that money in July. So your timing will be perfect. And I am counting on you, Commissioner, I am counting on you to do the right thing. I am counting on you to not ignore those 3,800 children. And I make that as a plea to you, which is why I've been so gentle in this questioning today. Thank you.

2 ROB HESS: Thank you, Councilman.

3 CHAIRPERSON DE BLASIO: Thank you,
4 Council Member. And I think we all appreciate
5 that you have been extremely focused on this
6 constituency in deep need that by definition does
7 not have enough advocates. So thank you for
8 keeping us all focused on it. And Commissioner,
9 we are glad that you've included that in this
10 prevention approach. Council Member Sanders.

11 COUNCIL MEMBER SANDERS: Thank you,
12 Chair De Blasio. Commissioner, there are three
13 areas where I would like to take you into, but I
14 will start with one that's near and dear to both
15 of us veterans, seeing I am the Chair of Veterans
16 Affairs, I want to tell you, to question you,
17 rather, of what is the percentage of the homeless
18 population that are veterans? [pause] Have we
19 ever done a census?

20 ROB HESS: Yeah, we, we,
21 Councilman, have looked at this as carefully as we
22 can. We're limited by the fact that we are
23 dependent on self-reporting, as opposed to access
24 to the Veterans Administration database, which is
25 what we'd really like to have.

2 COUNCIL MEMBER SANDERS: Mhm.

3 ROB HESS: That said, although I
4 will say in defense of the VA, we've made a lot of
5 progress with them since we began working with our
6 Veterans Plan here in New York, and they're more
7 receptive. I think we'll get to the day when
8 we'll have a good answer to your question.

9 Nationally, the number that's often used is about
10 30 percent of people experiencing homelessness.
11 We have no found that to be true in New York. We
12 have found the percentage on the streets to be
13 about 20 percent, and in shelters to be about 15
14 percent. But again, those are self-reporting
15 numbers, so they could be a little low.

16 COUNCIL MEMBER SANDERS: It would
17 seem to me that those numbers would be low,
18 perhaps that veterans who served and put their
19 lives on the line are a little ashamed to say that
20 they may have fought in Iraq, but can't get a
21 house in New York City, can't get a home in New
22 York City. I can understand that. And I'm very
23 interested to know what are we going to, what are
24 we the City going to do about it. Let's imagine
25 if that number was "only 20 percent," which is one

2 out of every five homeless people in New York
3 City, a veteran. This is a--this is beyond a
4 crisis, this is a national disgrace.

5 ROB HESS: It is. I would agree
6 with that.

7 COUNCIL MEMBER SANDERS: And New
8 York City should be the first to do something
9 about this. And perhaps at another hearing, you
10 and I can, in another--I don't want to take away
11 or distract, to move us too far away from the
12 general conversation that we are having. I look
13 forward to sitting down with you perhaps after
14 this budget, and trying to figure out through my
15 committee, what we can do about this, what efforts
16 that we can do.

17 ROB HESS: No, I appreciate that.
18 We'd be happy to give you a full briefing on our
19 work with veterans, and our initiatives around
20 veterans in the City, maybe tour some facilities
21 and give that opportunity to your committee. And
22 provide testimony before your committee, if that
23 would be appropriate, at the appropriate time.

24 COUNCIL MEMBER SANDERS: I look
25 forward to that. Since I am also from Queens,

2 allow me to go into the, a couple of questions
3 about the drop-in center locations.

4 ROB HESS: Yes.

5 COUNCIL MEMBER SANDERS: We have
6 said that we are not going to open a drop-in
7 center location in Queens. I think it was implied
8 because there were, I think the figure was 98
9 homeless people in Queens, maybe I'm hearing it
10 wrong, because seems there's at least 98 homeless
11 people in my district. And if maybe we only
12 measured my district, then perhaps that is true.
13 If we're talking about all of Queens, which has
14 more than two million people to my knowledge, I
15 will say that Queens has done an amazing job, or
16 to only have 98 homeless people. And the rest of
17 this City needs to quickly model themselves after
18 Queens. Or else I have understood the figures
19 wrong, and that's another possibility. Or else
20 the figures are wrong.

21 ROB HESS: The figure 98 that was
22 referred to, the number of people that we found
23 living on the streets in Queens--

24 COUNCIL MEMBER SANDERS: Okay.

25 ROB HESS: --during the point in

time count, the last Monday in February of this year. And that is compared to the 355 individuals who were found during that point in time count a few years ago. And so there's been tremendous progress in Queens. That is not to suggest that there aren't thousands of men, women and children sadly still in Queens that are living in our shelter system, because they are. Not to suggest that there aren't more people becoming homeless from Queens, because there are. You and I share the fact that we both live in Queens. Initially, the drop-in center was slated to be in Long Island City, my neighborhood. We looked at it long and hard and tried to figure out who would utilize that drop-in center, versus who will go to stabilization beds or other shelters, or safe haven beds. And when we did that, what we found was there really was not enough people that are currently living on the streets in Queens that would go to a drop-in center, to make it worthwhile right now to open a drop-in center in Queens.

COUNCIL MEMBER SANDERS: Now does that, is that because the drop-in centers are not

2 seen as places that can help people?

3 ROB HESS: No.

4 COUNCIL MEMBER SANDERS: Or is it
5 because the--you see, I'm a little slow, I can
6 see. And I'm having trouble believing that we've
7 had a two-thirds cut of our people on the streets
8 in Queens. So we're doing some remarkable stuff,
9 if this is true. But I'm also trying to, now Long
10 Island City may be a very good place to put in a
11 drop-in Center. I may suggest some place more
12 toward the middle of Queens. I'm from Southeast
13 Queens. I represent Laurelton, Springfield
14 Gardens, Rosedale, the Rockaways, etc. And by the
15 time, it's easier for us to get to Manhattan, than
16 it is for us to get to Southeast, to Northern
17 Queens.

18 ROB HESS: Well, that's party of
19 what we've seen. In fact, there certainly are
20 people in need of services in Queens that do come
21 to Manhattan. And so, our Grand Central drop-in
22 already receives and provides services to people
23 from Queens. So, I think when you look, and so
24 does Camden and Brooklyn by the way, there are
25 certain areas where you live in Queens, it's

2 easier to go to Brooklyn. And so, I think it's a
 3 variety of things, and we'd be happy to fully
 4 brief you. I am very proud of the work we've done
 5 on the streets in Queens. I think we've made a
 6 tremendous amount of progress. We've moved many,
 7 many people off the streets in Queens into
 8 permanent housing. And yes, we still do have more
 9 work to do. But you know, when you look at the
 10 kinds of services that are needed, at the end of
 11 the day we had to conclude at this point in time,
 12 that we don't believe an additional drop-in would
 13 be utilized in Queens.

14 COUNCIL MEMBER SANDERS: On another
 15 day let us return to that, because I, I'm still
 16 having trouble believing that if our homeless will
 17 go to Manhattan, they won't go to a place in
 18 Queens.

19 ROB HESS: No, no but they've
 20 already gone to Manhattan in some cases.

21 COUNCIL MEMBER SANDERS: Okay.

22 ROB HESS: The people that are left
 23 in Queens, we don't believe there's enough--this
 24 is very good news by the way, I think, in many,
 25 many ways. I think we've had a level of success

in Queens that has put us in the position where we don't believe we need a drop in center there that would be operating on a regular basis. And so, if that situation changes, we'll look at it again. We're not opposed to having a drop-in center in Queens, but the, it just doesn't seem to make sense now, given what we see in terms of the numbers.

COUNCIL MEMBER SANDERS: I

certainly will respect our Committee chair and not pursue that matter, in terms of time. I do want to go to my third and last point, and that has to do with agency cuts, the amount of people we are cutting. My understanding is that the, the deficit that we are facing will be about \$4 billion in New York City. How much are the total amount of cuts that your agency is proposing? How much will we "save"?

ROB HESS: I have to look back at the testimony. I think the first PEG, November--

COUNCIL MEMBER SANDERS: A

guesstimate will do.

ROB HESS: November PEG I think was about \$15 million in CTL, city dollars. The

2 January PEG was 20, I believe, \$20 million. And
 3 then the executive plan was \$11 million. So,
 4 what's that? \$36 million? \$40--\$46 million, I'm
 5 sorry, \$46 million.

6 COUNCIL MEMBER SANDERS: Now, I'm
 7 not very good at this zero business, but it
 8 doesn't sound like we're really having an impact
 9 on this \$4 billion deficit, and it seems to me
 10 that we may do more harm than good with this. I
 11 could easily become tongue-in-cheek and speak of
 12 will our homeless workers, will we at least be
 13 giving priority on the shelter system, if it were
 14 a thing that would lead to tongue-in-cheek. It is
 15 not. I think that we're going to do far more
 16 damage than good here. I think that the small
 17 amount of money that we're going to save, I
 18 understand that this is not totally yours, your
 19 decision to make, sir, so my comment is more to do
 20 with the other side of this great hall that we
 21 find ourselves in. I have seen where we can save
 22 more from cutting corporate welfare, than we will
 23 save out of what you just said, sir. As a former
 24 Chair of Economic Development for this City, I
 25 know where real money is being wasted in these

precious times. The amount of cuts that you're taking, you're talking about, turning into real people at the end of the day, I know it is not something that I just feel that this is not something that in your heart of hearts you would want or you would advocate. I know this had to be something that is being forced on you. So I'm just appealing to the Mayor and to others, that this amount of money can be made from some other place, without doing damage to our very thin social network. This small amount of money that we're getting from here, we can get out of the corporate welfare that the, the subsidies that we're giving, that are not earning New York City money, without doing damage here. So, I guess, Mr. Chair, I am not, that's not really a question, and I will yield to your smart and timely intervention.

CHAIRPERSON DE BLASIO: [laughs]

COUNCIL MEMBER SANDERS: Thank you very much, sir.

CHAIRPERSON DE BLASIO: Thank you, Council Member.

ROB HESS: Thank you, Councilman.

2 CHAIRPERSON DE BLASIO: And now
3 Council Member Helen Sears.

4 COUNCIL MEMBER SEARS: Well, thank
5 you, Mr. Chair, I really just have one question.
6 And good afternoon.

7 ROB HESS: Good afternoon.

8 COUNCIL MEMBER SEARS: My question
9 is, do you receive any money from the MTA towards
10 your budget for the--

11 ROB HESS: From the MTA?

12 COUNCIL MEMBER SEARS: Yes. I know
13 it may seem like a strange question, but the fact
14 is homeowners get fines because of litter that
15 they didn't put there, and since the MTA, and if
16 you get into anyplace, like 74th Street and
17 Roosevelt Avenue in Jackson Heights, the homeless
18 there, are there all the time. Now, if the police
19 move them, where do they go? Do they come into a
20 City shelter? It seems to me it's the MTA's
21 problem, just the way the Port Authority
22 considered it their problem for the homeless that
23 were there, did a study for a year and made
24 certain that they took care of them. And why you
25 don't see homeless in the Port Authority, and if

2 you do, they don't, they're moved by them and
3 placed by them. So, it may seem like a foolish
4 question, but since we're talking--

5 ROB HESS: No, I appreciate--

6 COUNCIL MEMBER SEARS: --about
7 expense, it seems to me that they have an
8 obligation that we are taking care of their
9 responsibility.

10 ROB HESS: I very much appreciate
11 the question. The, over the last couple years,
12 with Lee Sanders heading of the MTA, I've felt
13 like we made a lot of progress in coordinating our
14 outreach efforts, and providing some housing to
15 people that were living in subway areas. I guess
16 we'll have to see how that plays out now, as we
17 move to the future. We do not receive funding
18 from the MTA; they have in the last two years,
19 however, given us a fair amount of pro bono
20 advertising space in subway cars. We've run some
21 of our "Please call 911, or 311 campaigns."

22 COUNCIL MEMBER SEARS: Well, that's
23 the least they could do, considering what you're
24 doing for them.

25 ROB HESS: And they do fund some

2 outreach, they do fund some outreach services
3 underground.

4 COUNCIL MEMBER SEARS: I think--I
5 have to ask the Chair--

6 ROB HESS: So, but I appreciate the
7 question.

8 COUNCIL MEMBER SEARS: Yeah, I
9 really do, I think that the Committee will have to
10 pursue that, because certainly we assume a lot of
11 responsibilities for them.

12 ROB HESS: Yes.

13 COUNCIL MEMBER SEARS: And they're
14 an authority, so they're semi-independent, and
15 when it comes to things that they don't want to
16 do, they don't do them, because they feel nobody
17 has the authority over them. And they have a lot,
18 the homelessness, you get 53rd and Lexington and
19 you see them there, and they have their boxes, and
20 wondered when they move they become mainly the
21 City's problem. And it would seem that they
22 should share that responsibility.

23 ROB HESS: No, I appreciate that.

24 COUNCIL MEMBER SEARS: Alright, I'm
25 going to pursue that. Thank you.

2 ROB HESS: Mhm.

3 COUNCIL MEMBER JAMES:

4 Commissioner, according to the information that I
5 have, you are eliminating 105 positions in the
6 agency overall. Is that true?

7 ROB HESS: Yes.

8 COUNCIL MEMBER JAMES: Okay. Does
9 that include the--does that include the 174
10 community assistance?

11 ROB HESS: No. I've worked closely
12 with the union on this, and we have submitted a
13 replacement PEG, so we will not be laying off the
14 174 community assistance.

15 COUNCIL MEMBER JAMES: And these
16 were the 174 community assistance who are located
17 in some of the shelters? Or--

18 ROB HESS: That's correct.

19 COUNCIL MEMBER JAMES: Okay. So
20 they will not be laid off.

21 ROB HESS: They will not be laid
22 off.

23 COUNCIL MEMBER JAMES: What about
24 the 43 positions that are related to security? Is
25 that--?

2 ROB HESS: The 43 number is a
3 vacancy number.

4 COUNCIL MEMBER JAMES: Vacancies.

5 ROB HESS: We will be giving up
6 those vacancies, yes.

7 COUNCIL MEMBER JAMES: Okay. Hotel
8 staff, 20 positions eliminated, is that, too,
9 vacancies?

10 ROB HESS: No.

11 COUNCIL MEMBER JAMES: No, what is
12 that?

13 ROB HESS: Those are layoffs.

14 COUNCIL MEMBER JAMES: Those are
15 layoffs. And where will, and where will those
16 layoffs be at? Commercial hotels?

17 ROB HESS: Yes.

18 COUNCIL MEMBER JAMES: And those
19 commercial hotels for the most part are located in
20 Queens? That a fair statement, no?

21 ROB HESS: No.

22 COUNCIL MEMBER JAMES: No? They're
23 all over the City?

24 ROB HESS: Yeah.

25 COUNCIL MEMBER JAMES: Okay. And

2 how many layoffs do you anticipate as a result of
3 the closing of the Belleview intake center?

4 ROB HESS: Councilwoman, if we
5 could go back for just a second to the hotel--

6 COUNCIL MEMBER JAMES: Sure.

7 ROB HESS: --layoffs. Those are
8 suit ones [phonetic]. The way the system works,
9 the folks, the layoffs would actually go down to
10 caseworkers, and we're in discussions with HRA to
11 help many of those caseworkers be able to be
12 transferred to HRA.

13 COUNCIL MEMBER JAMES: Okay.

14 ROB HESS: So we're hoping we can
15 actually minimize the number of layoffs.

16 COUNCIL MEMBER JAMES: So as a
17 result of all of the layoffs that you anticipate,
18 I mean, what is the actual number of layoffs that
19 you, right now, that you envision?

20 ROB HESS: Still working through
21 that.

22 COUNCIL MEMBER JAMES: Okay.

23 ROB HESS: Working very hard with
24 our agencies across the City, to find spots for
25 people to be able to move to. At the moment, I

2 think the number is something less than 88. But
3 we hope that that number will go down further, as
4 we continue our discussions with other City
5 agencies.

6 COUNCIL MEMBER JAMES: And is that
7 in one, in any particular area?

8 ROB HESS: I'm sorry?

9 COUNCIL MEMBER JAMES: Is that in
10 any particular area or job title?

11 ROB HESS: No, it's kind of, it's
12 across the board. The only areas that really are
13 not impacted are our core shelter services.

14 COUNCIL MEMBER JAMES: And are you
15 working with the local union to try to mitigate
16 that?

17 ROB HESS: Yes.

18 COUNCIL MEMBER JAMES: Okay. You
19 did not mention in your testimony Bedford
20 Atlantic.

21 ROB HESS: That's true.

22 COUNCIL MEMBER JAMES: Why?

23 ROB HESS: We have a request
24 pending before the State for a program
25 modification at Bed-Atlantic, and we have not--

2 We're for the State to get back to us.

3 COUNCIL MEMBER JAMES: The last
4 time you were here, you indicated in your
5 statement that you will maintain intake at 30th
6 Street for a period of time to be determined,
7 while simultaneously exploring other options for
8 another Manhattan site. Have you identified
9 another site?

10 ROB HESS: No. We will continue to
11 remain at 30th Street. We will continue to pursue
12 other sites. We have not located another site at
13 this time; however, we have committed to having an
14 intake site in Manhattan. We will have an intake
15 site in Manhattan. We have one today at 30th
16 Street, and that will continue.

17 COUNCIL MEMBER JAMES: But
18 Commissioner, in the November plan, the reduction
19 of, I believe in the budget, it's a \$2.9 million
20 reduction, reflecting the closure of the Bellevue
21 site.

22 ROB HESS: Yes.

23 COUNCIL MEMBER JAMES: So you
24 anticipate identifying a site prior to the
25 adoption of this budget.

2 ROB HESS: We do not.

3 COUNCIL MEMBER JAMES: So when do
4 you anticipate identifying a site in Manhattan?

5 ROB HESS: We expect we're going to
6 be at 30th Street for some time to come.

7 COUNCIL MEMBER JAMES: But--

8 ROB HESS: And so, we will have to
9 deal with that PEG issue--

10 COUNCIL MEMBER JAMES: Yes.

11 ROB HESS: --that you correctly
12 point out. But we have no plans to leave 30th
13 Street at this time.

14 COUNCIL MEMBER JAMES: But I don't
15 understand, the PEG is incorporated in the budget,
16 you do not plan to leave Belleview, it seems to be
17 an inconsistent statement.

18 ROB HESS: Well, it's a fair point.

19 COUNCIL MEMBER JAMES: Could you
20 reconcile the two?

21 ROB HESS: Initially, when we
22 submitted the PEG, we believe that we would be
23 leaving 30th Street by the end of June of this
24 year. That is no longer feasible, it won't
25 happen, and so like we did with the 174 community

2 assistance, we will have to submit a replacement
3 PEG to OMB to make up for that missed PEG
4 opportunity. And we will be doing that.

5 COUNCIL MEMBER JAMES: What does
6 that mean?

7 ROB HESS: That means we're going
8 to have to find another way to cut the money that
9 would've been saved if 30th Street had closed, but
10 30th Street's not going to close.

11 COUNCIL MEMBER JAMES: So in the
12 likelihood that you cannot find another site in
13 Manhattan, in layman's term you're basically
14 saying that Belleview will remain open and you
15 will restore the funds in the budget?

16 ROB HESS: That's right.

17 COUNCIL MEMBER JAMES: Okay. And
18 does, and that also means that the Bedford-
19 Atlantic, that you will not be moving to Brooklyn
20 at that point, correct?

21 ROB HESS: Well, we've said, we've
22 said right along that we would maintain an intake
23 site in Manhattan and simultaneously we will look
24 to open a second intake site in Brooklyn at Bed-
25 Atlantic. That is our proposal before the State,

2 and we're prepared to move in that direction once
3 we receive State approval.

4 COUNCIL MEMBER JAMES: The last
5 time you were here, you said "We will open our
6 second intake site for homeless men at Bedford-
7 Atlantic when program and facilities changes are
8 in place." As of today, is any, is the program
9 and/or facility in place?

10 ROB HESS: No.

11 COUNCIL MEMBER JAMES: Okay. Do
12 you have any idea when the program and/or facility
13 will be in place?

14 ROB HESS: We've answered multiple
15 rounds of questions from the State. We would
16 expect to have a response from the State shortly,
17 but we don't have one as we sit here today.

18 COUNCIL MEMBER JAMES: The last
19 communication that I received from the State, your
20 submission was incomplete. Have you completed
21 your submission to the State?

22 ROB HESS: Well, we have completed
23 our submission to the State on about four separate
24 occasions now. And we will continue to respond to
25 whatever additional questions they ask us.

2 COUNCIL MEMBER JAMES: And do you
3 have a number of questions that are before you
4 from the State at this time?

5 ROB HESS: We do not.

6 COUNCIL MEMBER JAMES: Or have--

7 ROB HESS: We have answered every
8 question. The State has answered on multiple
9 occasions.

10 COUNCIL MEMBER JAMES: So you
11 believe at this point in time that your submission
12 is complete to the satisfaction of the State?

13 ROB HESS: I don't know that.

14 COUNCIL MEMBER JAMES: Okay.

15 ROB HESS: It's complete to the, to
16 my satisfaction, given that we've answered every
17 question that they've asked, now and multiple
18 occasions.

19 COUNCIL MEMBER JAMES: So you just
20 don't know whether or not they have been
21 satisfied.

22 ROB HESS: That's correct.

23 COUNCIL MEMBER JAMES: Though it's
24 possible they could not be satisfied.

25 ROB HESS: Anything's possible.

2 COUNCIL MEMBER JAMES: That's true.

3 The elected officials who represent Bedford-
4 Atlantic, as well as the attorneys that we have
5 retained, met with the State recently. In fact,
6 they met with them within the last three weeks.
7 And it's my understanding that your submission is
8 not complete. Are you aware of that?

9 ROB HESS: I don't know how to
10 respond to that.

11 COUNCIL MEMBER JAMES: It's a
12 statement.

13 ROB HESS: We have responded to
14 every request for information that the State has
15 made.

16 COUNCIL MEMBER JAMES: Okay. It's
17 a statement more than a question. I just wanted
18 to let you know that there was a meeting with the
19 elected officials. I coordinated the meeting with
20 the attorney that we have retained, and it's my
21 understanding that the Commissioner still has some
22 outstanding questions. [pause] I want to ask you
23 a little bit about CAMBA. Where is this drop-in
24 center that CAMBA will be operating?

25 ROB HESS: [pause] It's the current

2 CAMBA-Atlantic site on Atlantic Avenue.

3 COUNCIL MEMBER JAMES: Atlantic.

4 What's the--

5 ROB HESS: Atlantic and what? East
6 New York.

7 COUNCIL MEMBER JAMES: Oh, it's in
8 East New York. Okay. And [pause] and they will
9 be providing respite, respite bed coordinator,
10 they were successful in the bid for respite bed
11 coordinator?

12 ROB HESS: That's correct. They
13 run a drop-in center in East New York. They've
14 also now won the award to be our faith based
15 respite bed coordinator in Brooklyn, and also in
16 Queens.

17 COUNCIL MEMBER JAMES: Okay. Is
18 the Chair, the Chair has returned. In the event
19 that you identify a site in Manhattan, will you be
20 notifying the local elected officials about that
21 site?

22 ROB HESS: Yes, we will.

23 COUNCIL MEMBER JAMES: Okay. Will
24 you be notifying it prior to any transfer of
25 residents to Bedford and Atlantic?

2 CHAIRPERSON DE BLASIO: You're so
3 good.

4 ROB HESS: Transfer. We, I'm not
5 sure what you mean.

6 COUNCIL MEMBER JAMES: Will you be
7 notifying my office before any transfer, any
8 residents from Belleview to Brooklyn?

9 ROB HESS: Residents move from
10 intake at 30th Street to assessment beds at Bed-
11 Atlantic every day, and have for years.

12 COUNCIL MEMBER JAMES: But how
13 about services to, when you move your intake
14 center from Belleview to Brooklyn, you will notify
15 our office?

16 ROB HESS: We have no intention of
17 moving, as I've said many times before,
18 Councilwoman. I have not intention of moving
19 intake for adults from 30th Street to Bed-Atlantic.
20 I have every intention of maintaining an intake
21 site in Manhattan that will continue to be at 30th
22 Street, until we locate a new intake center in
23 Manhattan, at which point we will advise the
24 appropriate elected officials and move to that
25 site, in Manhattan, and simultaneous--or, at the

2 same time, once we have the State approval of our
3 operating plan, we will operate a second intake
4 site at Brooklyn, at Bed-Atlantic.

5 COUNCIL MEMBER JAMES: And when
6 that site is approved, will you notify elected
7 officials?

8 ROB HESS: Yes.

9 COUNCIL MEMBER JAMES: Okay. And
10 will that, will Bedford and Atlantic require any
11 capital renovations to accommodate this second
12 site?

13 ROB HESS: It will.

14 COUNCIL MEMBER JAMES: And is, are
15 those funds in this budget, in this proposed
16 executive budget?

17 ROB HESS: No, those funds are in
18 the current fiscal year budget.

19 COUNCIL MEMBER JAMES: And how much
20 is that?

21 ROB HESS: I don't know. We can
22 find out for you.

23 COUNCIL MEMBER JAMES: That would
24 be--and is there, are there any funds as far as
25 you know in this budget to renovate Bedford-

2 Atlantic to an athletic center?

3 ROB HESS: Not to my knowledge.

4 COUNCIL MEMBER JAMES: Thank you.

5 ROB HESS: You're welcome.

6 CHAIRPERSON DE BLASIO: Thank you,
7 Council Member. Commissioner just a few quick
8 questions, then we'll be finished, we'll go to
9 public testimony. Let me just say in advance for
10 anyone staying for public testimony, there will be
11 two minutes per person. And we're going to be
12 rigorous about this, 'cause this has been a very
13 long day. Commissioner, I know Council Member
14 James asked you about some of the layoff
15 questions. Just want to hone in a little bit more
16 on this. The family hotel program, so I'm trying
17 to understand a little more clearly, the folks
18 being laid off have social work background. The
19 way you're going to handle this going forward, how
20 are you going to provide oversight over efforts if
21 you don't have the same kind of professionals that
22 are under your domain doing the work?

23 ROB HESS: Well, in a combination
24 of ways, Mr. Chairman. First, we have moved and
25 continue to move many of the historic building

unit facilities to contract. And once they come under contract, of course, they provide social services through the contract. We have case management field teams that routinely move from one location to another, providing a variety of social service support. And so, there's a variety of ways that we'll use to provide the services that are necessary at these facilities.

CHAIRPERSON DE BLASIO: And, but what is your rate, what is your sort of consistent oversight methodology. Again, this is a, whenever something becomes a little more distant from your control, how are, I want to understand how you're going to keep regular oversight.

ROB HESS: Well, we do regular oversight in a variety of ways. First, from a physical plant perspective, we go in and do semi-annual detailed inspections, to the extent that there are issues that are noted during those inspections, we require corrective action plans, and dates that those corrective actions will be taken by. And then we monitor and spot check those corrective actions were done. With respect to programmatic activities, we routinely dispatch

program analysts and program administrators to visit sites, and monitor the program activity that's occurring at the sites. And so all of that will of course continue.

CHAIRPERSON DE BLASIO: Now, Commissioner, let me say, and I think you got complimented on this by Council Member James, as well, I do appreciate that you heard concerns from the Council and from a number of other folks about the community assistance program, and you managed to save those lines, which I think is very, very important. In terms of this, the family hotel program, let me make sure I understand. So, is this a complete elimination of the, of this line, or are there some of these professionals being applied to other work? Or how is this working?

ROB HESS: It's a complete reduction of the function in hotels. There are some additional, I think, positions within the Department. In this case, I think I might've mentioned this when you were out of the room, Mr. Chairman. We believe that when the bumping is done on this one, there'll be some case managers that we're hopeful many of which will be able to

2 move to HRA to fill the vacant positions there.

3 CHAIRPERSON DE BLASIO: Now, I did
4 hear you say, and I appreciate, what is the
5 timeline on that? What, we asked similar
6 questions of your colleagues before, and it was a
7 little bit grayer than we would've liked. So let
8 me ask you, what is the timeline on coming up with
9 a plan to see how many workers can actually have
10 another opportunity here?

11 ROB HESS: That's a work that's
12 very much in process, and our folks are working on
13 it every day. I would say that between now and
14 the end of June, in most cases.

15 CHAIRPERSON DE BLASIO: And given
16 that that's the timeline for the layoffs, I mean
17 are you committed to trying to make this seamless,
18 so that a worker goes into a new position before
19 the layoff takes effect?

20 ROB HESS: That's our intent, and
21 in every case where that's possible, that's what
22 will happen.

23 CHAIRPERSON DE BLASIO: Alright,
24 and back on the community assistance, and again
25 maybe this was covered, tell me if it was, but do

2 you believe that this, savings these lines, this
3 174 lines, is effectively a permanent move, or do
4 we expect this to come up again in the near future
5 as an area of concern?

6 ROB HESS: Well, you know, in this
7 current economic environment, it's difficult to
8 say anything is forever, but certainly we felt it
9 was important enough that we work with the union
10 and others to provide a replacement PEG and
11 reverse this action. And so it was important
12 enough for us to do that. And so, we hope that it
13 will be something we'll be able to continue long
14 into the future.

15 CHAIRPERSON DE BLASIO: And that's
16 with your overall reduction of 88 positions? In
17 general, is there going to be an effort to find
18 alternatives in the Administration for those
19 folks, or are--?

20 ROB HESS: We're working hard to
21 find alternatives for each and every person we can
22 find an alternative for. We think that just makes
23 sense. It's better for the City and better for
24 the Department, and most importantly best for the
25 employees.

2 CHAIRPERSON DE BLASIO: Okay. And
3 lastly, and then I'll just say a quick wrap up,
4 lastly, I mentioned in my opening, the \$4 million
5 in savings by changing the way you provide
6 payments to shelter providers. I hear constantly
7 from providers about concerns, you know, in terms
8 of their ability to keep providing the same level
9 of service and the additional requirements and
10 fewer resources. So it does feel like this, you
11 know, vice is closing in on them. Can you
12 describe how you expect folks to manage this \$4
13 million cut?

14 ROB HESS: Yeah, this is in the
15 adult provider side, and here we've been
16 extraordinarily creative, frankly. We have said
17 that we'll create a performance incentive program
18 that will save the City the \$4 million; but do it
19 in a way where providers that are performing at a
20 high level will have an opportunity to either
21 reduce or eliminate the hit on them. And so, this
22 was very much a collaborative effort with the
23 providers that we went through quite a process
24 over, and my sense is that the vast majority of
25 providers are very comfortable with where we ended

2 up. As opposed to a straight \$4 million across
3 the board cut, we've created a system whereby if
4 providers are doing well, they will be, take less
5 of a cut, or not cut, based upon how it plays out.

6 CHAIRPERSON DE BLASIO: Well, I'm
7 heartened by that, Commissioner, but I'd like to,
8 by way of conclusion say, I, again, always like to
9 give the benefit of the doubt, but I also note
10 that the pattern in the last few months has been
11 one of at least some communications challenges.
12 We had that with the houses of worship; we
13 certainly had that with the issue of requiring the
14 rent payments from folks in shelter. I'm
15 heartened that you're saying that there's been
16 this dialogue with the adult shelter providers to
17 try and make things more creative. I am concerned
18 that they're being hit from many, many quarters
19 here, and that if individual agencies are having
20 trouble making ends meet, that there's going to be
21 an open door to try and work with them, because I
22 assure you, that you don't want to lose their
23 capacity.

24 ROB HESS: No, I appreciate that.

25 CHAIRPERSON DE BLASIO: Okay, thank

2 you for all of your testimony, and your answers to
 3 our questions. I think in summation, obviously,
 4 we are thrilled by the good news of the stimulus
 5 funding, we'll monitor closely with you to make
 6 sure we maximize that. We're deeply concerned to
 7 protect workers who are laid off to find them
 8 other alternatives in real time. And we are
 9 particularly concerned to end once and for all
 10 this misguided policy of requiring rental payments
 11 for folks in shelter, and I really want to work
 12 with you to resolve that at the State level, if
 13 your own efforts do not succeed. And we look
 14 forward to your response on several other issues
 15 as quickly as possible on some of the other issues
 16 that we have outstanding. And thank you again for
 17 your testimony.

18 ROB HESS: Thank you, Mr. Chairman.

19 CHAIRPERSON DE BLASIO: Alright,
 20 we're going to move quickly to public testimony.
 21 Let me say at the outset that we have written
 22 testimony which will be submitted to the record by
 23 Georgia Lerner, of the Women's Prison Association,
 24 and Karen Friedman of the Lawyers for Children,
 25 Tamara Steckler of Legal Aid Society, and Robert

2 Rogan of Forestdale. All of those will be part of
3 the formal record. And now to all up the first
4 set, the first panel, thank you. Did I just say,
5 Nicole? Didn't I just say--? [pause] Okay, I'm
6 lost already. First panel, again this'll be two
7 minutes each. So, we're going to bring up Nicole
8 Laren, Ralph Palladino, and I think I've got this
9 right, and Eddie Rodriguez. [pause, background
10 noise] Hold on, we're having technical
11 difficulties. Sergeant, come save me. [pause,
12 background noise] Okay, who would like to go
13 first?

14 EDDIE RODRIGUEZ: I'll go first.

15 CHAIRPERSON DE BLASIO: Very good,
16 Mr. President, we welcome you.

17 EDDIE RODRIGUEZ: Okay. Good
18 afternoon, Chairman Bill De Blasio, and the
19 Committee members. I thank you for the
20 opportunity to discuss the layoff that Local 1549
21 is facing in Administration of Child Services, as
22 the result of the Mayor budget for 2010 fiscal
23 year. My name is Eddie Rodriguez, I am the
24 President of Local 1549, representing 18,000
25 clerical administration workers in New York City.

2 Local 1549 represent important support staff of
3 the agency. The agency I'm talking about is ACS.
4 There are, we represent clerical aids, clerical
5 associate, even the eligibility specialists,
6 paralegal and secretary. This agency is crucial
7 to the City of New York. For the Commissioner to
8 cut an agency which impact children and family is,
9 that really needs help, is sinful. We're talking
10 about children at risk. It will have a dramatic
11 impact of their quality of life and maybe their
12 safety. Brothers and sisters, the Mayor's always
13 on TV doing this commercials. The Mayor of City
14 of New York has engaged in a multimillion dollar
15 public service campaign focused on green jobs
16 throughout the five boroughs. And yet, at the
17 same time, he is proposing - - layoffs. This
18 layoff action target is, this layoff action has
19 targeted the front line of support staff, my
20 members that I represent in ACS. Local 1549 was
21 notified last week, 67 out of 95 provisional
22 clerical associate will be laid off. These worker
23 perform important clerical administration duty,
24 and other operation function. Didn't do that
25 well. Local 1549 firm believe that these layoff

are not necessary. We strong believe that this Committee should take any steps necessary to avoid these layoff, given the fact ACS informed the union the agency will terminate or not, or not review approximately \$3 million of temporary contracting out workers. So I believe all that money they're saving is, we can save our members of Local 1549. Chairman, I want to thank you for talking about the - - test. This is something that Local 1549's pushing. I need the, your Committee really push it to DCAS. It's important. You're dealing with people who've been around for 20-30 years. And it's also hurt not just Local 154--but my brother and sister of 371, also is on the front line. We need to come together, because we make the City work, we protect these family and children, and I want to thank you for listening to me today.

CHAIRPERSON DE BLASIO: You're very welcome, Mr. President. We're going to pursue very vigorously in the budget negotiating process trying to stop the layoffs and really shine a light on the contracting out and using that money as an alternative. Thank you very much. Mr.

2 Paladino.

3 RALPH PALADINO: Ralph Paladino,
4 Local 1549. First, I just want to bring your
5 attention to a report. We represent the
6 eligibility specialists in the City, working for
7 HRA. And the recent report by Betsy Gotbaum, the
8 Public Advocate, on the work that the eligibility
9 specialists do both in food stamps and Medicaid.
10 And looking to the future, with the crisis
11 deepening, in terms of food stamps and Medicaid,
12 certainly with the expansion, Medicaid is going to
13 be important also in any kind of healthcare
14 reform, whether it's state or federal. And we'd
15 also like to thank you, Mr. Chairman, for your
16 championing the working families for working New
17 York childcare study and program. Childcare is an
18 important issue for any working person. It just
19 so happens that the example of the layoffs say in
20 ACS, in ACS you have people, and I know someone
21 very closely who's in 371, case worker, being laid
22 off in the childcare area. These folks actually
23 are responsible for making sure that the providers
24 get paid. If the providers do not get paid, then
25 what happens is people have to stop providing

childcare services, and people have to do without childcare. And this person, you know, so it has an effect on people who, you know, services of the City, but also it has an effect on this person.

Layoffs affect working people who are doing very well in the City, comparatively speaking. This person just got off the civil service list, her husband is in construction, cannot get a job; she just had her third child, and she's facing layoff now. So I would like to know at what agency in the City, and what agencies in the City, are going to provide services for this middle class,

Italian-American family in Staten Island, New York. I would like to know. They also got a call from a certain person running for candidate wanting their support, and the phone got hung up saying, "You're laying us off. You're laying my wife off, so I can't support you." I mean, this is the kind of ridiculousness going on in the City. Okay? And all that while rich people and bankers are getting all the money. Why doesn't the City Administration propose what Christine Quinn has proposed, is a wealth tax in the City, to generate the income needed to keep these people

2 working, and services provided. That's a question
3 I'd like to ask. And I think it's an important
4 question that's not being answered at this point.
5 So asking for your support for that wealth tax, as
6 well as ending wastefully contracting out
7 civilianization, which is a way to save money, and
8 of course the issue about wasteful contracts going
9 to tax breaks for companies--

10 CHAIRPERSON DE BLASIO: Thank you.

11 RALPH PALADINO: --that are not
12 providing jobs for the City, as well.

13 CHAIRPERSON DE BLASIO: You have my
14 support on all that, for sure, and thank you for
15 raising it. Please go ahead.

16 RALPH PALADINO: Sorry.

17 NICOLE LAVAN: Hi, good afternoon.
18 Thank you all for staying. My name is Nicole
19 Lavan, and I'm the Senior Policy Analyst for
20 Child--can you hear? My name is Nicole Lavan, and
21 I'm the Senior Policy Analyst for Child Welfare
22 and Workforce Development at the Federation of
23 Protestant Welfare Agencies. FPWA has been a
24 leading policy advocate for individuals and
25 families served by our almost 300 member human

service agencies, in churches in and around New York City. I want to discuss a few of our priorities in the areas of early childhood education, child welfare, income security and HIV/AIDS. As has been discussed quite often already today, we are very concerned about the transfer of kindergarten slots from childcare centers to public schools. We feel that this is going to seriously compromise the availability and quality of subsidized care. In addition, we're very concerned about the cuts to the child welfare services. In particular, we want to highlight the cut, the five percent cut to foster care administrative rates, and a trio of preventive service cuts, including \$4.2 million to reduce preventive caseloads from 15.1 to 12.1; \$3.1 million in funds for preventive service enhancements; and \$2.4 million for additional preventive service slots. As the request for proposals has come out last week, and is going to be instituted soon, along with the system wide rollout of improved outcomes for children, whether--I think it's a big debate as to whether this is truly a cost neutral plan, as was stated

earlier today, but certainly I think that our agencies are going to have a difficult time implementing all of the requirements for IOC and this new RFP, if these cuts go through. In addition, we'd like to ask the Council to restore the \$2.1 million for the Emergency Food Assistance Program. And we're also concerned in HIV/AIDS about reducing the case management staff. The case management services provided by our member agencies are vital to prevent eviction and provide support to clients that are necessary for their medical treatment. Thank you.

COUNCIL MEMBER (UNIDENTIFIED):

Thank you. Madam Sears, do you have any questions?

COUNCIL MEMBER SEARS: I think just a comment, actually if I may. The fact is these cuts are really ludicrous, and I serve on the Health Committee as well as Finance and Budget Negotiating, and we hear HIV is on the rise with teenagers, and how we must give more attention to that. And at the same time, there are these cuts to something that we must really look at. So as I said early in the day, that we're penny wise and

pound foolish, and it's really going to be a negotiating tug. But I can tell you, they're wrong, I really think they're wrong, and we're going to have to correct them.

COUNCIL MEMBER (UNIDENTIFIED):

Thank you. I'm just stunned at the scope of all of these cuts, where we're talking of decades of social gain being seemingly challenged and erased overnight, if we don't do anything. It took decades to get here, I'm just hearing these HIV and the actual idea of getting rid of workers to work with those on foster care and things of this nature. We as a City, well this will certainly be a testament to where New York is going, and what are we about. I want to, if there are no further questions, I want to thank you very much for your testimony, and call the next panel forward.

RALPH PALADINO: Look, before I leave, can I say, 'cause you really pushed that education experience exam, 'cause people have been around for many years, and it's not fair. You know, you give your life to the City, you do a lot, especially in ACS. It's one of the agencies in the world that really provides children help,

2 and family, so to go down is a shame. So I'm
3 asking everyone here to sit in that board of the,
4 to please really push that, it's important to
5 protect. Thank you.

6 COUNCIL MEMBER (UNIDENTIFIED):

7 Thank you. The next panel, ah, I'll let, just in
8 time--

9 CHAIRPERSON DE BLASIO: Thank you,
10 Mr. Acting Chairman. Faye Moore, Local 371, Neal
11 Tepel [applause], Neal Tepel of 1707, and
12 Stephanie Gendell of the Citizens Committee for
13 Children. And while they're coming up, want to
14 note that we have for the record, testimony from
15 Hope Kelleher of Children's Aid Society. Madam
16 President, would you like to begin?

17 FAYE MOORE: Sure, we're all in
18 place? I guess it still qualifies for afternoon.

19 CHAIRPERSON DE BLASIO: [laughs]
20 Vaguely.

21 FAYE MOORE: [laughs] Good
22 afternoon. I'm, I am Faye Moore, I am the
23 President of the Social Service Employees Union,
24 Local 371, representing almost 18,000 social
25 service professionals. I am here today because

over 600 of my members, social service professionals, are facing layoff. Over 500 of them work in the administration of children's, for children's services. 44 work in the Department of Homeless Services. These layoffs target the work that we do, and the people that we serve. On one hand, Mayor Bloomberg is blanketing New York with ads about creating and maintaining jobs for the middle class; on the other hand, he is laying off thousands of City workers. These layoffs are an attack--excuse me, these layoffs are an attack on good, unionized, public jobs. They are also an attack on--these layoffs will hurt us and put, hurt homeless families and put children at risk. They will eliminate or cut severely programs that provide daycare, preventive services, visitation for foster children and their families, sibling reunification, social services and homeless hotels, and help for teenage mothers. This is an organized, targeted assault on our communities. We are asking the City Council to oppose these layoffs and restore all of these programs and these jobs. Thank you.

CHAIRPERSON DE BLASIO: Thank you.

And we very much appreciate your advocacy on these issues, 'cause this is a time when Council Members need to understand exactly the ramifications of this budget. So thank you for having gotten that information out there front and center. Neil.

NEAL TEPEL: Good afternoon, my name is Neal Tepel, I'm Assistant to the Executive Director for District Council 1707. The Council represents 25,000 members in seven local unions, local 205, represents 6,000 workers in public childcare centers. ACS proposes to close the kindergarten classrooms and stop serving five year olds in all daycare programs. Displacing these young children from ACS centers will result in thousands of additional five year olds being forced to attend the already overcrowded public schools with no assurance that there will be any childcare available for their afterschool hours. It is hard to understand why ACS is persisting in pushing it's 3,300 five year olds into overcrowded public schools, when doing so would force the Department of Education to increase the class size of its kindergartners, default on its stated funded requirement to reduce class size, and spend

millions of dollars, millions, to renovate and bus young children to schools out of their neighborhoods. What New York City should be doing instead is utilizing the available space in childcare centers, for the expanding universal pre-kindergarten program. UPK classes could be moved out of overcrowded public schools into ACS childcare centers. By doing so, it is absolutely essential that DOE contract director with Centers. We don't need ACS involved anymore. It's just an extra layer of unneeded government. That is the only way to ensure they meet DOE UPK standards. Just a last note, I noticed that Head Start is facing three percent cuts, and I read a report when I was in Washington that stimulus money is being earmarked throughout the country directly for Head Start program, and I wasn't clear how they were using that designated funds to prevent layoffs in Head Start. Thank you.

CHAIRPERSON DE BLASIO: Thank you, Neal, and thank you very much for your activism. We appreciate it deeply. Go ahead, Stephanie.

STEPHANIE GENDELL: Hi, I'm Stephanie Gendell, the Associate Executive

2 Director at Citizens' Committee for Children.

3 While we're a multi-issue child advocacy
4 organization, and our testimony addresses all
5 three agencies today, I'm going to focus on ACS
6 because we feel that they're the emergency
7 responder for children in the City, and that this
8 budget did not treat them that way, and that this
9 budget is going to jeopardize child safety.

10 During this economic downturn, we worry that more
11 families and more children are going to need the
12 services of ACS, but that those services aren't
13 going to be available for families. At a time
14 when ACS has released their new RFP, and they're
15 in the process of implementing improved outcomes
16 for children, they're delegating more
17 responsibilities to the preventive and foster care
18 agencies, but they're about to pay them less.

19 They're going to increase caseloads at preventive
20 programs, they're going to take away the \$9
21 million enhancement, which already was down to
22 \$4.5 million this year. On the foster care side,
23 those children are in the custody of the
24 Commissioner, and we're taking away five percent
25 of the rate paid to care for them; money for

foster parent supports, as well as special payments for items for foster children. Part of their plan is to increase their monitoring of these children, and the agencies, and they're about to eliminate close to a thousand staff, so we're unsure how they're going to be able to monitor. Quickly on childcare, we're really concerned about the loss of capacity. We have a lot of concerns, but our largest concern is about the loss of capacity, which seems to be 32 classrooms and 3,000 vouchers. On the 32 classrooms that would only cost \$5 million to hold on to those 32 classrooms. And so, in this very big budget for the City, we hope we can find the resources to, for the \$5 million, for those 32 classrooms.

CHAIRPERSON DE BLASIO: Thank you very much. Thank this panel for all of your help and all your activism. Next panel, Roxanna Henry, Nicole Branca, and Kristin Goodwin, please come up. [pause, background noise] Never dull around here. Okay. Please be seated. Who would like to begin? Someone claim it and begin. [laughs] Okay.

2 ROXANNA HENRY: Alright. Good
3 afternoon. My name is Roxanna Henry, and I'm the
4 Legal Advocate Organizer for Welfare Rights
5 Initiative. I am also a Hunter College student
6 receiving public assistance. On behalf of the
7 staff and the student leaders at Welfare Rights
8 Initiative, I am pleased to be here. My goal is
9 to help the General Welfare Committee make real
10 changes, to improve the lives of low income
11 individuals and their families by allowing access
12 to education, especially in four year colleges,
13 and by allowing homework time to count. It is the
14 most effective and efficient way to help families
15 receiving welfare to permanently move off of
16 welfare and out of poverty. A little out of
17 breath, okay. Take a moment? [laughs] First let
18 me introduce Welfare Rights Initiative, WRI. WRI
19 is a grassroots student activist and community
20 leadership training organization at Hunter
21 College. WRI trains and supports students who
22 have firsthand experience of poverty, to
23 effectively promote access to higher education.
24 Since its inception 14 years ago, WRI has assisted
25 over 5,000 CUNY students like me, to continue to

pursue their education and graduate from college.

As a student receiving public assistance, I know

how important it is for me and my family to

connect to the education, to an education, in

order to obtain a livable wage job. I was

employed for ten years, and like many New Yorkers

working in mid-entry level jobs, my position

didn't offer me health insurance, or a livable

wage salary. I found myself in a health crisis

and I applied for public assistance only when my

situation became critical. I realized the only

way to make sure that I would never find myself in

that type of situation again, was to obtain the

skills that I needed. I knew my only, the only

sure way was to move myself and my family out of

poverty--

CHAIRPERSON DE BLASIO: Okay,

please summarize the rest. My apology.

ROXANNA HENRY: I will. Okay. So,

again, I worked many years in sales, and it turns

out that I needed health insurance 'cause 38 hours

in sales doesn't offer you insurance when you're

working in part time. And I applied for public

assistance. I was told once I was stabilized,

that I could not go to school on public assistance. I found out luckily that same day, because the bus happened to stop in front of LaGuardia Community College, crying, I found out that I could go to school and be on public assistance. That was over five years ago, and I got to tell you, I work on the Welfare Rights Initiative, and I answer the phone lines, and not one day go by where I don't hear a student tell me they're almost the same, or exactly the same story. They're being told they can't access education, they're being discouraged from going to school, and this happens repeatedly, over and over again.

CHAIRPERSON DE BLASIO: Okay.

Thank you very, very much for your testimony. You can stay, you don't have to go. [laughs]

KRISTIN GOODMAN: Hi, I'm Kristin Goodwin from Housing Works, and I trust that you all read the written testimony that we submit.

CHAIRPERSON DE BLASIO: Yes, all written testimony goes into the formal record.

KRISTIN GOODMAN: So, I didn't want to read the whole thing, but I just wanted to

bring up a couple key points. We heard today Commissioner Doar's again say that HASA's prepared to take on the extra responsibility that will happen when they reduce community based case management services, and again I wanted to reiterate that the community and our clients, we have some serious questions about their capabilities, considering that right now, they, we have a lot of problems with people getting a hold of case managers and when their responsibilities increase I can only imagine that that's going to get more difficult, not easier. So, the second thing that I just wanted to say is that our original advocacy strategy was around the use of FMAP funding, the increase in federal medical assistance percentage. There's, the City's bringing in \$870 million, or saving \$870 million this year, on payments they won't have to make to Medicaid. And we were definitely advocating that that money be used towards Health and Human Services, which is what the State did with it; however, the Bloomberg Administration decided to just generally count that as income in the budget, and they cannot tell us how they've allocated it.

2 So, just to bring that to the further attention of
3 City Council, it's something we're really
4 concerned about, I think, considering that that
5 money was supposed to be used towards healthcare,
6 that was what we were hoping that it would be used
7 towards, social services and health and that
8 obviously has not been the case. So we would
9 appreciate Council just continuing to push that
10 with the Bloomberg Administration. Thanks.

11 CHAIRPERSON DE BLASIO: Thank you
12 very much.

13 NICOLE BRANCA: Hi, my name's
14 Nicole Branca, and I'm here today testifying for
15 the Supportive Housing Network of New York. I
16 testified here in March to the, to you [laughs].

17 CHAIRPERSON DE BLASIO: That's
18 alright.

19 NICOLE BRANCA: So, I'll quickly go
20 through my testimony. It's, much of it is the
21 same, but I do have a few new critical points that
22 I'd like to make. So, the restoration we're
23 asking for is \$1.876 million for the case
24 management services for formerly homeless New
25 Yorkers living with HIV/AIDS. The cut that this

would, that this cut would create a caseload ratio of 30 to one, which would increase the current case ratio by 50 percent. Currently it's about 20 to one. The budget implies that there are inefficiencies with HASA clients having both case managers at HASA, and case managers onsite in supportive housing. But there are six points I want to make about this, they're not duplicative. The first four I already made but are worth repeating. First, these crises that our tenants have do not just happen 9:00 to 5:00. And they, they can't be expected to have counselors across town only working 9:00 to 5:00 to be able to respond to their crises that happen at off hours. We recently, and this is new, the, we recently found this research that showed that 93 percent of supportive housing providers offered 24 hour assistance for tenants, and as far as I know, there isn't a single case worker at HASA that offers a minute of service after 5:00 o'clock. The second point, is that case managers can also prevent eviction. There's all this talk about prevention, which is great, we're getting all this money from the federal government for prevention.

But if we're not supporting the housing we have now, then we're going to create more homelessness. And this is the easiest way to prevent people, vulnerable people from going back into homelessness. The third point is that HASA case-- and this is something that Housing Works mentioned, is that the caseworkers don't have the same background, they're not qualified to work with people who are often dually or triply diagnosed. Fourth, there's a huge increase, there's dozens of studies that show that if people don't get the services they need, they'll end up using much more expensive emergency services. And the two new points that I want to make, and this is one that one of our members made in written testimony in March. That if we slash their contracts, if the City slashes their HASA contracts, providers can serve a different population. And while we don't want to choose on vulnerable population after another, there's thousands of people living with HIV/AIDS that don't have permanent housing that need it. If these contracts are cut, our members can allow those contracts to run out, and then decide to

2 work with another agencies, that will continue to
3 fund them at the level they need to. They're not
4 going to put their tenants at harm. So if they
5 can't give them the support that they need, then
6 they'll have to get a contract with like DOHMH and
7 that's not what we want to see happen.

8 CHAIRPERSON DE BLASIO: Okay.

9 NICOLE BRANCA: Sorry, really
10 quick, the last point I want--

11 CHAIRPERSON DE BLASIO: Please.

12 NICOLE BRANCA: No, this is really
13 important, the last point I want to make, and I
14 thought it would come up earlier, is that there's
15 a state match with these dollars, and so a
16 question we want HRA to answer is, is this a
17 \$1.876 million cut, or a \$3.8 million cut, because
18 we think it's a 50 percent match from the State.

19 CHAIRPERSON DE BLASIO: And if
20 you'll please follow up with our Counsel, Molly
21 Murphy, we want to ask that in writing, too.
22 That's an excellent point.

23 NICOLE BRANCA: Okay, thank you.

24 CHAIRPERSON DE BLASIO: Thank you
25 very much. Our next panel, and please forgive me

2 if I'm having any trouble with the names.

3 Matthew, I can't see if it's Lasur or Laglur?

4 [off mic] Okay, I'm in the ballpark. Piper
5 Hoffman, and Angela Malvasio, Malvasio. [pause]

6 We welcome your testimony. Who would like to go
7 first?

8 ANGELINA MALVISIO: I'll go first.

9 CHAIRPERSON DE BLASIO: Go ahead.

10 ANGELINA MALVISIO: Hi, good
11 afternoon, my name is Angelina Malvisio, I'm a
12 resident of City family shelter. I worked hard,
13 got laid off, evicted soon after, then found out I
14 was pregnant. I needed the help. I turned to a
15 City shelter to get back on my feet. I was then
16 told I would have to pay a percentage of my earned
17 income to live in a shelter. On top of being six
18 months, high risk pregnancy, I'm looking for a new
19 job, and I have to pay for shelter and then still
20 pay taxes. Paying to live in a shelter would
21 stagnate everyone, especially those who are
22 working hard to leave the shelter and gain
23 independence once again. Many of us in this
24 situation have families and children to feed and
25 clothe. I for one have a new baby on the way I

must financially plan for ,and it's hard for all of us. I'm aware shelters don't bring money to the City, but maybe creating programs that would prove to be more effective, creating more low income housing, you could place us there, we'll pay for that. Another idea would be to create a savings program for shelter residents. We pay a percentage monthly have it put into an account, and when we're ready to move, we get all our money back, but maybe five percent, give or take; that five percent would be going towards the shelter stay. The whole point of a shelter would be for people in crisis to get help as well as help themselves, and you know, move on quickly. But paying for shelter is really defeating that purpose, making harder for people to continue towards their independence. We all want a safer, cleaner, and more family oriented New York City, but these strains are making it hard for people to nurture their families. Some people might turn to negativity as a desperate attempt to save themselves, increasing crime, the sales of drugs, and also increasing the usage of drugs. And also, pollution and disease from people that turn to the

2 streets and make it their home. I don't want to
3 be in the shelter, I have to be here. But I'm
4 working hard, and I'm taking advantage of the
5 help, the little help that's being given to me.
6 But I'm a taxpayer, and I would really like to
7 know where our money is going, and our money needs
8 to be used more wisely than it's being used now.

9 CHAIRPERSON DE BLASIO: Thank you
10 very much for your testimony.

11 ANGELINA MALVISIO: Thank you,
12 thank you.

13 CHAIRPERSON DE BLASIO: And we
14 hope, we hope things work out for you, and
15 appreciate you sharing your experience with us.

16 ANGELINA MALVISIO: They will,
17 thank you.

18 CHAIRPERSON DE BLASIO: Thank you.
19 Who'd like to go next? Anyone?

20 PIPER HOFFMAN: Hi, I'm Piper
21 Hoffman, from the Partnership for the Homeless.
22 Thank you for holding this hearing, and for
23 staying around for public testimony. I've
24 submitted my written testimony, so rather than
25 read it, I'd like to respond to a few points that

were made in the testimony of the Commissioners of the HRA and of DHS. First of all, the priority of our homeless services should be prevention. It seems that everybody has agreed on that, including the Commissioners and all the Council Members.

However, if you look at what government is actually doing, it is not doing prevention. For example, Mr. Chairman, you mentioned that 25 percent of participants in the Back to Work program wind up going back on cash assistance afterwards. I believe it's about 30 percent of people who leave shelters for permanent housing, wind up back in shelters again. Commissioner Hess talked about how he saw a documentary that took place in a city where they didn't have prevention, and they didn't have aftercare. We have those things, but they are entirely inadequate, they do not reach the entire population, and they've not very effective, because if they were, we wouldn't see people being recycled through the system over and over. Another example of this is HRA not counting education towards the work requirement, which was brought up by a Council Member. If we truly wanted to prevent homelessness, we would be

enabling people to improve their education and their job training. In Commissioner Hess's testimony, he said that DHS's core service is emergency shelter and moving families out of shelter as fast as possible. I submit that the core service should be prevention. And I, what I'm asking for is a shift in paradigm. What I'm asking for is that the City start to address housing as a human right. The rest of the world has already acknowledged that in the Universal Declaration of Human Rights. Every single New Yorker, simply by being a human being, has a right to housing. And I believe that's what government needs to do. Thank you.

CHAIRPERSON DE BLASIO: I appreciate your thought, and we've been trying to shift that paradigm quite a while, finally making a little progress. But I'm glad you are articulating it that way, 'cause I agree with you, it has to be a more basic way of looking at things. Please.

MATTHEW LESIEUR: Hi, my name is Matthew Lesieur, I'm a member of the HIV Planning Council; I'm here speaking on behalf of Soraya

Elcock, who's the community co-chair of the Council. So the HIV Planning Council is a 35 member body, charged by the federal government with identifying gaps in services for people living with HIV/AIDS across the City, and then using limited federal resources to try and plug in gaps. So, we feel like it's our responsibility to identify when public policies are going to cause some serious problems for people living with HIV. So, every year, there are a little over 3,000 people who are infected with HIV in this City. In 2007, there were a little over 3,700 people. That's more people than many states or cities have in whole, and that's how many we have in one given year. So there are, in terms of the, there are three areas in the budget the Planning Council has some serious concerns about. One is the proposed elimination of Scatter Site II. Most of these clients wind up in the Scatter Site II because either they were homeless, or on the verge of becoming homeless, or at risk of, or becoming homeless. A lot of them had substance abuse or mental health problems, and so they needed the supportive services to really stabilize them and

keep them in their apartments. You remove those supportive services and you essentially put them at risk for the very reasons that may have put them in the program in the first place, whatever issues that may have caused them to become almost homeless. The other issue is obviously the elimination of case management staff at supportive housing programs. You essentially are eliminating the word "supportive" from supportive housing, if you get rid of the case management. And these programs essentially become landlords and nothing more. And then the third is the, basically the 50 percent proposed reduction in HIV nutrition programs. And I have to say, I'm a little shocked by HRA's response this morning, which was that because the program has other funding sources, that that entitles the City to cut its funding in half. It's almost the equivalent of having say two part-time jobs and one job telling you, "We're going to cut your pay in half because you have another job." It seems unconscionable that's the excuse they're giving. So, with that, I talk fast, so I'll end it. Thank you.

CHAIRPERSON DE BLASIO: Very

2 impressive. Exactly on time, thank you very much.
3 Thank you all for your testimony. Now, Maricella
4 Gilbert, Georgia Lerner we have a card for, but I
5 think we've got her written testimony, and I don't
6 know if she's still here, but that written
7 testimony will certainly be in the record. So,
8 Maricella, and then Michael Lambert. And let me
9 try Gregory Bredlin. I'm not sure if I'm getting
10 that right. Brenden, I'm sorry. My apology.
11 Come on, you're making me struggle with the
12 handwriting here. [laughs, background noise]
13 Alright, who would like to go first?

14 MARICELLA GILBERT: I'll go first.

15 CHAIRPERSON DE BLASIO: Welcome,
16 thank you.

17 MARICELLA GILBERT: Thank you.
18 Thank you for the opportunity for me to address
19 the Council at this time. I'm from the Center for
20 Community Alternatives, an alternative to
21 incarceration program for women. I'm the Clinical
22 Director there. And today we would like to say
23 thank you to the Council for allowing us to bring
24 up these issues relating to women who have been in
25 our program and have had a successful rate of

being avoiding going to prison, as well as being reentering into society. And I just would like to state some highlights, some of the statistics.

Last year, our ATA program, like many of the programs, saw a significant reduction in funding.

Our Council supported programs were cut by 38 percent. We understand that the difficult

economic conditions last year continues to remain

the same this year, and understand that difficult

choices that the Council is forced to make;

however, we are requesting that the renewal of

funding that was provided last year, would be,

would continue, and that we are not asking for

restoration, but that our program not have to

sustain further cuts. As far as some statistics,

last year we served about 146 women, about 70

percent successfully completed their, this

program; and of those who did not complete, only

four percent were rearrested for a new crime. As

part of our federal funding, we are required to

conduct six post-program follow-up. Our results

show that six months after program completion, 81

percent of Crossroad graduates remain crime free,

and 90 percent have remained drug free. Other

2 important measures of success are community and
 3 family stability, and 70 percent of program
 4 participants were living in stable housing by the
 5 time they graduated from Crossroads. And 75
 6 percent of women with family reunification issues
 7 were reunited with their children, or were able to
 8 maintain custody for their children. On behalf of
 9 the City's ATI community, I would like to thank
 10 you again for your time today. We hope that you
 11 will be able to provide continued support for our
 12 work with women in this New York City area.

13 CHAIRPERSON DE BLASIO: Thank you.

14 Go ahead.

15 MICHAEL LAMBERT: Good afternoon,
 16 Chairman--good afternoon, Chairman De Blasio. I
 17 want to thank you for giving me the opportunity to
 18 testify in front of the Committee this afternoon.
 19 My name is Michael Lambert, I am the Program
 20 Director of the New York Children's Health
 21 Project, which is the flagship program of the
 22 Children's Health Fund. The Children's Health
 23 Fund was founded in 1987 by singer/songwriter Paul
 24 Simon and pediatrician child advocate Dr. Irwin
 25 Redlener, specifically to address the healthcare

needs of children living in City shelters. Today, the New York Children's Health Project has a fleet of mobile medical units that provide services in 14 different locations, including a number of tier two shelters in the boroughs of Manhattan, Brooklyn, The Bronx and Queens. We service over 3,500 unique individuals in the case, course of a year, two-thirds of which are children. It's our mission to provide a medical home to these children, helping the families stabilize their health, so they can have one less thing to worry about as they seek stable housing. Children living in shelter have gone through traumatic experience of losing their home, and their families struggle every day. Now these families must struggle against what we feel is another wave of misguided policies: the income contribution requirement that was implemented on May 1st of this year. [pause] Okay, reports from shelter providers vary, but CHF has received information of one resident who received a bill for over \$1,000 for one room shelter, that has a sink and a toilet, not kitchen, with bare essentials. The resident makes \$200 a week at her job, and clearly

this was just one of the miscalculations that HRA made in sending the bills out for the income contribution requirements. Another resident of a shelter receives medical services from our program, and complained of, were given a week's notice to come up with \$450 in income contribution, even though she had a low earning job. As you consider the budget going forward, we call on you to weigh heavily on the Department of Homeless Services, to really rescind the policy of the income contribution requirement, as we feel it really does a disservice to all New Yorkers, including in particular the homeless. Thank you.

CHAIRPERSON DE BLASIO: Thank you very much.

GREGORY BRENDER: Hi. Thanks for the opportunity to testify and for all your advocacy and work on behalf of childcare and human services. I'm here on behalf of United Neighborhood Houses, the federation of 36 community centers and settlement houses. Our members provide early childhood education through City funded childcare, family childcare networks, Head Start, universal pre-kindergarten, and other

programs. I'll submit written testimony with more detail about each of the cuts, but the impacts that these cuts are having on providers are both very dramatic, and then there's a lot of cuts themselves. So, for example, we've got the 3.03 percent cut to Head Start. This is something that was announced midyear, and to a large extent providers don't know how they're going to take this cut. We also have \$12 million cut from programs that offer UPK as part of a full day of education. This is going to require providers to do things such as cut the number of special needs students they have, remove art, music and really any enrichments that they have to the class, and cut teacher salaries. And we thank you for including that cut in the Council's budget response this year, as it was something that's, didn't get a lot of attention from the media or from other sources, when it initially happened. As you know well, there's the capacity eliminations which we're glad they, we're going to see 2,000 of those slots preserved through the stimulus funds, and obviously hope that the additional 1,300 to 1,400 slots that are still in

jeopardy can be saved. And then also, we have providers are impacted by the cuts to ACS themselves. One example of this is the elimination of a lot of the staff and resource areas. This is going to mean that all providers are going to now have to be doing community based enrollment. So, the work of determining eligibility for children, marketing, finding all these things will all need to be done by providers. And these are programs, these are services that aren't funded as part of the childcare budget. Sometimes you use Head Start family workers, but for smaller agencies, that kind of new responsibility will be difficult to take on.

CHAIRPERSON DE BLASIO: Please sum up, I'm sorry, we're really running out of time.

GREGORY BRENDER: And that's, okay, thank you.

CHAIRPERSON DE BLASIO: Okay, thank you very much, thank you to this panel, thank you for the good work you do.

GREGORY BRENDER: Thank you.

CHAIRPERSON DE BLASIO: And our

2 next panel, Wanda Fossett--again forgive me if I
3 get any names wrong--Janet Rivera and Deb Howard.
4 Tell me who's here from that group. I called your
5 name, say "I'm here." Okay. Everyone's here,
6 good. Okay. [laughter] Welcome.

7 WANDA FOSSETT: Thank you. You can
8 go first.

9 CHAIRPERSON DE BLASIO: Wait, do I
10 have one more? Okay, let me, Wanda, who's--Who's
11 Wanda?

12 WANDA FOSSETT: Wanda.

13 CHAIRPERSON DE BLASIO: Wanda.
14 Janet?

15 JANET RIVERA: Right here.

16 CHAIRPERSON DE BLASIO: Okay, Deb
17 Howard is here or not? No Deb Howard. Thomas
18 Cooks? Am I getting that right? SCO Family
19 Services, Thomas? No? Edith Holzer? Come on up.
20 Wanda why don't you go ahead and Edith will join
21 in progress.

22 WANDA FOSSETT: Okay. Thank you
23 for allowing us to give out testimony. Due to
24 this timely manner, I'd like to cut to the chase,
25 because even though I've been part of being in the

process of the problem, Community Voices Heard has an excellent solution to the problem. My name is Wanda Fossett, and I've been a member of Community Voices Heard for one year, for over one year, but I've also been in the public assistance since September 2007, almost two years. I came to public assistance because I was working for a nonprofit organization and I lost my job, they downsized. And I was denied unemployment for about four times. But Albany, the unemployment up in Albany told me to continue to apply. But due to the fact that I was in arrears, I could no longer wait. And so I came to public assistance for help, expecting them to help me, but the work, Back to Work program does not work. Trust me, it does not work. As soon as I became, applied for welfare, I was told to go back to the job search program. Applicants for welfare should not be made to go back to the program, because our benefits haven't kicked in. And it is unfair and doesn't help us to move into the workforce. And in fact, it just makes our life more miserable. Especially due to the meager benefits that we get. I didn't even have enough money to buy clothes, to

2 keep my cell phone on, or even soap, so that I
3 could be presentable to go for job interviews.
4 When I lost my job, my rent went into arrears, and
5 I was later evicted because I complied with my
6 part of HRA, but HRA did not comply with theirs,
7 which was a restore order given to me by the
8 courts.

9 CHAIRPERSON DE BLASIO: Forgive me,
10 'cause the hour is late, why don't you sum up your
11 core point, please.

12 WANDA FOSSETT: I would like to sum
13 up this point.

14 CHAIRPERSON DE BLASIO: Yep.

15 WANDA FOSSETT: Very much. Number
16 one, we're asking that you do not approve the
17 budget for Back to Work program. \$53 million is
18 being wasted on this program, and it does not
19 allow us, this limited amount of money should not
20 be wasted in this program. Two, if they can use
21 the 25 percent Back to Work budget for the job
22 training participant program, JTP, because the
23 transitional jobs like JTP has been proven to work
24 for people, instead of continually wasting money
25 in Back to Work. Why not put this money to better

2 works.

3 CHAIRPERSON DE BLASIO: Okay, you
4 need to sum up a little quicker, we're trying to--

5 WANDA FOSSETT: Finally, we
6 encourage the New York City Comptroller deny the
7 approval of Back to Work contracts, and instead
8 use, issue and emergency extension of the program
9 until a new and improved program is created and
10 put into place. The deadline for the Commissioner
11 Doar to submit the renewed contract to the
12 Comptroller is this week. This means that the
13 power to drastically change and improve Back to
14 Work lies in the authority of the City
15 Comptroller, Mr. William "Bill" Thompson.

16 CHAIRPERSON DE BLASIO: Okay, I'm
17 sorry.

18 WANDA FOSSETT: Members of
19 Community Voices Heard--

20 CHAIRPERSON DE BLASIO: I hate to
21 do it to you, really, I'm trying to keep a little
22 bit of a fair standard.

23 WANDA FOSSETT: Okay, we're just
24 urging you to help us to not give any more money
25 back to the Back to Work program because it does

2 not work.

3 CHAIRPERSON DE BLASIO: Well, I
4 appreciate CVH's work on this.

5 WANDA FOSSETT: Thank you so much.

6 CHAIRPERSON DE BLASIO: And we I
7 think pressed the Commissioner very hard today,
8 because I think we share a lot of those concerns.
9 So thank you, and thank you for your testimony.

10 WANDA FOSSETT: Yeah, so you have
11 my testimony, so--

12 CHAIRPERSON DE BLASIO: Thank you.
13 Go ahead, Janet.

14 JANET RIVERA: Yes. My name is
15 Janet Rivera, I'm a mother of three, a Community
16 Voices Heard Board Member and a public assistance
17 recipient. I'm here to talk about Back to Work
18 and job training, the job training program. I've
19 also experienced working with, in WEP. For the
20 past six years, I have been on and off welfare. I
21 came to public assistance because I was separated
22 and was struggling to raise my children on my own.
23 The challenges of parenting, cycling in and out of
24 employment and trying to pursue my education made
25 it difficult for me to financially support me and

my kids. And I'm going to jump ahead, but for the past four years, I have worked with CVH members to expand the JTB program and WEP. Most recently, I have been active in our welfare campaign to dramatically improve the Back to Work program. I have experienced all of these programs, and I am telling you from firsthand experience that Back to Work is a failure, WEP is slave labor, and JTPs are better than any welfare job readiness program. As a former participant of these programs, I'm calling on New York City Council's General Welfare Committee to do the following. One, end the work experience program, it does not help any of us move into good jobs. If the purpose of WEP is to help prepare us for the workforce, it has failed miserably and should no longer exist. Two, replace WEP with JTPs. The Pops program gave me what WEP did not: the dignity of work and an opportunity to learn a skill that could lead to a good paying job. JTP is better than WEP because you can get paid and develop skills, get training and education and build your résumé with valuable work experience. And lastly, number three, use anticipated federal economic funds for expanding

2 the JTP program into all City agencies and across
3 job types. Over \$100 million will be possibly
4 come down from the federal government for
5 subsidized employment. It would be a shame to
6 waste this money. Use these funds to expand the
7 JTP program. Thank you.

8 CHAIRPERSON DE BLASIO: Thank you
9 very much, Janet. Edith.

10 EDITH HOLZER: [off mic] Thank you.
11 My name is Edith--

12 CHAIRPERSON DE BLASIO: You need
13 your microphone on. [laughs]

14 EDITH HOLZER: Oh, sure, thank you.
15 My name is Edith Holzer, I'm Director of Public
16 Affairs for the Council of Family and Childcaring
17 Agencies, COFCA. COFCA is the primary statewide
18 membership organization for not-for-profit child
19 welfare provider organizations, representing over
20 115 agencies that contract with ACS and the County
21 Departments of Social Service to provide foster
22 care, preventive services, adoption and after care
23 services. We, on behalf of the very vulnerable
24 children and families served by these agencies, we
25 thank Chairman De Blasio for your leadership on

all issues affecting the safety and wellbeing of the children in the City, especially your championship of the Child Safety Initiative, which lowered case loads and preventive services to one-to-twelve. As we heard today, they're closer to one-to-fourteen, because of the tremendous pressure on preventive services and the half million dollar cut to Preventive Services last year. Restoring the Child Safety Initiative is of primary concern to us, because Preventive Services programs rely on the work of case workers to protect children and to keep their families together. The City, as you can see, is cutting back in many, many areas in child welfare and child safety, and that's going to put more pressure on the preventive programs to work with higher risk families, and to protect their children. I also want to clarify something else that's a cut in the City budget to child welfare, and that's the five percent cut to foster care administrative rate. I think that needs to be clarified. When we talk about the administrative rate, we're not talking about something that is, doesn't directly affect children. When agency,

foster care agencies are cut, they're very lean staff. They, that immediately means they're going to have to lay off case workers. And if you lay off caseworkers in foster care, you're going to slow down the permanency of children. They will take longer to get them adopted, it will take them longer to return home. And since agencies are now taking over case management because of IOC, it's going to threaten the very sensitive decisions they have to make. Thank you very much.

CHAIRPERSON DE BLASIO: Thank you very much, Edith, and thanks for all your help to this Committee. Okay, we're, we got one panel, maybe just a little more left. Hope Kelleher, I raised her name earlier, written testimony, I think that's covered, she's going to the record with the written testimony. Okay. Carol Corden. If you're here, Carol are you here? Okay. Robert, and I can't read the last name, from Jewish Childcare Associates. Robert? Come on up. There's Carol. Triada Stampas, Food Bank for New York City. Come on up. We've only got one more, so I'll call him up, Jose Belizario? Are you here? Come on up. Just get another chair and

2 we'll make it work. This will be the last panel?

3 Who would like to begin?

4 TRIADA STAMPAS: Yes? Okay.

5 CHAIRPERSON DE BLASIO: Go ahead.

6 CAROL CORDEN: Okay. Is the mic
7 on?

8 TRIADA STAMPAS: Yes.

9 CAROL CORDEN: Okay. My name is
10 Carol Corden, and I'm the Executive Director of
11 New Destiny Housing Corporation, a citywide
12 nonprofit that provides housing and services to
13 low income survivors of domestic violence. I
14 offer testimony today to request that the New York
15 City Human Resources Administration's Office of
16 Domestic Violence and Emergency Intervention
17 Services be given additional resources to promote
18 successful permanent housing placement for
19 residents of the domestic violence shelter system.
20 These additional resources are needed to address
21 two issues. The first is the documented increase
22 of demand for services by domestic violence
23 survivors. The second is the large number of
24 emergency domestic violence shelter residents, who
25 leave at the end of their short New York State

mandated length of stay, without safe stable housing, still homeless, and often at risk of continued violence. The Mayor's preliminary management report for City fiscal year 2009 documents the increase in demand for domestic violence services. The domestic violence nonresidential caseload increased by 42, 14.2 percent during the first quarter of City Fiscal year 2009. And the percentage of families seeking shelter at Path, who enter HRA's DV shelters has gone up 27.2 percent, from 27.2 percent in 2008, to 43.1 percent in the first months of the year. Moreover, in calendar year 2008, only 14 percent of households exited the emergency domestic violence shelter system with permanent housing. HRA, and that's, and the Office of Domestic Violence and Emergency Intervention Services, is responsible for a shelter system which serves 3,600 households a year, the NoVA, or No Violence Again program in the DHS system, and twelve nonresidential domestic violence programs among other functions. Recently, the five different Advantage New York programs--

CHAIRPERSON DE BLASIO: I hate to

2 do it to you, I really need people to summarize,
3 please try and get to the heart of it and
4 summarize, 'cause we're really out of time. Go
5 ahead and finish up.

6 CAROL CORDEN: Yep. Okay. Yes.
7 Okay, the proposed executive budget only includes
8 a one percent increase in funding for this office
9 over last year, and proposes an actual reduction
10 in staff for this office. We know that HRA is
11 willing to work with DV providers to really
12 promote better housing outcomes, but they can't do
13 it without staffing and funding. And therefore
14 we're really asking that ODVEIS be given
15 additional funding to successfully implement
16 programs for domestic violence survivors. In the
17 case of women and children who are leaving the
18 domestic violence system, it's literally the
19 difference between life and death. Thank you very
20 much.

21 CHAIRPERSON DE BLASIO: Thank you,
22 very much. Who'd like to go next?

23 ROBERT CIZMA: Good afternoon, my
24 name is Robert Cizma, and I'm the Vice President
25 of Mental Health and Preventive Service Division

2 at Jewish Child Care Association. JCCA is a large
3 social service and mental health agency that
4 services over 12,000 children and families a year.

5 I'd first like to thank the City Council for
6 taking the time to give individuals like myself
7 the opportunity to share our concerns about
8 increasing caseloads to 15 families for each

9 Preventive service worker and how this will place
10 the children of these families at risk. I would
11 like to remind everyone, it was the City Council
12 who voted to reduce caseloads to twelve families
13 per preventive service worker in June 2006, for

14 the following fiscal year. This action occurred
15 after preventable death of Nixzmary Brown. The
16 City Council understood, to avoid a tragedy of
17 Nixzmary Brown from occurring again, they needed
18 to keep caseloads at management levels. This is

19 necessary, both for child protective workers in
20 the field office, who investigate families, and
21 for the preventive service programs who work to
22 stabilize and prevent families from repeating the
23 vicious cycle of child abuse and neglect. When

24 you take into consideration that the average
25 parent involved in preventive services has three

children per family, the preventive social worker with a caseload of twelve families, is responsible for at least 36 children. Typically, this includes acting out teenagers who require a great deal of outreach to locate and engage them, young children who are nonverbal and afraid to speak out. These children, like Nixzmary, needed to-- constant monitoring and advocacy to ensure their safety. By increasing caseloads back to 15 families, the preventive service social worker would be responsible for at least 9 additional children, providing quality service be compromised, and will ultimately place a higher risk to a child's safety. As a phase one IOC provider agency, we understand the value of the FTC, the Family Teen Conference, case management responsibilities, time stamp communications with ACS and OCFS, regular safety evaluations of each child and at each home visit, are just a few of the many responsibilities placed onto workers. By increasing the caseloads back to 15, the entire IOC concept would be in jeopardy, and we'll be back to where we were before the increase. I implore the City Council to provide additional

2 funds to keep caseloads at a manageable level and
3 protect the most vulnerable children in New York
4 City.

5 CHAIRPERSON DE BLASIO: Thank you,
6 and we appreciate some of those statistics you
7 gave, that was very helpful for the arguments
8 we're going to have to make in the coming weeks of
9 the budget process. So thank you.

10 ROBERT CIZMA: Thank you.

11 CHAIRPERSON DE BLASIO: Someone,
12 Triada, go for it.

13 TRIADA STAMPAS: Hi, I'm Triada
14 Stampas, Director of Government Relations and
15 Public Education at the Food Bank for New York
16 City, and I want to thank you for the opportunity
17 to testify, and commend you on your diligence in
18 your anti-hunger work, and also on your stamina
19 today. It's been a long day. [laughs]

20 CHAIRPERSON DE BLASIO: Yes, it has
21 - -

22 TRIADA STAMPAS: Just to get
23 straight to the point, you, I know that you well
24 know the statistics on the need that New York City
25 is facing, and I followed the discussion earlier

and the testimony of HRA earlier, with great interest, and I just want to remind this Committee that before anyone can eat, or I mean, before anyone can work or learn, they need to eat, and neither of those activities will happen if people aren't eating. And New York City is experiencing a level of need that's unprecedented in its modern history, as is evidenced by the high food stamp caseload, and also by the number of people being turned away by food pantries and soup kitchens. And our of emergency food organizations was struggling even before this recession hit. In 2007, the number of people accessing food pantries and soup kitchens had gone up 27 percent from three years before; half of food pantries and soup kitchens were turning people away, most often because of a lack of food, and that was before this recession hit. So, to cut straight to the chase, flat funding of government support for emergency food amounts to a cut when prices are going up, and need is increasing. The emergency food assistance program has been effectively flat funded for at least the last five years. So we urge this, the City Council and the Administration

2 in budget negotiations to reach a higher level of
3 EFAP funding. It's not meeting needs. The level
4 of increases in other sources of government
5 funding for emergency food, both from the farm
6 bill at the federal level, and the recent increase
7 in HIPNAP [phonetic], are just, we're just making
8 up for, we're just regaining lost ground,
9 basically.

10 CHAIRPERSON DE BLASIO: Thank you.
11 Thank you very much. And Jose, you have the honor
12 of being the last witness of the day.

13 JOSE BELIZARIO: Yes, but I would
14 like to somewhat alter that. I would like to
15 submit my testimony as written--

16 CHAIRPERSON DE BLASIO: Yes.

17 JOSE BELIZARIO: --and yield my two
18 minutes to Richard.

19 CHAIRPERSON DE BLASIO: Sure.

20 JOSE BELIZARIO: And he will give
21 you a little more explanations.

22 CHAIRPERSON DE BLASIO: Just let
23 him introduce himself and go ahead.

24 RICHARD GRAHAM: Good evening, my
25 name is Richard Graham. I'm a client of Momentum.

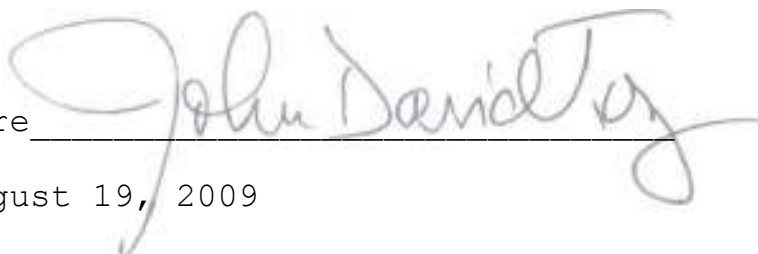
I'm here to drive home the fact that the imposed budget cuts would be a disaster. I go to Moment-- Okay. I go to Momentum. I help feed the people that come in because when I didn't know where my next meal was coming from, they fed me, so it's now my turn to do the same for others. They come young, they come old, they come male, they come female. People are hungry, and with the downturn in the economy, there are more people every day. The budget cuts to Momentum, I just can't see it coming. I can't. If you could restore the money and maybe give more, 'cause there are more people hungry, and the infection rate is increasing. We need your help. That's all I have to say.

CHAIRPERSON DE BLASIO: Thank you. And thank you for sharing your story with us, and also thank you for what you're doing to help others. We appreciate it. Thank you to the whole panel. That concludes this hearing. The, we also have written testimony that'll go into the record for the New York City AIDS Housing Network. And with that, I'll say this hearing of the General Welfare Committee and the Finance Committee is adjourned. [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.

Signature _____

A handwritten signature in cursive script, appearing to read "John David Tong", written over a horizontal line.

Date August 19, 2009