

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE  
COMMITTEE GENERAL WELFARE  
COMMITTEE ON WOMEN'S ISSUES  
COMMITTEE ON JUVENILE JUSTICE

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May 22, 2012  
Start: 10:10 a.m.  
Recess: 4:00 p.m.

HELD AT: Council Chambers  
City Hall

B E F O R E:

DOMENIC M. RECCHIA, JR.  
ANNABEL PALMA  
JULISSA FERRERAS  
SARA M. GONZALEZ  
Chairpersons

COUNCIL MEMBERS:

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Annabel Palma  
Julissa Ferreras  
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## A P P E A R A N C E S

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Rosie Mendez  
Letitia James  
Daniel Dromm  
Melissa Mark-Viverito  
Margaret Chin

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

Robert Doar  
Commissioner  
NYC Human Resources Administration

Jill Berry  
Executive Deputy Commissioner  
Finance Office  
NYC Human Resources Administration

Rosine Ferdinand  
Finance Office  
NYC Human Resources Administration

Ronal E. Richter  
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Susan Nuccio  
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Myung Lee  
Deputy Commissioner for Child Care and Head Start  
NYC Administration for Children's Services

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Commissioner  
NYC Department of Homeless Services

Steve Pock  
Deputy Commissioner for Fiscal and Procurement  
Operations  
NYC Department of Homeless Services

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

Lula Urquhart  
Assistant Commissioner for Budget and Audit  
NYC Department of Homeless Services

Douglas James  
Deputy Commissioner for Adult Services  
NYC Department of Homeless Services

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2 CHAIRPERSON RECCHIA: We're here  
3 for a long day today. So might as well get  
4 relaxed, have a cup of coffee or two, three. All  
5 right. Good morning and welcome to the fifth day  
6 of the City Council hearing on the Mayor's  
7 Executive Budget for Fiscal Year 2013. My name is  
8 Domenic M. Recchia, Jr. I'm the Chair of this  
9 wonderful committee.

10 Today, the Finance Committee will  
11 be joined by the Committee on General Welfare,  
12 chaired by my colleague Council Member Annabel  
13 Palma, who does a great job. Let's get a round of  
14 applause for Annabel Palma.

15 [Applause]

16 CHAIRPERSON PALMA: Thank you.

17 CHAIRPERSON RECCHIA: We're here to  
18 hear from the Human Resources Administration.  
19 After we hear from HRA, both committees will be  
20 joined by the Committee on Women's Issues, chaired  
21 by my colleague Council Member Julissa Ferreras,  
22 and the Committee on Juvenile Justice, chaired by  
23 my colleague Sara Gonzalez, to hear from the  
24 Administration for Children's Services. That's  
25 going to be heated. Don't miss that. In the

1  
2 afternoon, the Finance and General Welfare  
3 Committees will hear from the Department of  
4 Homeless Services.

5           Before we get started, I'd like to  
6 introduce all of my colleagues who are here with  
7 us today. To my left, we have Council Member  
8 Jimmy Oddo. To my right, we have Council Member  
9 Julissa Ferreras and Council Member Rodriguez.  
10 Sitting in the dais right in front of me, to my  
11 right, is Council Member Melissa Mark-Viverito.  
12 Everybody will be coming in and out. It's a very  
13 busy day here at the City Council with hearings  
14 going on, so Council Members will be in and out.  
15 We'll recognize them as they come in.

16           The proposed Fiscal 2013 Executive  
17 Budget for HRA is \$9.2 billion, which reflects a  
18 decrease of \$38 million from last year, and is  
19 mostly due to a loss of state funding. We lost  
20 the state funding. This is why it's cut. The  
21 state no longer provides financial support in the  
22 administration costs of the food stamp, safety net  
23 cash assistance and child support enforcement  
24 program. So the city must offset this loss to  
25 meet the mandate it provides to New York City

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2 residents.

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I am anxious to hear from HRA and hear how the executive budget affects their programs and services. But before I turn over the microphone to my colleague, Co-chair Annabel Palma, I want to remind everyone that the public will be allowed to testify on the last day of budget hearings on June 6th, beginning at approximately 4 p.m.

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For members of the public who wish to testify but cannot make the hearing, you can fax your testimony to my counsel Tanisha Edwards and she will make it part of the official record. Her fax number is (212) 788-7061. So we're going to have the public testify on the last day of the hearing. It will begin at 4. We will stay there for as long as we have to, to hear everyone that wishes to testify. We will accommodate anyone who has to leave early for special accommodations. Like seniors have Access-A-Ride. We'll try to put them on first or anyone who has any type of disability. We will make those accommodations. Okay?

25

So at this time I recognize the

1  
2 Chair of the General Welfare Committee, Council  
3 Member Annabel Palma.

4 CHAIRPERSON PALMA: Thank you.

5 Good morning. I'm Councilwoman Annabel Palma and  
6 I have the privilege of chairing the General  
7 Welfare here at the City Council. I'm pleased to  
8 co-chair today's hearing with my colleague Domenic  
9 Recchia from the Finance Committee. I would also  
10 like to thank the General Welfare Committee staff  
11 who put this hearing together. They worked really  
12 hard to make sure that we were prepared for  
13 today's hearing. Crystal Coston, Pakhi Sengupta,  
14 Shadawn Smith from the Finance Division and the  
15 counsel to our committee, Jen Gomez and our policy  
16 analyst, Liz Hoffman.

17 We will begin our hearing with the  
18 Human Resources Administration, followed by ACS  
19 and DHS, as my colleague pointed out. HRA  
20 provides cash assistance, food stamps and many  
21 other types of help to low income New Yorkers. As  
22 with each agency here today, we will be asking HRA  
23 how proposed cuts will affect the agency's ability  
24 to serve a vulnerable population, many of whom  
25 struggle to get by each and every day.

1  
2 I'm pleased to see in the Fiscal  
3 Year 2013 Executive Budget that HRA would have  
4 \$9.2 million in Fiscal 2013 to hire additional  
5 staff to support its food stamp centers. This  
6 demonstrates the agency's dedication in  
7 alleviating overcrowding at some of these centers.  
8 I look forward to hearing from the Commissioner  
9 how many positions the agency will be able to fill  
10 in the upcoming fiscal year, and any other plans  
11 the agency has to ensure efficiency at these  
12 centers.

13 Additionally, I'm pleased to see  
14 that the Governor is taking the necessary steps to  
15 eliminate finger imaging of food stamps  
16 beneficiaries. We will continue to support the  
17 Governor in his decision and support his  
18 administration in the next steps around on this  
19 issue.

20 As well, the state's enacted budget  
21 for 2012-2013 includes the takeover of spending  
22 capital in Medicaid, which means a direct savings  
23 to the city of \$10 million in Fiscal Year 2013,  
24 \$65 million in Fiscal Year 2014 and \$163 million  
25 in Fiscal Year 2015. However, we are saddened to

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2 see an overall loss of \$72 million in state aid in  
3 Fiscal Year 2013, which will support  
4 administrative functions for the agency's safety  
5 net assistance, food stamps and child support  
6 enforcement programs. Unfortunately, the city has  
7 to offset most of this funding loss in order to  
8 continue providing these valuable programs.

9           At the Preliminary Budget hearing  
10 in March, the Commissioner heard from the Speaker  
11 and this committee about the policy changes HRA  
12 has been implementing of the HIV/AIDS Service  
13 Administration or better known as HASA, which  
14 provides expedited access to essential benefits  
15 and social services needed to persons living with  
16 AIDS or advanced HIV.

17           HASA also provides clients with  
18 emergency and non-emergency housing. Due to a  
19 projected decrease in city, state and federal  
20 funding, the proposed budget for HASA in Fiscal  
21 Year 2013 is \$7 million less than in the 2012  
22 adopted budget. In the fiscal adopted budget of  
23 2012, the City Council restored approximately \$6.2  
24 million for HASA supportive services but this  
25 restoration is not included in the Fiscal Year

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2013 budget.

We are interested in hearing an update from the commission on policy changes regarding brokers' fees and substance abuse screening as well as how HRA will account for the lack of Council funding in Fiscal Year 2013.

In contrast, we are pleased to see that the Administration has provided the necessary funding in the executive budget to complete the remaining 394 units of New York NY/NY III supportive housing for HASA clients, and we're looking forward to receiving and update on the RFP for this housing.

At the preliminary budget hearing, HRA testified that through a PEG proposal, the agency was seeking to generate new revenue by means of a proposal to recover public assistance payments from sponsors of immigrants. The agency proposes to accrue savings of \$2.6 million in Fiscal Year 2013, \$908,000 in Fiscal Year 2014 and \$414,000 in Fiscal Year 2015. The Council made it clear at the budget hearing and in our budget response that we do not support this policy and believe the process of recovering these funds will

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2       overweigh the potential savings, which as I  
3       mentioned are projected to be small.

4                       The policy also exudes an anti-  
5       immigrant sentiment, which is surprising coming  
6       from an Administration that serves such a diverse  
7       city. Today, we hope to hear from HRA that they  
8       are reconsidering this policy.

9                       Another troubling proposal in HRA's  
10      plan to reduce the number of people in Job  
11      Training Participant, JTP position at the City  
12      Department of Parks and Recreation centers. This  
13      program has proven to be successful and yet year  
14      after year its funding is cut. If the Fiscal Year  
15      2013 cuts remain, the program will have a 50  
16      percent reduction in headcount and funding since  
17      FY 08 levels.

18                      This program is providing  
19      participants with valuable training and potential  
20      growth and future employability. By converting  
21      these positions to Work Experience Program, or  
22      WEP, participants will lose the very opportunities  
23      that made this program such a success.

24                      Under this change, WEP workers will  
25      be placed in positions at city parks without any

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2 training or matching of positions to a worker's  
3 skill set. HRA will no longer be creating a  
4 pipeline of trained workers with the skills needed  
5 to carry out the jobs but instead will be  
6 providing Parks with WEP workers who do not earn a  
7 paycheck or receive training and have a much lower  
8 retention rate than JTPs. Today we question HRA's  
9 decision to move in this direction.

10                   Lastly, we look to HRA for updates  
11 on its technology upgrades and paperless system,  
12 which has also caused payment problems for its  
13 vendors, slowed down the processing and  
14 recertification of benefits and created errors in  
15 its record tracking practices.

16                   I now welcome Commissioner Doar's  
17 testimony.

18                   CHAIRPERSON RECCHIA: Before we  
19 hear from the Commissioner, I'd just to recognize  
20 we've been joined by Council Member Sara Gonzalez.  
21 Commissioner, you're up.

22                   ROBERT DOAR: Thank you. Good  
23 morning Chairman Recchia, Chairwoman Palma and  
24 members of the Finance and General Welfare  
25 Committees. As you know, I am Robert Doar,

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2 Commissioner of the Human Resources Administration  
3 and joining me today is Jill Berry, Executive  
4 Deputy Commissioner for HRA's Finance Office and  
5 Rosine Ferdinand also of our Finance Office. To  
6 help put our budget situation into context, I want  
7 to provide you with a brief overview of our  
8 present caseload.

9 Our Cash Assistance caseload,  
10 comprised of both single individuals and families  
11 with children, has been stable over the past year  
12 with approximately 352,000 recipients. We have  
13 continued our Work First approach and last year we  
14 helped thousands of cash assistance applicants  
15 and/or recipients obtain jobs or retain  
16 employment.

17 HRA's Food Stamp Program case load  
18 as of April 2012 is approximately 1.81 million  
19 recipients. There has been an ebb and flow in  
20 figures over the past year, although we have seen  
21 a slight decline from April 2011. We expect this  
22 pattern of small month to month fluctuations will  
23 continue and that the caseload will decline  
24 slightly during the coming 12 months. This is  
25 based on Obama Administration projections of

1  
2 caseload decline due to an improving economy which  
3 was outlined in President Obama's Fiscal Year 2013  
4 budget proposal.

5           At the preliminary budget hearing  
6 in March, I described the broad efforts underway  
7 to address the demands faced by a program that  
8 grew by over 700,000 recipients in a short, four-  
9 year period. These efforts are working and most  
10 recently, 100,000 food stamp applications have  
11 been submitted online through the City's ACCESS  
12 NYC and the State's My Benefits websites. Recent  
13 data provided to the City by both the State and  
14 the Federal government indicate that New York  
15 City's program access is significantly better than  
16 the rest of the state and better than most of  
17 America's largest cities.

18           Also, our Emergency Food Assistance  
19 Program continues to provide nutritious foods to  
20 city residents. Funding for the program has  
21 remained stable at \$9.5 million for food, and the  
22 program is distributing over 11 million pounds of  
23 food to approximately 478 food pantries and soup  
24 kitchens.

25           Following a record setting year in

1  
2 2011 with \$731 million in collections, of which 91  
3 percent went directly to families to help keep  
4 them out of poverty, this year the child support  
5 program has kept pace and we expect to reach  
6 similar levels. The Mayor's Executive Budget  
7 proposal takes into account the State's  
8 unfortunate reduction in financial support for  
9 this important program as a result of the State  
10 budget that shifted a majority of the non-federal  
11 administrative costs from the state to the local  
12 districts.

13 The public health insurance  
14 caseload, or Medicaid, consists of approximately  
15 2.98 million New Yorkers, a slight increase over  
16 last year's level. The program has seen continued  
17 growth. In fact, by over 79 percent in ten years.  
18 This program is presently at the center of both  
19 state and federal healthcare redesign efforts.  
20 Over the past two years, the state's Medicaid  
21 Redesign Team has developed and begun implementing  
22 measures that move away from the present structure  
23 and towards a managed care model.

24 In addition, the state budget  
25 includes measures both to reduce the financial

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2 share for Medicaid growth paid by local districts,  
3 including New York City, and to begin takeover of  
4 select administrative functions presently  
5 performed by local Departments of Social Services.  
6 These changes to the program will inevitably  
7 impact how New Yorkers receive Medicaid-funded  
8 services as well as the role HRA will play in  
9 administering them.

10 Medicaid funded community based  
11 long term care will see significant changes as a  
12 result of these measures. Last August, Medicaid  
13 consumers under the age of 65 who were enrolled in  
14 Medicaid managed care and who also received  
15 personal care through our Home Care's Personal  
16 Care Services program, began receiving their  
17 personal care services as part of the benefit  
18 package of their managed care plans.

19 At that time, approximately 4,000  
20 Personal Care Service recipients were transferred  
21 from HRA to a managed care plan. This, and other  
22 reforms, as well as declining personal care  
23 enrollment, has resulted in reduced Personal Care  
24 expenditures of nearly \$400 million since Fiscal  
25 Year 2010.

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2                   This year, we also anticipate that  
3 28,000 of the 35,000 remaining Personal Care  
4 Service clients who receive their care through HRA  
5 contracts will be transferred into Managed Long  
6 Term Care, once the state receives federal  
7 approval to do so. The State has also developed a  
8 proposal to integrate care for many adults  
9 eligible for both Medicaid and Medicare, so-called  
10 dual-eligibles through a demonstration that would  
11 include New York City.

12                   Since 2007, HRA's budget savings  
13 efforts have saved the City an average of \$179  
14 million per year, or 14 percent of our non-  
15 Medicaid city tax levy budget. These city tax  
16 levy savings have increased dramatically over the  
17 last six years from \$9 million in savings in  
18 Fiscal Year 2007 to \$272 million savings in Fiscal  
19 Year 2013. Despite this savings, our city tax  
20 levy expenditures, excluding Medicaid, have grown  
21 modestly from \$980 million ten years ago to \$1.1  
22 billion five years ago and are budgeted at \$1.3  
23 billion in Fiscal Year 2013.

24                   During the same time period that we  
25 were called to implement these savings, we were

1  
2 also responding to an increased demand for our  
3 services. In particular, our food stamp and  
4 Medicaid programs, fueled also by state  
5 eligibility changes, saw unprecedented growth in  
6 case loads.

7           Throughout all savings plans, we  
8 recognized that we needed to protect our direct  
9 services from budget actions, as they were  
10 providing support to additional recipients in a  
11 relatively short period of time. We worked hard  
12 to avoid layoffs to frontline staff and found a  
13 vast majority of our savings through  
14 administrative efficiencies and maximizing federal  
15 and state revenues.

16           Our budget has also been further  
17 challenged by both federal and state funding  
18 decisions. During this time, the state  
19 systematically shifted financial responsibility  
20 for its social service programs, food stamps,  
21 safety net cash assistance, and child support to  
22 local districts resulting in a loss of more than  
23 \$130 million to the city. In addition, although  
24 HRA benefited from a temporary influx of federal  
25 stimulus funds for both social services and

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Medicaid, these funds are now gone.

Overall, HRA manages over \$39 billion in resources. Medicaid is the largest portion of our budget, where the combined City, State and Federal shares total \$33 billion. This is followed by over \$3.4 billion in food stamp benefits. Cash assistance, employment, HASA, Domestic Violence, Adult Protective Services as well as other programs combined represent \$2.13 billion. Our personnel services budget that supports a budgeted headcount of 14,506 is at \$754 million, and the remaining part of the budget is administrative costs at \$310 million and capital at \$41 million.

Even with the federal and state cuts, I believe we have held strong to our commitment to put forward budgets that protect the quality and integrity of our programs, while saving city dollars and the present budget plan is no exception. In the Fiscal Year 13 Budget Plan, HRA has identified approximately \$84 million in savings. As these were covered in-depth during the preliminary budget hearing, I will quickly summarize them and provide more in-depth

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information as requested.

The vast majority of the savings for this budget are from revenue maximization and administrative savings, many with minimal or no impact to services or to our clients. Fringe benefit rates provided significant savings for this year. Unexpected delays in three NY/NY III permanent congregate supportive housing projects also provided savings.

In the new fiscal year, HASA will release a Request for Proposals (RFP) for the remaining 394 NY/NY III congregate supportive housing units. It is anticipated that the available operating funding for the contracts awarded from this RFP will be approximately \$10 million annually. This new RFP is consistent with the guidance from our state oversight agencies, the Department of Health and the Office of Mental Health.

We also were able to identify federal and state revenues for some expenditures that were previously provided through the city tax levy and we put forward a plan to eventually relinquish most of the multi-service centers

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within our portfolio.

Another proposal in the plan is to request recovery from sponsors of cash benefits provided to legal immigrants in our Safety Net Assistance Program. A payment plan will be negotiated based on a sponsor's ability to pay and we will not seek recovery from sponsors of domestic violence victims, asylees or refugees. Unlike our broader Cash Assistance program, the City pays for 100 percent of the administrative costs of the Safety Net Program as well as 71 percent of the cost of benefits for Safety Net recipients. In fact, very few cities, or even states, fund a safety net program like ours.

Our budget plan also retains our plan to eliminate funding for the Teen RAPP program, not because we don't believe it is a valuable program, but because it is not core to our agency's mission. However, we continue to address domestic violence issues through our management of the New York City domestic violence shelter system and through the provision of non-residential domestic violence support and prevention services.

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2                   The budget includes implementation  
3 of an earlier year PEG by eliminating 200  
4 vacancies to be taken throughout the Agency, with  
5 a higher percentage to be absorbed in our non-  
6 direct service staff lines. However, due to the  
7 administrative demands placed on our Food Stamp  
8 Program, our budget plan includes funding to  
9 support up to 259 additional eligibility and  
10 supervisory staff for fiscal year 2013. The  
11 additional staff will help speed up the processing  
12 of both center-based and electronic applications  
13 at our call centers, and avoid backlogs in the  
14 program.

15                   However., there is an expectation  
16 that this influx of staff need is temporary,  
17 especially as our automation efforts come into  
18 full use over the course of the year, and that  
19 almost half of the slots will not be required in  
20 the out-years. However, I will continue to  
21 closely monitor the staffing over the course of  
22 the year to make sure our projections are  
23 accurate.

24                   As the most comprehensive program  
25 of its kind in the country, HASA currently serves

1  
2 over 32,000 medically eligible clients and their  
3 families, totaling over 46,000 individuals. We  
4 believe this is an incredibly effective program  
5 but similar to all our critical safety net  
6 programs, HASA, which is funded at \$417 million,  
7 must also be part of budget saving discussions.  
8 As outlined in March, we have therefore put  
9 forward approximately 4.9 percent in reductions to  
10 the supportive housing program. The overall City  
11 savings of HASA PEGs is \$6.2 million.

12 In following up on discussions from  
13 the preliminary budget hearing, I want to assure  
14 you that we are addressing concerns raised that  
15 some brokers may have been requesting HASA clients  
16 to contribute to their fee. In the event that we  
17 discover brokers who are in fact requesting  
18 additional payments, these brokers will be removed  
19 from the informal list which may be provided to  
20 clients. We will continue to monitor this  
21 informal list, and if we are made aware of any  
22 broker who is violating this rule, HRA will take  
23 appropriate action.

24 Also, the HASA Advisory Committee  
25 is complete and met in April. As part of that

1  
2 meeting, we started discussions on how best to  
3 engage healthy adults who are part of a HASA  
4 client's cash assistance case in employment  
5 related activities. HRA will continue this  
6 dialogue regarding the importance of employment  
7 for these healthy adults as well as the benefits  
8 of work for clients living with HIV/AIDS as part  
9 of a specially-scheduled June Advisory Committee  
10 meeting.

11 At this point I look forward to  
12 committee member questions.

13 CHAIRPERSON RECCHIA: Thank you,  
14 Commissioner. We have my colleagues who would  
15 like to ask questions. I'm just going to ask you  
16 one question and then I'm going to turn it over to  
17 the chair of the General Welfare Committee. If  
18 any Council Member would like to ask questions,  
19 please submit your name to Shadawn.

20 Commissioner, in your testimony, in  
21 the part that deals with HASA, I know you  
22 mentioned that there's going to be a 4.9 percent  
23 reduction to supportive housing. I don't know  
24 what that means. Does that mean that there's not  
25 going to be any cuts to case managers?

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2 ROBERT DOAR: It means that we're  
3 not cutting HRA case managers at all. We're not  
4 doing that at all. What we are doing is saying to  
5 the supportive contracts that their budgeted  
6 amounts are being reduced. Now, they can achieve  
7 that reduction by reducing the number of case  
8 managers. They can also achieve it in other ways.  
9 But it is a cut that is directed at the supportive  
10 housing. These are not city employees, not HRA,  
11 they're under contract to us. We believe they can  
12 absorb this cut. And it is not a cut to HRA case  
13 managers.

14 CHAIRPERSON RECCHIA: Is every not-  
15 for-profit that does supportive housing, are they  
16 going to be cut the same amount?

17 ROBERT DOAR: No. It's calibrated  
18 based on their size, their previous funding  
19 expenditures. Some are small and may have a very  
20 minor cut. Others are larger and may have a  
21 larger cut.

22 CHAIRPERSON RECCHIA: All right.  
23 These case managers are very important to the City  
24 Council and we want to make sure that there are  
25 enough out there to accommodate the people that

1  
2 need these case managers. We will follow up with  
3 you. We would live to hear from the not-for-  
4 profit who does supportive housing to hear what  
5 they have to say at the public hearing to see if  
6 they could accommodate this cut. We hope that  
7 they would not cut case managers. Annabel Palma?

8 CHAIRPERSON PALMA: Thank you.

9 Commissioner, can we speak a little bit more in-  
10 depth about the food stamp operations and the  
11 dollars that are in the executive budget.

12 ROBERT DOAR: Well, the growth in  
13 the food stamp program is really, really  
14 remarkable. Both in the fact that we along with  
15 the City Council initiatives as well, we've  
16 implemented some initiatives that made the program  
17 more accessible. The economy was struggling. And  
18 we've also made our processes simpler. So we've  
19 been able to absorb a tremendous growth. Our  
20 program access record is better than the rest of  
21 state. It's better than many, many cities in the  
22 country.

23 The expenditures the federal  
24 government gave us recently, in New York City  
25 during the previous year, was more than \$3.2

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2 billion. In contrast, food stamp expenditures in  
3 Los Angeles were less than \$600 million. So we've  
4 really absorbed a lot of new demand and a lot of  
5 demand for assistance and not raised our staff  
6 significantly.

7 But there comes a time when we have  
8 to recognize that we have to adjust. So what we  
9 sought in the new need this year was about 250  
10 additional staff and requested that we get that  
11 approved, and that is in our budget. So we're  
12 increasing hiring in the food stamp program to  
13 meet this demand. And the total dollar amount in  
14 that new need is \$9 million.

15 CHAIRPERSON PALMA: How many  
16 employees currently supervise and administer the  
17 agency's food stamp operation?

18 ROBERT DOAR: The approximately  
19 number is about 1,607, and we're adding 259.

20 CHAIRPERSON PALMA: Is there a  
21 timeline for when those new--

22 ROBERT DOAR: [interposing] Well,  
23 my position is as fast as possible.

24 CHAIRPERSON PALMA: And what type  
25 of positions are--

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2 ROBERT DOAR: [interposing] The  
3 bulk of them are frontline workers, eligibility  
4 specialists: 204 are eligibility specialist, 241  
5 PAA I's, 14 PAA II's.

6 CHAIRPERSON PALMA: And these new  
7 positions would help staff support food stamp  
8 operations only?

9 ROBERT DOAR: That's what the  
10 target is, absolutely.

11 CHAIRPERSON PALMA: Then in regards  
12 to the NY/NY III RFP, do you have a timeline?

13 ROBERT DOAR: This summer. Our  
14 intention is we've met with the state and our  
15 state oversight on this and we think we will have  
16 that RFP out this summer, sometime in July, or  
17 sooner. We have funding allocated to cover that,  
18 and we expect to move as rapidly as we can to make  
19 those awards.

20 CHAIRPERSON PALMA: I have other  
21 questions. I'm going to let my colleagues also  
22 ask some they have as well.

23 CHAIRPERSON RECCHIA: Council  
24 Member Rodriguez?

25 COUNCIL MEMBER RODRIGUEZ: Thank

1  
2 you, Chairman. I had two questions. One is  
3 related to two different areas. One is about  
4 funeral costs. What type of assistance does HRA  
5 provide to someone, to an individual who is in  
6 need to cover the funeral costs of a family  
7 member?

8 ROBERT DOAR: We do have a burial  
9 assistance program. And it is means tested, like  
10 others of our programs. But assuming people are  
11 eligible based on their income we provide \$900 in  
12 assistance for burial. It is one of the small  
13 aspects of our agency that is enormously  
14 gratifying. The city steps in, in very  
15 significant situations to help people in need in  
16 that unpleasant situation.

17 COUNCIL MEMBER RODRIGUEZ: Have you  
18 been open on increasing the assistance, like  
19 since--or at least exploring and figure out how...

20 ROBERT DOAR: We are not now  
21 exploring increasing the burial assistance grant.  
22 I believe there's also some limitations imposed by  
23 the state. So the burial assistance grants are  
24 set by the public assistance regulations at the  
25 state level. Honestly, Councilman, I have not

1

2 undertaken discussions on that with them. But if  
3 it's something you think we should consider, I'd  
4 be happy to look into it.

5

COUNCIL MEMBER RODRIGUEZ: I think  
6 that I'd just like to suggest that to look at it.

7

ROBERT DOAR: Okay.

8

COUNCIL MEMBER RODRIGUEZ: I know  
9 that in my district, and I've been approached by a  
10 number of constituents that they don't have the  
11 resources to cover funeral costs and I know that  
12 they were limited. I mean, as you know the  
13 funeral costs right now is like only \$3,000, at  
14 least. And \$900 or \$1,700 is not enough to cover  
15 that. So if we can look at it as something to  
16 see--

17

ROBERT DOAR: [interposing] We will  
18 look at it, but we'll have to also involve the  
19 state in that discussion.

20

COUNCIL MEMBER RODRIGUEZ: Okay.  
21 My second question is about education. I know  
22 that I have asked that question on a number of  
23 occasions. It's about students at CUNY. They  
24 need to work what--any person that receive cash  
25 assistance, they have to work how many hours, 35?

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2                   ROBERT DOAR: The total engagement  
3 hours is 35 hours. That can be met with 20 hours  
4 of work and 15 hours of education.

5                   COUNCIL MEMBER RODRIGUEZ: Then the  
6 question is something similar, how open can we be  
7 to see if we can provide a waiver to a student who  
8 are going at higher education, so that they can  
9 focus on their education? Especially when I look  
10 at the black and Latino population, only 27  
11 percent, a student going to CUNY like, you know,  
12 the reality is that more than 80 percent they need  
13 to take remedial courses, and after six years,  
14 only 27 percent graduate. So there's any window  
15 to provide any waiver for the student to count  
16 those hours that they spend doing their homework  
17 and assignment so that they don't have to work  
18 those 35 hours. Is that something to be looked at  
19 it?

20                   ROBERT DOAR: Well, Councilman, on  
21 that one I can't give you a lot of hope that my  
22 administration will move that ball very  
23 significantly. We believe in work being the first  
24 priority. It can be mixed with education. But we  
25 think this appropriate mix of a work priority for

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2 all recipients of cash assistance is the most  
3 successful way to approach it.

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COUNCIL MEMBER RODRIGUEZ: The  
thing is that it's the same reality like.

Everything go from an early childhood education to  
higher education. So, most of the students that  
they are enrolled in higher education, they didn't  
have the right investment in the early child  
education, so they need to really focus on the  
education. So if we can provide that waiver, it's  
like 8,000 students that we have at CUNY that they  
also get public assistance. If those 8,000  
students can get a wavier so that they don't have  
to work those 35 hours and they just focus on  
their education, graduation rates can increase.

ROBERT DOAR: I think in the past  
the practice of an open-ended education and cash  
assistance recipients was not successful,  
particularly as it related to CUNY. I think it  
would be a mistake for us to go back in that  
direction.

COUNCIL MEMBER RODRIGUEZ: Okay.

Thank you.

CHAIRPERSON RECCHIA: Council

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Member Annabel Palma.

CHAIRPERSON PALMA: Commissioner, I want to go back to the advisory board. I know that during the preliminary budget there was discussion in regards to work requirements for those individuals who are part of the HASA program. Is there an update from you to this committee in regards to are there going to be any reconsider--

ROBERT DOAR: [interposing] Well, what we talked about at the hearing, and the Speaker was here, was that we felt that the HASA clients, given the change in the nature of the illness, would benefit from some focus on employment, both voluntarily for HASA clients who are HIV/AIDS positive. So we wanted to make employment programs available to them on a voluntary basis, not as a mandate.

And then for adults in the household who are not HIV/AIDS positive but could work, we wanted to talk about requiring them, like other public assistance recipients, who are adults and can work to comply with the requirements for work. The Speaker asked that we could have

1  
2 further dialogue on that and we've reached out to  
3 her office and have had some of that. And in  
4 conversations with the advisory committee, we said  
5 we would continue to talk about that with them.  
6 We have a special meeting coming up next month.

7 We've not rolled it out but it is  
8 something that we really do want to talk through  
9 very carefully to see if we can get to a place  
10 where the benefits of a program that encourages  
11 and supports employment can be extended to HASA  
12 caseload.

13 CHAIRPERSON PALMA: So, to be  
14 clear, the HASA recipient, that person living with  
15 HIV and AIDS, the discussion is still it will be  
16 on a voluntary basis for them. And if there's any  
17 mandate or requirement, it will be to that  
18 additional person living within the household.

19 ROBERT DOAR: Who is not HIV/AIDS  
20 positive, that's correct, and that's what the  
21 discussion is about.

22 Now, we also talked about substance  
23 abuse compliance. Do you want me to address that?

24 CHAIRPERSON PALMA: Please.

25 ROBERT DOAR: Okay. So we have

1  
2 implemented the requirement that people who are in  
3 the HASA program who do not comply with substance  
4 abuse treatment plans that are determined that  
5 they're appropriate for, that we will take that  
6 into account when we assess them for enhanced  
7 rental assistance, which is over and above what we  
8 normally give.

9           So the regular safety net program,  
10 if they don't comply with mandated substance abuse  
11 treatment plans or programs, we terminate the  
12 benefits. In this program, all we're doing is  
13 saying we're going to take that into account in  
14 assessing their case when they come to us asking  
15 for special rental assistance that we provide only  
16 to HASA clients. We have done that and there have  
17 been case where the enhanced rental assistance has  
18 been denied. But no one has lost their home or  
19 been into homelessness. We have provided housing  
20 in all cases.

21           But we do want to bring to bear a  
22 very important concept and that is that substance  
23 abuse compliance by people who have been assessed  
24 by a credential alcohol and substance abuse  
25 counselor, who are clearly in need of these

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2 services, if they don't comply, if they won't go  
3 to the treatment plan that we've outlined for them  
4 and that they can choose, then we have to make  
5 that have some consequence. The consequence we've  
6 chosen is that the enhanced rental assistance will  
7 become in jeopardy.

8 CHAIRPERSON PALMA: I'm glad that  
9 you are still in conversations then and you  
10 explained it further. I know that when the issue  
11 first was brought to our attention, our concern  
12 with the issue is, you know, around people who  
13 suffer from substance abuse or alcoholism and, you  
14 know, usually you can go into a program but we  
15 know it's not--you know, it's like getting on a  
16 diet, right. The first day is great and you feel  
17 good and then you wake up the next day and you  
18 want to eat, you know, the donut or the candy bar.  
19 So we just don't want people to be punitively  
20 punished when they're truly trying to get their  
21 lives back in order and that we know that it's  
22 long-term and it doesn't happen overnight.

23 ROBERT DOAR: We are monitoring  
24 this carefully. The director of the HASA program,  
25 Jackie Dudley is here. This is something that she

1  
2 thinks is an important initiative but one that  
3 needs to be treaded on very carefully. We will be  
4 consulting with the HASA Advisory Committee going  
5 forward.

6 CHAIRPERSON PALMA: So that, you  
7 know, to be clear, when we raise concerns, it's  
8 not that we're advocating for people to stay in  
9 the situations that they are. We want to make  
10 sure that we're helping them as much as we can.

11 I think Council Member Mark-  
12 Viverito has a question. I will let her ask a  
13 question and come back. Oh, I'm sorry.

14 CHAIRPERSON RECCHIA: That's okay.  
15 It doesn't matter. We'll let her go.

16 COUNCIL MEMBER MARK-VIVERITO: Good  
17 morning, Commissioner.

18 ROBERT DOAR: Good morning.

19 COUNCIL MEMBER MARK-VIVERITO: So I  
20 wanted to just ask a couple of questions about the  
21 employment program as for the JTP particularly.  
22 You know, it says in your budget that you are  
23 cutting \$10.2 million from the JTP line. This is  
24 separate and apart from the conversion that  
25 Department of Parks is doing. How many positions

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does that equal, JTP positions in your...

ROBERT DOAR: Well, the loss of funding from the state-subsidized program is unfortunate. The cut is there as a result of loss of federal and state support that allowed us to increase the subsidized employment program significantly in the most recent years. So we are not happy about that. Some of it came from stimulus funding that was in the president's original stimulus budget and some of it came from state sources. Then on top of that, the Parks Department, in meeting its requirement for savings, is making another reduction.

So, in sum, our projected average annual participants, it will go in the POP program from about 3,994 to a projected 1,774. We like the POP program; we think it's a good program. But there are limited funding dollars and these are difficult times.

COUNCIL MEMBER MARK-VIVERITO: So let me just be clear because I guess I was confused. So there is a cut from your side that is separate from the \$10.2 million that you have--

ROBERT DOAR: [interposing] No.

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The \$10.2 million is the cut that's a result of--

COUNCIL MEMBER MARK-VIVERITO:

[interposing] The Parks?

ROBERT DOAR: No. It's--

COUNCIL MEMBER MARK-VIVERITO:

[interposing] Right, from the federal and state?

ROBERT DOAR: Yes.

COUNCIL MEMBER MARK-VIVERITO:

Understanding.

ROBERT DOAR: Right.

COUNCIL MEMBER MARK-VIVERITO: But

I'm saying it's separate from the Department of  
Parks elimination.

ROBERT DOAR: Yes. That's correct.

COUNCIL MEMBER MARK-VIVERITO: So

this is \$10.2 million and you're talking about  
going down to 1,744 positions.

ROBERT DOAR: That's correct.

That's the projected for the POP program. Now  
there are other subsidized jobs programs but  
they're very small.

COUNCIL MEMBER MARK-VIVERITO:

Right. So the 10.2 and the positions that came  
from that were all going to Parks. Is that what

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you're saying?

ROBERT DOAR: No.

COUNCIL MEMBER MARK-VIVERITO: What roles did they play? What were the jobs that you're talking about?

ROBERT DOAR: There were a lot of Parks budgeted slots that were funded by those dollars, but I can't say that ever single one of them because there were some other places where we used subsidized jobs that came from the federal or state program--

COUNCIL MEMBER MARK-VIVERITO:  
[interposing] Well, is it within your agency, is it to other agencies? I'm just trying to understand what role this program played in regards to other agencies as well.

ROBERT DOAR: Relatively small. I mean Parks is the biggest by far. There is a Sanitation program.

COUNCIL MEMBER MARK-VIVERITO:  
Okay.

ROBERT DOAR: We had one which we liked, which we used. And then there were some private sector employers that we were able to fund

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2 with subsidized jobs dollars. The private sector  
3 placements actually turned out to be higher  
4 placements post the experience in the program than  
5 the public sector placements. We have a chart I  
6 can share with you. But I just want to say the  
7 bulk was in the Parks Department.

8 COUNCIL MEMBER MARK-VIVERITO:

9 Okay. So then my understanding is also that--just  
10 have you engaged in conversations with Parks about  
11 trying to see if there's a way of saving this and  
12 keeping as many--

13 ROBERT DOAR: [interposing] Yes.

14 COUNCIL MEMBER MARK-VIVERITO: I  
15 mean we all know the significance of JTP, the  
16 training that it provides, a really solid  
17 foundation for people to get into the workforce as  
18 opposed to what the WEP program represents, which  
19 many of us have issues with it. So has there been  
20 conversations to try to figure out--I mean  
21 understanding that the state and the feds have  
22 eliminated the funding, but it is also a matter of  
23 priorities, if this administration is talking  
24 about putting people to work, is talking about the  
25 Young Men's Initiative and really focusing on

1  
2 young people and giving them the skills to  
3 integrate into the workforce. So, have there been  
4 conversations to figure out ways of keeping this  
5 program whole, at least to the extent that we can?

6 ROBERT DOAR: Well, the  
7 conversations were held and then the Parks  
8 Department is aware of our support for the program  
9 and our belief that it's a good part of our  
10 overall welfare to work initiative. They, I  
11 think, like it too, but they had a--there are  
12 fiscal difficulties and they had to make  
13 decisions. I'm not the commissioner of the Parks  
14 Department.

15 I would like to just say, Council  
16 Member, that there is some increase in the number  
17 of WEP assignments in the Parks Department but  
18 it's not a one-for-one thing. We're losing many,  
19 many more JTP positions than the WEP assignments  
20 we're placing in the Parks. It's not a transfer.  
21 There's one program that is the WEP program and  
22 there's another program that's the JTP program.  
23 The JTP program is unfortunately taking a loss of  
24 federal and state funding and the Parks Department  
25 is making a reduction.

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COUNCIL MEMBER MARK-VIVERITO:

Right. But the Parks Department, and I Chair the Parks, I mean we had the hearing last week, is trying to--you know, is getting so many positions eliminated that what they're trying to do is supplant the work of the JTP with the WEP workers and that's of concern to us.

So the last question I have is regards to the Commission on Economic Opportunity, because according to their budget, they're providing HRA with \$10 million for evaluation, if I'm not mistaken. Is that accurate?

ROBERT DOAR: Well, \$10 million is also provided for the Jobs Plus program, which is a new program that we're doing in partnership with NYCHA which is based on a model that was successful in other parts of the country that intends to increase employment within public housing complexes. We have a lot of hope that that program will be successful and we are getting additional dollars from the Young Men's Initiative to fund that.

COUNCIL MEMBER MARK-VIVERITO: So the \$10 million that you are receiving is for the

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2 Jobs Plus RFP?

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ROBERT DOAR: By and large it's \$10 million for, yes, for the--

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COUNCIL MEMBER MARK-VIVERITO:

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[interposing] Okay. Now I have a Jobs Plus program in my district, so I'm very familiar with it. I will raise this here as I've raised in the Commission for Economic Opportunity hearings, I have concerns about the RFP, concerns about the fact that there's been a shift in the way that the program was originally intended versus where you're heading now. Now, in the RFP you are increasing the performance based aspect of the contracts.

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There are, I mean based on my conversations with providers, the Jobs Plus in my community has been there for almost four, probably going close to four years, and usually those types of programs, you know any type of workforce employment program, based on conversations I've had with people, at the beginning you're going to have the most motivated people participate as your clients. So obviously the performance is going to increase.

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2                   The deeper you go into the program,  
3 then you're dealing with people that have more  
4 challenges and that need more work in terms of  
5 really getting them prepared for the workforce.  
6 Having a performance based program or element that  
7 has been increased for those contracts that have  
8 been in place longer may really be setting them up  
9 to fail.

10                   So the programs that are first,  
11 going into its first year, are probably going to  
12 have an easier time meeting those performance  
13 based targets. But those that have been in place  
14 longer, like the one in my district, it may be a  
15 disservice.

16                   I wish there was a way of scaling  
17 the RFP and not doing it that way, wholesome, you  
18 know, for all of them--

19                   ROBERT DOAR: [interposing] Well,  
20 Council Member, I think that's a good point and  
21 worthy of consideration. I would point out that  
22 in the past with back to work contracts there are  
23 adjustments that can be made in concert and in  
24 consultation with the Mayor's Office of Contract  
25 Services that react to situations like that. It

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2 is not our desire to set up providers to fail. We  
3 want them to succeed. We think pay for  
4 performance works. But if there are issues as you  
5 described that make it hard or difficult, if I'm  
6 commissioner and I've done in the past, we will  
7 look at it and see what adjustments we can make  
8 and we will make adjustments.

9 COUNCIL MEMBER MARK-VIVERITO: I  
10 would like to have that conversation because I  
11 have raised it multiple times with CEO at hearings  
12 and in private conversations. I've mentioned this  
13 about the RFP multiple times and they do not seem  
14 to be really open to it. If we can engage in a  
15 conversation and figure out if there's ways to  
16 scale it up or--

17 ROBERT DOAR: [interposing] Well, I  
18 want to be clear that what I'm saying is that we  
19 are very pleased, in concert with NYCHA and CEO  
20 with the current RFP which I think is either out  
21 or about to go out.

22 COUNCIL MEMBER MARK-VIVERITO: It's  
23 out.

24 ROBERT DOAR: But even when you get  
25 bidders who commit to that, because that's what

1  
2 they will do, they will step up to it. And then  
3 when you award the contracts and you're in the  
4 practice of it and you're monitoring performance  
5 and these issues that you described come up, the  
6 agency can respond to that. We're not locked in  
7 to not adjusting performance payments and making  
8 it so that the providers who could get--we could  
9 respond appropriately to their issues.

10 So if the impression you've gotten  
11 in talking to others, and I don't want to speak  
12 for them, was that once the award is made the  
13 agency is completely inflexible, that's not true.

14 COUNCIL MEMBER MARK-VIVERITO:

15 Well, I appreciate that and I definitely will  
16 follow up. We're very happy with the Jobs Plus in  
17 my district. It was one of the first ones in the  
18 city. It's been a great relationship and it's  
19 been great for the Jefferson Houses residents. So  
20 we want to definitely maintain that moving  
21 forward.

22 I'll leave it there. I know that  
23 we are having more conversations on the JTP. I  
24 really feel and many of us feel that that is a  
25 significant and very important program and keeping

1  
2 it in place as opposed to this conversion which is  
3 being proposed, which I think does a disservice to  
4 the recipients as a whole.

5 So with that, thank you, Madame  
6 Chair.

7 CHAIRPERSON PALMA: Council Member  
8 Lander? We've been joined by Council Member  
9 Greenfield and Council Member Jimmy Van Bramer.

10 COUNCIL MEMBER LANDER: Thank you  
11 very much, Madame Chair. Commissioner, good to  
12 see you. I do want to add my voice in support of  
13 additional funding for the job training programs,  
14 for POP in particular but for the ones that used  
15 to be at HRA and Sanitation and with Wildcat and  
16 the Green Jobs programs. I think it's an  
17 unfortunate impact of budget cuts that we've had  
18 to reduce them.

19 One concern that I have had for a  
20 long time, in some ways related, is that the  
21 different jobs programs that we have feel like  
22 they're spread across several agencies. So you  
23 guys have, obviously, a very large one then you  
24 have JTP and now they'll be Jobs Plus in  
25 partnership with NYCHA. SBS has theirs. To some

1  
2 extent they feel a little like they come and go.  
3 So JTP we had more of and now we've got a lot less  
4 of and now we're testing Jobs Plus.

5           So I don't know whether it'd be  
6 possible to do some evaluation work. You know,  
7 from my perspective, you know the people that I  
8 hear from, really think okay, well, you know, JTP  
9 is the best one. I understand why people would  
10 vastly prefer that to WEP. But I also think some  
11 learning at this point within the administration  
12 across you guys and SBS and EDC and NYCHA about  
13 what works in job placement and retention would be  
14 great.

15           ROBERT DOAR: I agree. I think we  
16 do that. I think the Deputy Mayors Walcott, Steel  
17 and Gibbs have convened a workgroup on employment  
18 policy and employment issues and we've  
19 participated in it. We have evaluated the  
20 transition jobs programs. I'd be happy to go over  
21 what we saw there. We're responding, in the Jobs  
22 Plus program I think we're responding to something  
23 we saw around the country that looked like it was  
24 positive. We do, occasionally our agencies do  
25 serve sometimes different populations. I talk to

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2 Commissioner Walsh and I talk to his team. I talk  
3 to the commissioner all the time. So I do think  
4 we are adjusting.

5 The problem is the funding source.  
6 I mean we got a very nice increase in transitional  
7 jobs from the Obama administration's stimulus  
8 package and that is gone now. The city is facing  
9 difficult fiscal times and has to make  
10 adjustments. But I do think we are looking at  
11 these programs and trying to fund the ones we  
12 think work best.

13 COUNCIL MEMBER LANDER: I want to  
14 ask a question too about domestic violence  
15 shelters. One thing I noticed in the Mayor's  
16 Management Report, which I think is a good  
17 statistic, but I want to understand and understand  
18 its implications is that the percent of families  
19 seeking shelter at the PATH who are being  
20 identified as potentially eligible for domestic  
21 violence residential programs has increased pretty  
22 significantly over the last several years. It was  
23 60-ish percent in '09 and 70 in FY 10, 80 percent  
24 in FY 11 and up to 84 percent in the first couple  
25 months of the year.

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2                   ROBERT DOAR: This is one of the  
3 great achievements of Executive Deputy  
4 Commissioner Cecile Noel, who made it her task to  
5 see that people who were identified at PATH who  
6 had a domestic violence issue went to the  
7 appropriate shelter, which are domestic violence  
8 shelters where those issues can be addressed  
9 appropriately, as opposed to just going to DHS.  
10 She and her team have done an outstanding job at  
11 that. Thank you, Councilman.

12                   COUNCIL MEMBER LANDER: I want to  
13 say thank you for that. I do think it's a  
14 significant step, and you can see it in the  
15 numbers. What's the impact on the need then for  
16 the beds on the domestic violence residential--

17                   ROBERT DOAR: [interposing] Well,  
18 we have--

19                   COUNCIL MEMBER LANDER: --we  
20 haven't been able to raise the funding for that,  
21 so what's the--

22                   ROBERT DOAR: During the time that  
23 I've been commissioner, we've added to the  
24 capacity of domestic violence shelter beds. We  
25 monitor that our percentage of beds in use very

1  
2 closely, and we range about between 85 and 86 and  
3 95 and 96 percent, depending on what's happening  
4 in the community. So we've been able to absorb  
5 this increased demand from people who are assessed  
6 at the PATH. If we found that we were not able to  
7 absorb it, we would go back to OMB and look at the  
8 potential to add additional beds.

9 COUNCIL MEMBER LANDER: Can you  
10 just tell me what the numbers are? How many beds  
11 do we have and what percent of capacity are we at?

12 ROBERT DOAR: The total number of  
13 beds for domestic violence victims is 2,200 plus,  
14 a little bit more.

15 COUNCIL MEMBER LANDER: And that's  
16 been enough to accommodate this pretty substantial  
17 increase in referrals?

18 ROBERT DOAR: Yes, it has been.  
19 Although, it may be up a little, the total number  
20 may be up a little bit from the beginning of those  
21 statistics that you cited, so we may have  
22 increased a little bit in our capacity. But it  
23 has been, in the last year, monitor the capacity  
24 issues and one way we know is when you assess  
25 someone for domestic violence and we can't get

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2 them into a domestic violence shelter and often  
3 it's because there's no room. That is happening  
4 fewer and fewer times.

5 COUNCIL MEMBER LANDER: Can you  
6 just give me the numbers on that?

7 ROBERT DOAR: I don't have the  
8 exact number now. But as you see the--and then  
9 there are other circumstances where the client  
10 prefers or the neighborhood or there isn't a good  
11 match for their household side that would lead  
12 someone to go into DHS.

13 COUNCIL MEMBER LANDER: Because I  
14 also saw the budget there as being cut, it was  
15 just a little bit, not a lot, but the budget for  
16 DV residential capacity--

17 ROBERT DOAR: [interposing] Yeah,  
18 that is--

19 COUNCIL MEMBER LANDER: --so if we  
20 can accommodate the need with the funds we have or  
21 even less, while you guys are doing a good job of  
22 identifying more families, great. I just want to  
23 make sure we're keeping an eye on it.

24 ROBERT DOAR: We are. The cut  
25 you're seeing is the Teen RAPP cut.

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2 COUNCIL MEMBER LANDER: That's just  
3 the RAPP cut? I thought there was a small cut  
4 separate from the RAPP program. Okay. Well I do  
5 appreciate the good work in identifying folks  
6 there. I just want to close by saying that while  
7 I know the administration may not agree with the  
8 governor about food stamp finger imaging, it does  
9 take away, you know, a whole line of aggressive  
10 questioning that Council Members usually take at  
11 these hearings. So I'm glad that we can focus on  
12 some other parts of the agency.

13 ROBERT DOAR: Can I respond?

14 CHAIRPERSON RECCHIA: We know  
15 you're going to respond that you support finger  
16 imaging.

17 ROBERT DOAR: I do support it.

18 CHAIRPERSON RECCHIA: We know it.

19 ROBERT DOAR: I think it's an  
20 important fraud detection measure. I was  
21 disappointed in the governor's decision. We're  
22 reviewing the reg and we intend to comment on it.

23 COUNCIL MEMBER LANDER: Thank you  
24 very much, Commissioner. Thank you to the Chairs.

25 CHAIRPERSON PALMA: Thank you.

1  
2 We've been joined by Council Member Leroy and  
3 Council Member Gale Brewer. Commissioner, I want  
4 to go back to the broker's fees. Has the HASA  
5 division created a formal vetting procedure for  
6 the informal brokers list, other than just weeding  
7 out the bad?

8 ROBERT DOAR: No, we have not.  
9 This is an interesting question, which I would  
10 like your feedback on. To me, if a client is  
11 seeking housing, to the extent that we can help  
12 them by giving them a list of brokers that we've  
13 worked with in the past and know, think do a good  
14 job. That seems like a nice thing to do for a  
15 client. Here are some brokers. Sometimes it's  
16 hard; it can be overwhelming to find housing when  
17 you're facing other circumstances. But--

18 CHAIRPERSON PALMA: [interposing] I  
19 think--I'm sorry.

20 ROBERT DOAR: --a formal, you know  
21 a really intense screening process of that would  
22 take time and effort. So it might be that maybe  
23 we shouldn't give anything at all and just say  
24 there are brokers out there, you can look in the  
25 Yellow Pages and see what you can do. I've

1  
2 preferred to have a list so that we can help  
3 clients with that issue. And then monitor any  
4 feedback we get that brokers are seeking and  
5 asking for additional dollars and then pursue that  
6 aggressively. A: take them off the list. And B:  
7 look to see what else we can do with them if  
8 they've violated any rules or regulations in the  
9 real estate industry. So that's where we are.

10 CHAIRPERSON PALMA: I think, you  
11 know, you say it's a nice thing to do for a  
12 client. I think when we're talking about this  
13 particular population it's the right thing to do  
14 for them is to make sure that they're partnered up  
15 with brokers who have the same interests we have  
16 and the same goals in mind to make sure that this  
17 population is obtaining affordable and safe  
18 housing and not just being taken advantage of.

19 Otherwise, you know before this  
20 policy was implemented, there were hundreds of  
21 brokers who were actually working with this type  
22 of population but then because of the 50 percent  
23 reduction then just couldn't continue to do so.  
24 So, you know, those brokers do exist. It's just a  
25 shame that HRA had to go with a change in policy

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and lose these kinds of brokers.

You know, my office and my staff and I know Gale's office as well and others here in the Council will continue to give you feedback in regards to those brokers who still exist who are, you know, demanding extra payment from clients. So I'm confident that we're going to continue to work through this issue to find brokers who really have the best interest at heart for this population. But I think it would have been remiss if I didn't mention that those brokers did exist prior to the change in policy. What we were looking for was a discussion around the 50 percent brokers' fee altogether.

Then in regards to Teen RAPP, I know you're a fan of the program and unfortunately it gets offered up every year and it has seen a reduction. So my question is, of course, you know I would continue to advocate that we continue to fund that program. Has there been, again, any discussion with DOE in regards to that program and seeing if they have any additional funds available to fund it?

ROBERT DOAR: They have not told us

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that they did or would.

CHAIRPERSON PALMA: They would gladly let it go away.

ROBERT DOAR: That appears to be the Department of Education's position, although I can't say that I this year have officially asked them about it. We have a large agency, lots of programs. This one is a little bit outside of our core mission. We felt that given the circumstances that we face fiscally that this was a cut we had to--

CHAIRPERSON PALMA: [interposing] From the YMI funding, could any of those dollars be used to fund this program?

ROBERT DOAR: I don't know. The YMI is already allocated in a whole array of things. I don't know what constrictions there are on the YMI funding. So I'm not sure. I don't know. I could look into that.

CHAIRPERSON PALMA: I have two or three more questions. I know earlier, a few weeks ago when we had the--well a few months ago when we had the preliminary budget, we discussed the issue of the Safety Net Assistance Program and those

1  
2 people who would be otherwise sought payment from.  
3 I know that we asked then that the PEG proposal  
4 that it exempt elderly, disabled or those  
5 currently who are unemployed and knowing that, you  
6 know, that's a population that's mainly comprised  
7 of these kinds of adults with families, would  
8 adults with families be exempt from--

9 ROBERT DOAR: [interposing] No.

10 The proposal, again, I want to be clear, we are  
11 seeking recovery from people who sponsored non-  
12 citizens for citizenship and committed in the  
13 affidavit of support to provide for them and  
14 respond appropriately to requests by agencies that  
15 provide assistance should the person they sponsor  
16 come on assistance.

17 We're going to continue to provide  
18 assistance to the people who have been sponsored,  
19 to the non-citizens who are eligible for our  
20 programs. That's not the issue. The issue is the  
21 person who sponsored them, do they have the money  
22 to support them. There's a means test of 250  
23 percent of poverty. And if they do, we're going  
24 to say you need to do what you said you were going  
25 to do and that is provide for the person you're

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sponsoring by engaging in a payment plan with us.

I should point out that the Safety Net Assistance has been shifted more and more to being funded by the city, so we pay for the bulk of the spending, more than 70 percent. It seemed to us that the form is very clear. The affidavit of support says I will do this. We think it's something we should pursue.

So the people you're talking about being exempt would be an elderly person, if they have income, they should provide the support they said they would. If they're disabled and they have income over 250 percent of poverty, they should do what they said they were going to do. That's our position.

CHAIRPERSON PALMA: So as long as these folks fall under the 250 percent--

ROBERT DOAR: [interposing] Above.

CHAIRPERSON PALMA: --above, they're the ones that--

ROBERT DOAR: [interposing] Then we would say to them it seems to us that you have the means to do what you said you were going to do when you--and these could be employers of the

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sponsored non-citizen. They could be relatives. They could be other individuals. The form is not ambiguous; it's very clear. It's called the affidavit of support. We think it's a legitimate issue to take up with them.

CHAIRPERSON PALMA: In regards to sending these folks, once you identify who they are and ask for repayment of benefits, if these people cannot pay, due to unemployment or whatever, and they're sent to a collection agency-

ROBERT DOAR: [interposing] Well, unemployment--

CHAIRPERSON PALMA: First of all--

ROBERT DOAR: [interposing] Sorry.

CHAIRPERSON PALMA: --if they cannot, if they're unemployed or if you can--

ROBERT DOAR: [interposing] Again, if they're unemployed, they don't have income, so I can't--

CHAIRPERSON PALMA: [interposing] You can't.

ROBERT DOAR: They would fail the 250 percent of poverty test.

CHAIRPERSON PALMA: Okay.

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2                   ROBERT DOAR: So unemployed, that  
3 sort of doesn't work with the way we set up the  
4 program. They don't have income. We did an  
5 estimate. We did a pilot of it. We looked at it  
6 and we found that this could result in net of  
7 expenses, net of the costs of doing it, \$3-\$5  
8 million over the next--

9                   CHAIRPERSON PALMA: [interposing]  
10 You were able to do the costs because these people  
11 currently exist within the system.

12                   ROBERT DOAR: Yes, they currently  
13 exist. There are about 12,000 non-citizens on  
14 cash assistance. We think about 1,000 of them at  
15 least have sponsors that have income and could  
16 afford to fulfill the commitment they made.

17                   CHAIRPERSON PALMA: So the cost of  
18 sending someone--and I know we asked for this  
19 information and I don't believe we have received  
20 it--the cost of sending them to a collection  
21 agency to recover these funds, would it be greater  
22 than--

23                   ROBERT DOAR: [interposing] No, the  
24 estimates we have and the PEG dollars that we've  
25 committed to is net of the expenses. So that's

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2 after paying whatever we need to pay to put the  
3 program in place, including anything that would go  
4 to the collection agency.

5 CHAIRPERSON PALMA: My last  
6 question. I would like an update on the status of  
7 the food initiative that the Council have restored  
8 in Fiscal Year 2012.

9 ROBERT DOAR: All but two of the  
10 contracts have been registered. One appears to be  
11 a duplicate and we are waiting further guidance  
12 from the City Council. The other was only  
13 recently added and so that's pending with MOCS.  
14 So we're pursuing those as rapidly as we can.

15 CHAIRPERSON PALMA: Okay. We've  
16 been joined by Council Member Arroyo and Council  
17 Member Barron. Council Member Greenfield has  
18 questions, followed by Council Member Brewer.

19 COUNCIL MEMBER GREENFIELD: Thank  
20 you. Commissioner, I just have a quick question.  
21 I noticed that the food stamps or SNAP, however  
22 you refer to it, seems to sort of have flatlined  
23 in terms of the recipients in New York City. Do  
24 we know the difference between how many folks are  
25 eligible for food stamps versus how many folks are

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2 actually receiving food stamps?

3

4 ROBERT DOAR: We estimate, we look  
5 at this all the time, and so does the state by the  
6 way. Our percentage is very high. It's at an all  
7 time high over the course of last year, and much  
8 better than the rest of state and much better than  
9 most other large cities. So we think that there's  
10 about 500,000 additional food stamp recipients,  
11 potential food stamp recipients who are eligible  
12 but not receiving. So the state mentioned a  
13 number of 1.4 million statewide, the bulk of those  
14 are not in New York City. They're, by the way, in  
15 parts of the state that don't finger image for  
16 people who apply for the benefit.

16

17 So notwithstanding the fact that we  
18 have a finger imaging requirement, we have a  
19 better participation rate than many, many, many  
20 places that don't finger image. Sorry, I gave you  
21 a little more than you wanted there, Council  
22 Member. But I--

22

COUNCIL MEMBER GREENFIELD:

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24 [interposing] I think as an attorney I would say  
25 that the finger imaging requirement at this point  
it moot. Is that fair to say? So it's not longer

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2 a--

3 ROBERT DOAR: [interposing] Well...

4 COUNCIL MEMBER GREENFIELD: The  
5 policy has been changed.6 ROBERT DOAR: Well there's a  
7 proposed reg and there's 45 days and then the  
8 government intends to forbid us from continuing  
9 the policy.10 COUNCIL MEMBER GREENFIELD: Okay.  
11 So it will change within 45 days.12 ROBERT DOAR: That's what it looks  
13 like. Yep, that's what it looks like.14 COUNCIL MEMBER GREENFIELD: That's  
15 what it looks like.16 ROBERT DOAR: Yeah, you're right.  
17 I mean hope springs eternal--18 COUNCIL MEMBER GREENFIELD:  
19 [interposing] No, no, I don't understand what that  
20 means. I'm sorry. What does that mean: that's  
21 what it looks like?22 ROBERT DOAR: Well, I'm just saying  
23 it hasn't changed yet. I don't want to give the  
24 impression that we have changed it in response to  
25 an announcement by the governor.

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COUNCIL MEMBER GREENFIELD: But you plan on changing it?

ROBERT DOAR: We plan on complying with the state oversight guidance.

COUNCIL MEMBER GREENFIELD: Which would mean that you would change it.

ROBERT DOAR: Which would mean that we would change it.

COUNCIL MEMBER GREENFIELD: Okay. There we go. That wasn't that difficult. On the food stamps, virtually all this money comes from the federal government. Is that correct?

ROBERT DOAR: The food stamp benefits are 100 percent funded by the federal government. The food stamp administration costs are split between us, the City of New York and the federal government and the state pays nothing with regard to the administration of the program.

COUNCIL MEMBER GREENFIELD: Okay. Which I imagine is a fraction of the overall benefit from the funds that come in?

ROBERT DOAR: Well it's not insignificant but you're right, the administrative costs are less than the \$3.2 billion in benefits--

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COUNCIL MEMBER GREENFIELD:

[interposing] I imagine a lot less. What are the administrative costs?

ROBERT DOAR: They're about I think \$380 million in administrative costs.

COUNCIL MEMBER GREENFIELD: \$380 million?

ROBERT DOAR: Yeah, it's expensive.

COUNCIL MEMBER GREENFIELD: For those 500,000 people out there that are not currently getting it--and I want to be clear this is no way critical, this is merely trying to sort of I guess publicly brainstorm. You're doing a good job and I take you at face value that you're getting a lot of the people and it's higher than others. I think that's great. There's still a half million people obviously who need food stamps and they're not getting it. What could we do, we meaning both on my side of the table and your side of the table--so not just you on your end--to try to sort of boost this number?

ROBERT DOAR: Well, first of all there is a portion of that number who are folks who may not want SNAP benefits even though they

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might be eligible. We do surveys and people say that to us.

COUNCIL MEMBER GREENFIELD: Okay.

ROBERT DOAR: There's another group that will say my income level is so high or it's not sufficiently low so that the amount of benefit is relatively low. So the amount of time and effort I have to go to get a \$25 or \$30 benefit is not worth my time.

COUNCIL MEMBER GREENFIELD: We could increase the benefits. That would--

ROBERT DOAR: [interposing] Well, we can't increase it.

COUNCIL MEMBER GREENFIELD: I know. I'm saying--

ROBERT DOAR: [interposing] The federal government does that.

COUNCIL MEMBER GREENFIELD: Correct.

ROBERT DOAR: So there are a group of people that just are not interested. We promote, I don't know if you know, the federal government promotes, there are advertisements on the radio all the time. We've made our program

1  
2 more assessable. We've met our QC rates and our  
3 timeliness rates. We've engaged community-based  
4 organizations to take applications. We take  
5 applications electronically. As I say, we've  
6 reached a level that far exceeds many, many other  
7 places. So I think we've done quite a lot and I  
8 don't know what else we could do to encourage  
9 enrollment in food stamps.

10 COUNCIL MEMBER GREENFIELD: Okay.  
11 What else do you think we could do? I mean we're  
12 out there in the neighborhoods in our districts.  
13 What else, I mean what resources or tools do you  
14 think we could utilize to try to increase it in  
15 our communities? For example, would you be able  
16 to provide a district by district breakdown? I  
17 think that could be helpful. The Council  
18 districts in New York and the amount of folks who  
19 are eligible that are not receiving food stamps,  
20 is that something that you could do?

21 ROBERT DOAR: We could look at  
22 that. What we would do though is we'd look at  
23 estimates from federal census data about how many  
24 people in a particular county--

25 COUNCIL MEMBER GREENFIELD:

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2 [interposing] I understand it's not perfect. But  
3 I think it can be helpful.

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ROBERT DOAR: No, I know. We could  
5 look at that. I don't have any issue with looking  
6 at the statistics.

7

COUNCIL MEMBER GREENFIELD: Okay.  
8 I mean, what else could we do, as individual  
9 Council Members, to help folks sign up, for  
10 example, in terms of--

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ROBERT DOAR: [interposing] Well,  
12 there are community-based organizations that take  
13 applications. You could educate people about the  
14 availability of those and you could talk to people  
15 about using the online application process. You  
16 also might educate them to the extent that they  
17 take advantage of our telephone interview process  
18 that allows them not to come into the office. We  
19 have found that we've set up this facility to make  
20 the process easier for people who are in need of  
21 assistance and who are eligible and we're not  
22 taking advantage of it as much as we'd like. So  
23 you might help us with that because we have--

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COUNCIL MEMBER GREENFIELD:  
25 [interposing] Maybe because of the finger

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printing.

ROBERT DOAR: No, I don't know that  
that's--

COUNCIL MEMBER GREENFIELD:

[interposing] I'm teasing. I'm teasing. I'm  
teasing, Commissioner.

ROBERT DOAR: I don't think it's  
that.

COUNCIL MEMBER GREENFIELD: Well, I

appreciate the suggestions. If there is a way you  
could get us the breakdown, I think it would be  
helpful. As individual Council Members, I think  
we would like to know. I think it'd give us a  
better sense. Then perhaps we can come up with  
more aggressive ways. It's not just a matter,  
obviously, of money on the table. But I think we  
agree that the folks who qualify genuinely need  
this. I think it's incumbent on us to try. I  
know you've been doing your part but we'd love to  
help you do what we can to try to increase those  
numbers, so that way when we're back here next  
year, you can brag that the percentage is even  
higher. Thank you, Commissioner.

CHAIRPERSON PALMA: Council Member

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Brewer?

COUNCIL MEMBER BREWER: Thank you. I'm sorry I was late. I was at a meeting in my district. In terms of the advisory board for HASA, can you provide the committee, or maybe you have already, with the list of who's on it.

ROBERT DOAR: Sure. I can do that.

COUNCIL MEMBER BREWER: Okay. The reason I ask is sometimes people who are on it-- and I could be wrong--are very nice and sometimes you need people on it who are, you know, more challenging.

ROBERT DOAR: Well, I assure you that that committee is--

COUNCIL MEMBER BREWER: [interposing] And I want to make sure there are some challenging people because I still think this issue--because, you know, there's only one industry in New York: real estate, real estate, real estate. So my question is just this whole issue with the payment it's hard to find an apartment and it's just something that needs more discussion. So that might be a place, your advisory board. But I just want to make sure

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people who are on it have big mouths on that topic. So if you show us the list maybe we can--

ROBERT DOAR: [interposing] We'll show you the list. The Speaker appoints half the members. So we'll give you the list.

COUNCIL MEMBER BREWER: Okay. That would be great. Hopefully even her people have big mouths on this topic. A couple of issues, one is--and I should know this--we are getting complaints, probably just because of the funding, on the home health area. In other words, somebody who had 24 hours--maybe I should know that--but how is that going to be changing and what are some of the financial constraints? Because, you know, we have a lot of people in wheelchairs who are homebound, et cetera.

ROBERT DOAR: This is a big change for the City of New York. Under the governor's Medicaid redesign team and other pressures from the federal government there has been a rethinking of how to appropriately determine the number of hours that people should receive in their homes for personal care services and an intense focus on the proper documentation and medical evaluation of

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that decision.

That's resulted in people being evaluated and getting, they think, fewer hours than they used to get or fewer hours than they thought they would come to expect. We are determined to be in absolute compliance with our guidance from our state oversight and from the federal government. That's what we're doing.

So the first is, and in the community I think people are recognizing this, the CASA offices in HRA are taking a much closer look at each one of these cases. That's one thing.

The second is the governor has, and the state legislature, has mandated that the vast majority of these clients who got personal care service on a fee for service basis through our agency should be shifted to mandatory managed care plans which will not be administered or overseen by us but will instead be overseen by the state. That is planned to happen over the next 6 to 12 months on a zip code by zip code basis. That's going to involve more change for a particularly vulnerable population. We're going to communicate and educate and talk about it with you and with

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2 others and with them. But that process is  
3 undergoing now.

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5 Not only is this impacting on  
6 clients but of course it's impacting on providers  
7 who have to deal with these changes. Before they  
8 worked for us under contracts and now they're  
9 going to work for managed long-term care plans.  
10 They're resolving those issues.

11

12 As we go through, as I testified  
13 and I've written the Chairwoman, as we've assessed  
14 these various cases, we've found that we've had to  
15 take longer to approve people for payment, and so  
16 the providers have had to provide the care and  
17 wait for the clearance for the Medicaid payment to  
18 come through. That's put some stress on them. We  
19 are working very hard to relieve that. We're  
20 talking to all of the providers to make sure that  
21 we are doing our best to get them the approvals  
22 that they need but that's also problematic.

23

COUNCIL MEMBER BREWER: I

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25 appreciate that. There's also a language problem  
in all of these changes. I mean just so you know,  
a lot of the people who are complaining to us, and  
we have a lot of complaints, are clients who are

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2 Spanish speaking and it's probably not HRA, maybe  
3 it's the state or a managed care provider, but  
4 there's often a situation where the person who's  
5 communicating is not doing it in the appropriate  
6 language. They may not be HRA, but I'm letting  
7 you know.

8 ROBERT DOAR: That's a very good  
9 suggestion, I will ask our--

10 COUNCIL MEMBER BREWER:  
11 [interposing] That is a big problem.

12 ROBERT DOAR: --Executive Deputy  
13 Commissioner for Community Affairs who has the  
14 language access issues to take a special look at  
15 the home care program.

16 COUNCIL MEMBER BREWER: Okay. The  
17 second issue is the issue of one shots. You know,  
18 I'm a huge fan of that particular division of HRA.  
19 I'm just wondering has the number gone up, has it  
20 gone down, just the status of the one shot office.  
21 I think you should be funded at millions and  
22 millions and millions and millions of dollars.

23 ROBERT DOAR: We're going to check  
24 the numbers on that--

25 COUNCIL MEMBER BREWER:

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[interposing] Like I said, real estate, real estate and real estate.

FEMALE VOICE: Whoever is eligible for one shot is able to get a one shot.

COUNCIL MEMBER BREWER: So in other words, there is no--

FEMALE VOICE: [interposing] The levels are set by the state according to what the-

COUNCIL MEMBER BREWER:  
[interposing] So we don't have to worry that you'll run out of one shot money?

FEMALE VOICE: No.

COUNCIL MEMBER BREWER: Okay.

ROBERT DOAR: It's drawn from the public assistance budget so it's not capped. We do have a process you have to go through to be eligible.

COUNCIL MEMBER BREWER: I'm quite familiar with the process.

ROBERT DOAR: Yes, I know.

COUNCIL MEMBER BREWER: Very familiar with the process. You mentioned in your testimony about the multi-service centers. I'm just wondering if you could update us on those

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particular centers and what the timing is on funding.

ROBERT DOAR: Well, we have I think seven. The contracts for the management of those centers had run out and we did a new procurement to pick new managers. That is being finalized now and some announcements have been made about new managers of each of the centers.

Then, in addition, we are working closely with EDC and with DCAS and with other of our partner agencies to see which ones might be more suitable for a better or different purpose should we seek to transfer ownership of them for some other need. We don't have one that we've selected to go first but we're continuing to look at that.

COUNCIL MEMBER BREWER: The timing on that for--

ROBERT DOAR: [interposing] That is 2014. It's a longer term.

COUNCIL MEMBER BREWER: 2014.  
Okay. All right, the issue of employment. I always ask how do we coordinate or maybe you do already with the one-stop centers. I know there

1  
2 have been some issues with the one-stop centers  
3 recently. I just want to know how is that  
4 coordinated if at all.

5 ROBERT DOAR: I think it's  
6 coordinated well. The head of our employment  
7 program is a former executive at SBS. I think  
8 that she has a good relationship with SBS. We  
9 make every effort to take advantage of what SBS  
10 can offer our clients and--

11 COUNCIL MEMBER BREWER:  
12 [interposing] Well, is there a shared database?

13 ROBERT DOAR: Well, I don't know  
14 that we share a database but we do--there is no  
15 shared database on SBS clients and ours.

16 COUNCIL MEMBER BREWER: Okay.

17 ROBERT DOAR: But I could look and  
18 see what we have on our system about placements  
19 through one-stop centers. I don't know if we have  
20 anything but I'll see about that. But I do think  
21 that we coordinate well but I'll look at that.

22 COUNCIL MEMBER BREWER: Okay. I  
23 know you mentioned earlier to Council Member  
24 Lander about the domestic violence beds. I have  
25 to tell you that it is my experience that there

1  
2 aren't enough of them. I know you feel there are.  
3 I'm letting you know that if you talk to any one  
4 of the DV providers they don't feel that. So one  
5 of the issues is you're a victim, you come to  
6 sanctuary, Safe Horizon, the list is long. You  
7 then often go back to the abuser.

8           There are lots of reasons you go  
9 back to the abuser, but one of them is you ain't  
10 going to a--with all due respect--DHS shelter.  
11 And you don't feel comfortable, there aren't  
12 enough safe homes. I've been in some of the safe  
13 houses so I know that they do work. I'm letting  
14 you know there are just not enough beds. You need  
15 to talk to the directors, either Laurel or  
16 somebody else to find out. But I can tell you--

17           ROBERT DOAR: [interposing] I will  
18 do that. Cecile and I will do that.

19           COUNCIL MEMBER BREWER: Not enough--

20           ROBERT DOAR: [interposing] I was  
21 with them recently--

22           COUNCIL MEMBER BREWER:

23 [interposing] Not enough beds. Thank you very  
24 much, Madame Chair.

25           CHAIRPERSON PALMA: We've been

1  
2 joined by Council Member Vann, Mendez and Jackson.  
3 Council Member Comrie has questions, followed by  
4 Council Member Vann.

5 COUNCIL MEMBER COMRIE: Thank you.  
6 I wanted to ask a follow up on actually the  
7 conditions of actually the multi-service centers  
8 and the other centers. When have they last been  
9 updated or upgraded, the centers themselves, the  
10 physical appearance of the centers?

11 ROBERT DOAR: Well, that's one of  
12 the dilemmas. The way the multi-service centers  
13 are operated, they are operated by a community-  
14 based organization that derives the rent from the  
15 tenants of the building and then uses that rent to  
16 provide for the upgrades and improvements to the  
17 building.

18 We have found that that is fine for  
19 general maintenance and care but over time it  
20 doesn't provide for an opportunity for significant  
21 capital improvements that the buildings might  
22 require. So while some of our centers I think are  
23 in very good shape, others are not in as good  
24 shape as we'd like. But we're limited because  
25 they are supposed to be operating based on the

1  
2 rents paid by the community-based organizations  
3 that are tenants in those buildings. I can't give  
4 you a center by center report on their capital  
5 improvement status but I can forward that to you  
6 later.

7           Then with regard to the RFP  
8 procurement, we're in the middle of announcements.  
9 So some announcements and finalizations of that  
10 procurement have happened and some are not yet  
11 finalized.

12           COUNCIL MEMBER COMRIE: So we're  
13 expecting the community-based organizations to  
14 maintain the physical attributes of the center?  
15 Isn't that a bit unfair for them to have that  
16 burden on their own?

17           ROBERT DOAR: Well they get the  
18 rent. The community-based organizations that bid  
19 for the management of the centers are supposed to  
20 collect the rent from the various programs and  
21 entities that are in their buildings. That's the  
22 theory. That rent is supposed to maintain, help  
23 them maintain the building. It has worked in some  
24 centers. But when buildings become in need of  
25 major capital improvements I think that becomes an

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issue. That's one of the reasons why we're considering this potential transfer of ownership of the centers going down the road.

COUNCIL MEMBER COMRIE: Does that include the case management centers as well or is that a separate center? I'm confused on the terminology.

ROBERT DOAR: Well the multi-service centers--

COUNCIL MEMBER COMRIE:  
[interposing] Where you handle your one stop and food stamp--

ROBERT DOAR: [interposing] No. I'm not talking about those.

COUNCIL MEMBER COMRIE: Okay.

ROBERT DOAR: The capital improvements for our centers, our offices, we fund and we pay for and we improve and we've got some major projects going on right now and some that we are planning to do in the coming year.

COUNCIL MEMBER COMRIE: I'm concerned specifically about Center 53 and Center 54.

ROBERT DOAR: Okay.

1  
2 COUNCIL MEMBER COMRIE: The fact  
3 that there are people, number one, queuing outside  
4 at 7:00 in the morning, even on a rainy day.

5 There could be some opportunities for those--

6 ROBERT DOAR: [interposing] I'll be  
7 happy to look into those centers. We don't--well,  
8 I'll look and see what's going on there.

9 COUNCIL MEMBER COMRIE: Right.  
10 Also, the level of computerization upgrades in  
11 those centers, could you give us an idea on what  
12 the ability is to provide upgraded technology in  
13 the centers for the workers in the centers?

14 ROBERT DOAR: Well, we provide  
15 quite a lot of technology and we work hard to  
16 provide them the most up to date equipment and  
17 software. If there are specific problems in  
18 certain centers, I would be happy to look into  
19 them. I'll go back and we can do a comprehensive  
20 review. But I'm in the centers a lot and I think  
21 the quality of the equipment is pretty good, and  
22 we could always make it better. If you are aware  
23 of a particular center that seems to be  
24 struggling, let me know. But I'm also asking my  
25 people to tell me that all the time.

1  
2 COUNCIL MEMBER COMRIE: Okay. Has  
3 there been an upgrade on the language assistance  
4 abilities for people that don't speak the native  
5 language, so that when they get to the center they  
6 can have that information printed out in their  
7 specific language?

8 ROBERT DOAR: Yes. We have made a  
9 lot of efforts to both train our employees and  
10 provide signage and guidance to potential clients  
11 in the multiple languages that we are required to  
12 provide assistance in. We have many of our forms  
13 in all of the required languages. We train on  
14 this all the time. I think we're doing a much  
15 better job than we were four or five years ago in  
16 addressing language barriers, but we can also  
17 continue to work on that.

18 COUNCIL MEMBER COMRIE: Okay, but  
19 if you could get those specifics to our chair.  
20 And also, I'll get you my specific concerns in  
21 detail to you. I don't want to take up the end of  
22 your time here when we have another agency  
23 waiting.

24 ROBERT DOAR: Okay.

25 COUNCIL MEMBER COMRIE: But I am

1  
2 concerned about the queuing, especially outside of  
3 the centers and the ability of people in general,  
4 especially in inclement weather--

5 ROBERT DOAR: [interposing] Well,  
6 we've monitored that very carefully, Council  
7 Member. We think it's much improved. And I  
8 can't, you know if the center door doesn't open  
9 until 8:30, it's hard for me to--if people want to  
10 show up at 7:45, I don't know what I can do. But  
11 by and large the queuing after we open our doors  
12 has been dramatically reduced by the leadership of  
13 the food stamp program and efforts that we've made  
14 to make our facilities more accommodating.

15 COUNCIL MEMBER COMRIE: Okay. Then  
16 just a question on appointment times, because my  
17 office seems to be told that a person can't walk  
18 in anymore, they have to have an appointment. Can  
19 you explain to us if they want to apply for  
20 services or food stamps or a one-shot deal, is  
21 that all done by appointment only or can it--

22 ROBERT DOAR: [interposing] No, no,  
23 walk-ins are still allowed. I'd like to know the  
24 specifics of that circumstance and find out what's  
25 going on there.

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COUNCIL MEMBER COMRIE: Okay.

Well, I'm having it emailed to me in a minute.

I'll get it to you before you leave.

ROBERT DOAR: Okay. Thank you.

COUNCIL MEMBER COMRIE: Thank you.

Thank you, Madame Chair.

CHAIRPERSON PALMA: Council Member

Vann?

COUNCIL MEMBER VANN: I'm on?

CHAIRPERSON RECCHIA: There you go.

COUNCIL MEMBER VANN: Okay. It's

really not that profound. First of all, good

morning, Commissioner.

ROBERT DOAR: Good morning.

COUNCIL MEMBER VANN: I must

imagine that by now questions have been raised

concerning the Job Training Participation program

and everybody's satisfied that we got the--no?

ROBERT DOAR: Well, everybody wants

more and so do we.

COUNCIL MEMBER VANN: So what's the

problem?

[Laughter]

ROBERT DOAR: We don't have any

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money.

COUNCIL MEMBER VANN: Okay. Well, I guess I'll just be a little redundant. I guess the program is so significant that I guess we can't overly stress what it is, plus my staff would be very upset. My understanding is that this Job Training Participation program, commonly known as POP I guess, that for that \$10.2 million there are around 1,700 transitional opportunities for those formerly on public assistance. My understanding is that if that's taken out of the Parks Department that those workers will be replaced with the WEP participants.

ROBERT DOAR: There, Councilman, we have a little disagreement. The number of people that are being reduced in the JTP program due to the cut at the Parks Department is a large number. It's reduced about half. The number of WEP is only going up by a small amount. They're not similar. They're not replacing them. We have a WEP program. We've had a WEP program in the Parks for years and we're going to continue to have a WEP program. The unfortunate circumstance is the JTP program is shrinking.

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COUNCIL MEMBER VANN: So the reduction of POP will not be an increasing of WEP?

ROBERT DOAR: No. They are not related issues. The WEP does not replace the POP by any means.

COUNCIL MEMBER VANN: By any means. How much of this \$10.2 million is city tax levy? Is this all city tax levy or federal?

ROBERT DOAR: No. The \$10 million that we lost came from state and federal sources in previous years. That's been reduced as the dollars that were available from President Obama's stimulus package has been spent.

COUNCIL MEMBER VANN: Okay. So as of this point, we don't have a strategy, we don't see how that's going to be restored at this point?

ROBERT DOAR: I do not have a strategy to replace the lost state and federal funding.

COUNCIL MEMBER VANN: Okay. To be continued.

CHAIRPERSON PALMA: Thank you. Council Member Viverito?

COUNCIL MEMBER MARK-VIVERITO: It's

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on. Just a quick follow-up on the question from Council Member Comrie about the multi-service centers.

ROBERT DOAR: Oh yes.

COUNCIL MEMBER MARK-VIVERITO:

What's the timeline again on that? There's a response, when is HRA going to give a response?

ROBERT DOAR: Very soon. We've already responded with regard to the multi-service centers in Brooklyn and we have, I think the other ones are imminent as well.

COUNCIL MEMBER MARK-VIVERITO: So the plan is for you to sell all of them?

ROBERT DOAR: No, no, this is the response to the current RFP.

COUNCIL MEMBER MARK-VIVERITO: Right.

ROBERT DOAR: It's a two-step problem. We needed to do a new RFP for the managers. That got a lot of responses and was competitive. We have to select the new managers for each of the centers. We also were clear in that RFP that the city intended to sell one or more of them going forward. We actually think

1  
2 that led to people wanting to be responsive  
3 because maybe they could get a foot in the door on  
4 a potential sale. That is further down the line.  
5 We're not there yet. That's 2014.

6 COUNCIL MEMBER MARK-VIVERITO: I'm  
7 not clear. I know that the RFP that went out,  
8 because I know I had called your office about it--

9 ROBERT DOAR: [interposing] Yes.

10 COUNCIL MEMBER MARK-VIVERITO: --  
11 because one of the centers is in my district.  
12 That the responses required the respondent--and  
13 this is the one that also included finding the  
14 manager--a business plan. That business plan was  
15 in the case that--you seemed to indicate that it's  
16 two separate processes, but if the respondent that  
17 is being selected to manage the center is also  
18 being required to submit a business plan, is the  
19 expectation of HRA that it is that provider that  
20 is going to be sold or whatever, transferred the  
21 site.

22 ROBERT DOAR: I would have to check  
23 that. It's not the expectation. It was just that  
24 we wanted to be clear that this was something we  
25 were also considering and we wanted to see how the

1  
2 responders to the RFP to manage them reacted to  
3 that. I believe that's the fact. So it was not a  
4 commitment that if you win this you are going to  
5 be the recipient of the sale--

6 CHAIRPERSON PALMA: [interposing]  
7 Commissioner, I'm sorry. We have ACS waiting.

8 COUNCIL MEMBER MARK-VIVERITO: All  
9 right.

10 CHAIRPERSON PALMA: We can follow  
11 up with our staffs on your concern, Melissa.

12 COUNCIL MEMBER MARK-VIVERITO: All  
13 right. Thank you.

14 CHAIRPERSON PALMA: We'll get more  
15 information.

16 CHAIRPERSON RECCHIA: All right.  
17 Thank you, Commissioner. I want to thank you for  
18 coming here to testify.

19 ROBERT DOAR: Thank you very much.

20 CHAIRPERSON RECCHIA: We will take  
21 a two minute recess and we will begin with ACS, a  
22 two-minute recess.

23 [Break]

24 CHAIRPERSON RECCHIA: Could  
25 everyone calmly find their seats; we're going to

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begin.

[Pause]

CHAIRPERSON RECCHIA: Can everyone calmly find their seats? If any Council Member would like to ask questions, please give your name to Shadawn.

[Pause]

CHAIRPERSON RECCHIA: We will now resume the City Council hearing on the Mayor's Executive Budget for Fiscal Year 2013. The Finance Committee and the Committee on General Welfare has now been joined by the Committee on Women's Issues, Chaired by my colleague and Finance Committee member Julissa Ferreras; we've also been joined by the Committee on Juvenile Justice, Chaired by my colleague Council Member Sara Gonzalez, to hear from the ACS commissioner.

I know my colleagues have a lot to say, so in the interest of time, I'm not going to speak any more. But for the public, I just want everyone to know that the public will have an opportunity to testify on June 6th, beginning at 4 p.m. in the afternoon. We will stay there for as long as we have to, to give everyone an

1  
2 opportunity to speak. We will try to accommodate  
3 anyone with special accommodations to go first.  
4 If anyone has to catch special transportation or  
5 have to make certain accommodations, we will  
6 definitely help you out there.

7 At this time, I now recognize  
8 Council Member Annabel Palma.

9 CHAIRPERSON PALMA: Thank you, Mr.  
10 Chair. Good afternoon, I'm Council Member--or  
11 good morning still. Good morning, I'm Council  
12 Member Annabel Palma and I chair the General  
13 Welfare Committee. I want to thank Council Member  
14 Julissa Ferreras and Council Member Sara Gonzalez  
15 for co-chairing this portion of today's hearing.

16 Childcare is one of the most  
17 important services we can provide to working  
18 families. Today, we're going to speak on the  
19 goals of Early Learn, and I have to say that the  
20 goals are commendable in regards to quality  
21 education and what we are trying to achieve within  
22 that system. I have expressed, and I know that  
23 this Council have expressed their concerns still  
24 regarding its implementation and the distribution  
25 of the awards in regards to Early Learn.

1  
2 I would like to thank Commissioner  
3 Richter, Deputy Commissioner Lee and their staff  
4 for the Early Learn briefing that was provided to  
5 Council Members on May 10th. I think it helped us  
6 further understand some of the concerns that we  
7 had. The briefing provided further detail on the  
8 distribution of the recommended awards by Council  
9 district, the appeals protest process for the  
10 providers and the opportunity to discuss the  
11 impact for the loss citywide in terms of its  
12 capacity.

13 At this briefing, ACS also outlined  
14 its plan for using the \$28.6 million in baseline  
15 funding for Early Learn, which was included in  
16 Fiscal Year 2012 Adopted Budget. A total of \$11  
17 million will be used to increase the day per child  
18 rate for providers and \$17.6 million will be used  
19 to add 1,100 preschool childcare slots and 600  
20 family childcare network slots.

21 Despite this adjustment, the  
22 implementation of Early Learn will definitely  
23 still result in a significant loss of capacity to  
24 the city's subsidized child care system.

25 Early Learn will also trigger

1  
2 several structural and budgetary changes for the  
3 upcoming fiscal year. Since the awards were  
4 announced, ACS has been holding meetings, forums  
5 and training sessions with recommended  
6 contractors. Conversely, those not awarded a  
7 contract have been given the opportunity to appeal  
8 ACS' decision. Parent forums are also being held  
9 to ensure continuity of care to families.

10 Today, I urge ACS to continue  
11 collaboration with the City Council to address the  
12 concerns surrounding the implementation of Early  
13 Learn. In addition to childcare issues, we are  
14 also concerned about both the exclusion of \$4.6  
15 million in Council funding for ACS child  
16 protective and child welfare staffing in the  
17 executive budget and anticipated delays in hiring  
18 for Fiscal Year 2013.

19 Protective services investigates  
20 child abuse, maltreatment and neglect reports, and  
21 if necessary, places children in foster care. We  
22 hope to hear an update on staffing levels within  
23 the child protective and child welfare services  
24 division. We must keep funding in place for staff  
25 who investigate allegations of child abuse and

1  
2 place children in safe housing when allegations  
3 are substantiated. We are concerned with how  
4 these cuts may impact the lives of our children  
5 and our families. We are also interested to hear  
6 how ACS plans to ensure that their wellbeing is  
7 not compromised in this difficult fiscal climate.

8 I want to thank Domenic Recchia for  
9 co-chair today's hearings and for all the work  
10 that he's doing around these Finance hearings.  
11 Thank you.

12 CHAIRPERSON RECCHIA: Thank you,  
13 Council Member. Council Member Julissa Ferreras,  
14 to be followed by Council Member Sara Gonzalez.  
15 Do you have an opening statement?

16 CHAIRPERSON FERRERAS: Good  
17 morning. I'm Julissa Ferreras, Chair of the  
18 Women's Issues Committee. I'd like to thank Chair  
19 Palma, Chair Recchia and Chair Gonzalez for their  
20 support and collaboration with the committee. I'd  
21 also like to thank my committee staff: Pakhi  
22 Sengupta, Tai Meah and Joan Povolny for their work  
23 in preparing for this hearing.

24 I, too, am concerned for our city's  
25 most vulnerable families. Now that we've had a

1  
2 chance to review the recommended awards for Early  
3 Learn, it is evident that we are facing  
4 significant reductions to the city's subsidized  
5 childcare system. It is likely that this system  
6 will displace children and families, close  
7 childcare centers in communities that cannot  
8 afford to lose them, and cause numerous layoffs  
9 within the provider network. The committee's hope  
10 is to discuss the best possible solution to the  
11 issues we are facing and ask Commissioner Richter  
12 and his staff to continue to collaborate with us.

13           Furthermore, it is concerning that  
14 Fiscal 2012 City Council funding for both child  
15 protective and child welfare service staff was not  
16 baselined in Fiscal 2013's Executive Budget. This  
17 exclusion raises concerns regarding caseloads for  
18 the workers within these divisions and the  
19 potential elimination of these positions through  
20 either attrition or layoffs.

21           The committees hope to hear details  
22 on the full impact of the executive budget and how  
23 ACS plans to maintain quality services to our  
24 city's most vulnerable children and families. I  
25 look forward to hearing from the commissioner.

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Thank you.

CHAIRPERSON RECCHIA: Thank you.

Council Member Gonzalez?

CHAIRPERSON GONZALEZ: Good

afternoon. I am Council Member Sara Gonzalez,  
Chair of the Juvenile Justice Committee. I'd like  
to thank Chair Palma, Chair Recchia and Chair  
Ferrerias for the ongoing collaboration with the  
committee. I also would like to welcome  
colleagues from our committee: Council Member  
Maria del Carmen Arroyo and Council Member Daniel  
Dromm.

The area of juvenile justice has  
been a wide range of changes within the past year.  
Most notably, the Department of Juvenile Justice  
formally merged with the Administration of  
Children Services to create the Division of Youth  
and Family Justice. Consequently, the Fiscal  
2012-2013 state enacted budget launched Governor  
Cuomo's Close to Home initiative that aims to help  
the state reduce crime, improve outcomes for youth  
and the communities in which they live, and  
increase the efficiency of the juvenile justice  
facility system.

1  
2 While youth committed to secure  
3 level juvenile justice facilities will remain in  
4 state custody in facilities, New York City youth  
5 currently in state non-secure and limited secure  
6 facilities will be transferred to city-  
7 administered programs and facilities. Youth from  
8 New York City requiring this lower level of care  
9 going forward will remain in the custody of the  
10 city and serve in settings that are appropriate  
11 for their educational, mental health, substance  
12 abuse and other services needs, without  
13 compromising public safety.

14 Some recent developments regarding  
15 the Close to Home initiative include a draft plan  
16 for non-secure placement services. The  
17 announcement of 12 contract awardees to provide  
18 these services and the creation of a new division  
19 known as the Division of Youth and Family  
20 Development, the community looks forward to  
21 hearing an update on these developments and all  
22 others regarding the Close to Home initiative.

23 I would like to thank Pakhi  
24 Sengupta, our financial analyst, Peggy Chan, our  
25 legislative attorney and William Hongash, our

1  
2 policy analyst, for the work they did in putting  
3 together today's budget hearing. I look forward  
4 to hearing from Commissioner Richter and Executive  
5 Deputy Commissioner Laurence Busching. Thank you.

6 CHAIRPERSON RECCHIA: Thank you,  
7 Council Member. And now, Commissioner, it's your  
8 show.

9 RONALD E. RICHTER: Good morning  
10 Chairs Palma, Gonzalez, Ferreras and Recchia, and  
11 members of the General Welfare, Juvenile Justice,  
12 Women's Issues and Finance Committees. I'm Ronald  
13 Richter, the Commissioner of the Administration  
14 for Children's Services. With me today is Susan  
15 Nuccio, our Deputy Commissioner for Financial  
16 Services.

17 We are pleased to be back before  
18 the Council to provide you with an update on our  
19 ongoing work to protect and serve New York City's  
20 children, young people, and to strengthen their  
21 families. In particular, we are eager to update  
22 you on the specific budgetary items we covered at  
23 the preliminary budget hearing in March and to  
24 share information about our progress on recent  
25 initiatives in juvenile justice, early care and

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education, and teen preventive services.

As I stated in March, the outlook for our 2013 budget does contain positive news. In Fiscal Year 2013, Children's Services budget is \$2.7 billion of which \$781 million is city tax levy. We were able to meet our January PEG through a combination of the following revenue and expense reduction initiatives.

We benefited from New York City's ability to increase the federally-negotiated fringe reimbursement rate for personnel benefits, crediting Children's Services with \$35.8 million in city savings; we achieved \$16.6 million in city tax levy savings through a one-time revenue settlement for prior year services; the number of children who receive Federal Title IV-E reimbursement increased, saving the City \$4.4 million; and, due to the decrease in the number of families receiving adoption subsidies, we saved \$15.5 million, of which \$3.4 million is city tax levy.

When we came to you in March, we expressed concerns regarding earlier PEGs that had been funded for one year, the funding for which

1  
2 expires on June 30th. This year's budget included  
3 \$8.2 million in restorations provided by the City  
4 Council, which funded 131 positions in the  
5 Division of Child Protection, Family Support  
6 Services, and Administration.

7           With this one-time funding coming  
8 to an end, to avoid layoffs in those divisions,  
9 ACS will take the following actions. Thirty-six  
10 Child Protective Sup I positions that are vacant  
11 will not be filled. Staff from the Family  
12 Preservation Program will be more completely  
13 integrated into our Family Service Units within  
14 the Division of Child Protection.

15           These staff will move into and fill  
16 vacancies in the model budget code for Family  
17 Services Units. The work of the Family  
18 Preservation Program will be redesigned and  
19 incorporated into the Family Services Unit  
20 redesign which is currently underway. Solution  
21 Based Casework practice is being integrated into  
22 the work of the Family Services Units. This,  
23 along with the Teen Services Initiative, which I  
24 will describe later, will address the needs of  
25 families who would have received services provided

1  
2 by the traditional Family Preservation Program  
3 model.

4 ACS will maximize revenue from  
5 federal and state grants to fund personnel who are  
6 delivering services to children, young people and  
7 families under the grants.

8 Staff who might have otherwise have  
9 been in positions due to be laid off will be moved  
10 to vacant positions within Children's Services.

11 We appreciate the funding that the  
12 Council has provided to support those areas, and  
13 are pleased to have been able to find ways to  
14 avoid layoffs of our staff. Whenever possible,  
15 avoiding layoffs is always our preference, while  
16 continuing to deliver the vital services to our  
17 city's children, young people, and families.

18 In the two months since we  
19 testified at the preliminary budget hearing,  
20 Children's Services has taken important steps  
21 forward to implement two major initiatives. We  
22 announced on April 26 the nonprofit provider  
23 agencies that have been recommended for awards to  
24 operate non-secure placement facilities as part of  
25 Close to Home. And we released on May 4 the

1  
2 recommended awardees for Early Learn NYC, our much  
3 anticipated overhaul of New York City's subsidized  
4 early care and education system.

5           As both of these initiatives will  
6 significantly transform the current systems that  
7 are in place, I would like share with the Council  
8 additional details concerning our progress and  
9 plans in each area.

10           Juvenile Justice and Close to Home:  
11 at the last hearing we presented the Council with  
12 a detailed overview of the numerous juvenile  
13 justice reforms that ACS has worked closely with  
14 the Council to implement over the past several  
15 years.

16           The pinnacle of these reforms is  
17 Close to Home, which will realign the juvenile  
18 placement system, ending the practice of sending  
19 youth away to be confined to distant, ineffective  
20 state placement facilities, and instead will keep  
21 them in or close to their families and communities  
22 in New York City. We were delighted that Close to  
23 Home was signed into law by Governor Andrew M.  
24 Cuomo as part of the 2012-2013 New York State  
25 Budget. Children's Services appreciates your

1  
2 support in advancing this initiative with the  
3 Governor and our state legislators.

4           The historic legislation builds on  
5 the city's legacy of juvenile justice reform which  
6 includes reducing the use of detention and  
7 placement, increasing community-based alternatives  
8 and lowering recidivism rates, while continuing to  
9 make our city safer. Through Close to Home, young  
10 people charged with delinquency whose cases have  
11 been adjudicated by the New York City Family Court  
12 will have the opportunity to be rehabilitated,  
13 supervised, and, when necessary, confined near  
14 their families and in their communities.

15           Since the Governor signed the  
16 legislation, we have taken several steps toward  
17 implementation of Close to Home. In early April,  
18 after holding town hall meetings in each of the  
19 five boroughs, we released our draft non-secure  
20 placement plan to the public in order to gather  
21 additional feedback from the community and  
22 juvenile justice stakeholders before submitting  
23 the final plan to the State for its review and  
24 approval.

25           We held two public hearings to

1  
2 solicit public comment on the draft plan. ACS  
3 received over 300 comments and we are working to  
4 incorporate the feedback before submitting the  
5 final plan to the State.

6           There were several themes that  
7 recurred among the comments that we received  
8 including: linking youth who have been placed to  
9 local community-based providers to further their  
10 rehabilitation; making certain that young people  
11 have access to educational resources so that they  
12 don't fall behind in their academics; and  
13 addressing all of the medical and mental health  
14 needs of young people while they are in placement.

15           We have also made progress in  
16 determining who will provide services to youth in  
17 need of placement. As mentioned, in late April we  
18 announced the provider agencies that were  
19 recommended for an award to deliver non-secure  
20 placement services in response to a negotiated  
21 acquisition solicitation.

22           The nine recommended awards for  
23 general non-secure placement, totaling 216 beds,  
24 are all located within New York City, achieving an  
25 important goal of Close to Home. Additional

1  
2 recommended awardees will provide services for  
3 specialized juvenile populations in non-secure  
4 placements, with 51 beds located just outside of  
5 the city, and another 12 beds in the city. All  
6 recommended contract awards are contingent upon  
7 the provider's completion of the City's positive  
8 responsibility determination.

9           We have begun weekly meetings with  
10 the New York State Office of Children and Family  
11 Services for transition planning in anticipation  
12 of ACS accepting the first youth into non-secure  
13 placement in September of this year. We are  
14 examining youth-specific information to identify  
15 the most appropriate services that will be needed  
16 for young people transferring back into the city  
17 from upstate facilities, as well as planning for  
18 how long they, will continue in placement in New  
19 York City.

20           At the same time, we are working  
21 with the New York City Department of Education to  
22 determine the best educational model for the non-  
23 secure providers. Some providers will have school  
24 sites within their facilities and others will  
25 transport their students to one of the two new

1  
2 education sites in the Bronx or Brooklyn run by  
3 DOE's District 79 Passages Academy. Passages  
4 Academy has consistently provided quality  
5 educational services to students in non-secure  
6 detention, secure detention, and non-secure  
7 placement for years.

8           We are thrilled to have reached  
9 this important juncture in juvenile justice reform  
10 for New York City and State. Rehabilitating youth  
11 in or close to their communities, involving their  
12 families, and keeping them connected to their  
13 education and community will be nothing short of  
14 revolutionary and lead to better outcomes. We  
15 will accomplish all of this while keeping our  
16 communities safe. We could not have reached this  
17 historic point without the Council's leadership,  
18 guidance, and assistance, and for that we are  
19 extremely grateful.

20           Children's Services also announced  
21 the recommended awards for Early Learn NYC, a  
22 major innovation in childcare and early education  
23 on May 4. Early Learn NYC marks the first time in  
24 nearly 50 years that the City is dramatically  
25 changing this system in an effort to bring

1  
2 consistent quality early care and education to New  
3 York's neediest children.

4 Our unique, groundbreaking early  
5 care and education model will merge child care and  
6 early education into a single seamless system,  
7 which will establish a foundation for success for  
8 the City's youngest citizens and their families.  
9 We acknowledge that this transformation is not  
10 without challenges.

11 However, we are committed to  
12 working with parents, our provider partners,  
13 unions, and the Council to deliver high quality  
14 services to New York City's children and families  
15 most in need.

16 We recommended 149 providers for  
17 awards to serve 43,464 children at 448 Early Learn  
18 sites throughout the five boroughs, The  
19 recommended awardees consist of 88 Head Start  
20 Delegates, dual eligible or pure Head Start, and  
21 61 Child Care Providers; among the Child Care  
22 Providers are 25 Family Child Care Networks.

23 In terms of the service delivery  
24 model, as set out in the RFP for Early Learn,  
25 greater consideration was given to proposals that

1  
2 incorporate family child care services with center  
3 based programs. This relationship will build a  
4 continuity of care between service settings in  
5 order to provide families with smooth transitions  
6 as their children age. Additionally, the  
7 relationship will promote administrative  
8 efficiencies, including access to training and  
9 professional development opportunities for staff

10 As we discussed at our briefing to  
11 the City Council on May 10, our three guiding  
12 principles for Early Learn Awards included  
13 reaching the City's families most in need;  
14 choosing high quality programs; and maximizing the  
15 available resources through a blended funding  
16 model.

17 To reach families most in need, we  
18 undertook a comprehensive analysis to define and  
19 assess community need. We analyzed several social  
20 indicators, including but not limited to: the  
21 concentration and number of eligible children,  
22 measured by the federal poverty level; children  
23 receiving child welfare services; and the location  
24 of Section 8 Housing vouchers and Public Housing  
25 Assistance within New York City neighborhoods,

1  
2 thus recognizing the significance of the location  
3 of NYCHA developments.

4 To offer the quality programs that  
5 Early Learn seeks to deliver, we undertook a  
6 rigorous process of reviewing and scoring the 282  
7 proposals that we received. Award recommendations  
8 were based on technical score and other factors  
9 listed in the RFP, such as program design,  
10 curriculum, child screening and assessment,  
11 commitment to cultural sensitivity, serving  
12 children with special needs, and mental health and  
13 nutritional services.

14 As indicated in the RFP and  
15 discussed in detail at the briefing, the  
16 evaluation criteria were weighted as follows: 40  
17 percent of the score was based on the quantity and  
18 quality of proposed approach; 40 percent of the  
19 score was based on the level of organizational  
20 capability: and 20 percent of the score was based  
21 on the quantity and quality of successful relevant  
22 experience.

23 As we evaluated the proposals, our  
24 goal was to identify providers that were capable  
25 of delivering quality services to our children and

1 families. Among the factors we considered, for  
2 example, was a proposer's relevant experience in  
3 the community or with comparable populations.  
4 Other factors included the extent to which a  
5 proposer demonstrated a commitment to diversity  
6 and culturally sensitive practices, as well as  
7 involvement of parents and caretakers in  
8 governance of the proposed program. These factors  
9 are an important part of defining quality and the  
10 overall educational experience of the children and  
11 families who will be served.  
12

13 Finally, in order to achieve a  
14 maximization of resources and to create a more  
15 stable, sustainable subsidized child care system,  
16 Early Learn uses the resources that are available  
17 through Head Start, Universal Pre-Kindergarten,  
18 and Child Care Block Grant funding and leverages  
19 them to serve as many children as possible.

20 Early Learn also introduces a  
21 public/private partnership where providers will  
22 match 6.7 percent of the cost of service. We are  
23 working with programs to encourage innovative ways  
24 to achieve the match through fundraising,  
25 soliciting donations of goods and services,

1  
2 volunteerism and other in-kind contributions, as  
3 well as enrollment of children whose parents will  
4 pay the full or partial cost of service.

5           Early Learn contracts will begin in  
6 October of this year. Since our May 10 Council  
7 briefing, we have received a number of questions  
8 about the award process as well as about the  
9 process of transitioning from the current system  
10 to Early Learn NYC by October. We are eager to  
11 work with the Council to address your questions.  
12 We have met, and will continue to work with,  
13 providers, families, elected officials, advocates,  
14 union representatives, and experts in early care  
15 and education to help us in implementing and  
16 reaching the goals of Early Learn NYC.

17           We are grateful that the Council  
18 was able to provide \$42 million in enhancements in  
19 Fiscal Year 12, which allowed us to continue  
20 operating 257 preschool classrooms, several  
21 hundred family child care slots and six city-lease  
22 PEG sites. As you know, that funding ends on June  
23 30. In order to give families affected by the  
24 fiscal year service terminations that were  
25 previously restored ample time to make other

1  
2 accommodations, we are now in the process of  
3 notifying those families to remind them that their  
4 care ends on June 30th.

5 Finally, one of our key strategies  
6 to expand services for teens involved in the child  
7 welfare system who are at risk of foster care  
8 placement is to introduce new teen preventive  
9 services that will provide intensive, home-based,  
10 therapeutic services to families in crisis where  
11 they live, in their communities.

12 ACS' Teens Services Initiative  
13 builds on our success using evidence-based models  
14 of practice with young people with a finding of  
15 juvenile delinquency and PINS populations. We  
16 successfully implemented Phase I of a pilot  
17 program in Manhattan, as well as the University  
18 Heights and Highbridge neighborhoods in the Bronx.

19 Through these pilots, we worked  
20 with New York Foundling and Children's Village to  
21 provide intensive, home-based services that aim to  
22 further reduce foster care placements, reduce  
23 truancy, and keep families together. And, just  
24 last week, we initiated Phase II of the program,  
25 issuing a Request for Proposals for evidence-

1  
2 based, evidence-informed, and other promising  
3 practices that have been implemented successfully  
4 with the teen population in child welfare systems  
5 nationwide.

6           We anticipate that when the project  
7 is rolled out citywide in the spring of 2013, we  
8 will have an array of services available to meet  
9 the needs of teens and their families. We project  
10 that when it is fully implemented, we will reduce  
11 by 30-40 percent the number of teenagers who will  
12 be placed in foster care who became known to us  
13 through a child protective investigation.

14           This is truly a transformative time  
15 at New York City Children's Services. We have  
16 touched on today only the highlights of the  
17 various initiatives that we are implementing to  
18 achieve our Strategic Plan. We are committed to  
19 achieving measurable results that will benefit the  
20 children, young people, and families that rely  
21 upon ACS for child welfare, juvenile justice, and  
22 early care and education services. Our work would  
23 not be possible without our collaboration with the  
24 Council, and in particular Chairs Palma and  
25 Gonzalez.

1  
2 Thank you for your time today and I  
3 am happy to answer any questions.

4 CHAIRPERSON RECCHIA: Thank you,  
5 Commissioner. Many of my colleagues have lots of  
6 questions. But first, I'm going to introduce  
7 everyone. We've been joined by Council Member  
8 Brewer, Council Member Arroyo, Council Member  
9 Lander, Council Member Greenfield, Leroy Comrie,  
10 Melissa Mark-Viverito, Danny Dromm, Al Vann, Rosie  
11 Mendez, Steve Levin, Helen Diane Foster, Charles  
12 Barron, Fernando Cabrera and Margaret Chin.

13 I'm just going to start off--and  
14 Robert Jackson. We announced him earlier. I'm  
15 going to start off asking just one or two  
16 questions and then I'm going to turn it over to  
17 all my colleagues.

18 The 26 child welfare specialists,  
19 that are not in the budget, where will they be  
20 placed?

21 RONALD E. RICHTER: The 26 child  
22 welfare specialists? We don't anticipate that  
23 they're going to be moved.

24 CHAIRPERSON RECCHIA: What?

25 RONALD E. RICHTER: We do not

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anticipate that they are going to be moved.

CHAIRPERSON RECCHIA: So what's going to happen? They're not in the budget. Who's going to pay for them?

RONALD E. RICHTER: We're going to self-fund them.

CHAIRPERSON RECCHIA: You're going to self-fund them?

RONALD E. RICHTER: Yes.

CHAIRPERSON RECCHIA: You're going to be able to fund that and have the money in the budget?

RONALD E. RICHTER: We are. We described that we have actually identified sources of funding in federal and state grants that we are now drawing down that will allow us to maintain those 26 individuals. I think it's now actually 24 individuals because two of them have left the agency. I think they retired. We will be able to now be able to sustain those staff in the positions that they're currently occupying.

CHAIRPERSON RECCHIA: Okay. The elimination of the Family Preservation Program--

CHAIRPERSON PALMA: [interposing]

1  
2 I'm sorry, Council Member. Commissioner, I just  
3 want to be clear on the positions that Council  
4 Member Recchia is--

5 RONALD E. RICHTER: [interposing]  
6 So 12 of those individuals were doing TASA work  
7 and the TASA program is--

8 CHAIRPERSON PALMA: [interposing]  
9 So these are positions that the Council funded,  
10 correct?

11 RONALD E. RICHTER: Yes.

12 CHAIRPERSON PALMA: So ACS now is  
13 going to be responsible for funding these  
14 positions and the Council--

15 RONALD E. RICHTER: [interposing]  
16 That is accurate.

17 CHAIRPERSON PALMA: Okay.

18 RONALD E. RICHTER: Yes, I mean I  
19 did want to explain that 12 of those individuals  
20 had been working on TASA. TASA is no longer a  
21 program that is in existence. So they are now  
22 working in our APLA [phonetic] unit, which is a  
23 unit that focuses on teenagers with a plan of  
24 another planned permanent living arrangement,  
25 pretty much teenagers who are looking toward a

1  
2 transition to stable adulthood. So a lot of those  
3 young people actually were the same young people  
4 being served in the TASA program. So we  
5 transitioned those people to work in an APLA  
6 monitoring unit in our Division of Family  
7 Permanency. We have actually identified federal  
8 and state funding that we accessed that we believe  
9 will be able to support the continuation of those  
10 staff.

11 CHAIRPERSON RECCHIA: Also, the  
12 elimination of the Family Preservation Program, is  
13 this decision final?

14 RONALD E. RICHTER: So we feel that  
15 because of the introduction of the teen preventive  
16 model and because we are going to solutions-based  
17 casework in our Family Services units, that the  
18 Family Preservation Program, which you're probably  
19 aware, is much, much smaller than it had ever been  
20 before, that that type model looks a lot like what  
21 the Family Services Units are doing, albeit, the  
22 Family Preservation Program is a longer term  
23 intervention. We feel comfortable that because of  
24 the changes that we're making in the Family  
25 Services units, we're able to adapt FSU with the

1  
2 change in the solutions-based casework to serve  
3 families in a similar way to what the Family  
4 Preservation Program has been doing.

5 CHAIRPERSON RECCHIA: And how many  
6 workers work in the Family Preservation Program?

7 RONALD E. RICHTER: Thirty-seven.

8 CHAIRPERSON RECCHIA: And what will  
9 happen to them?

10 RONALD E. RICHTER: They are going  
11 to be part of our model budget in the Division of  
12 Child Protection--

13 CHAIRPERSON RECCHIA: [interposing]  
14 They're not going to be laid off?

15 RONALD E. RICHTER: They will  
16 continue working at Children's Services.

17 CHAIRPERSON RECCHIA: All right.  
18 Have we discussed this with all the parties, with  
19 the unions, with everyone else involved?

20 RONALD E. RICHTER: I believe that  
21 they are aware of this, yes.

22 CHAIRPERSON RECCHIA: Okay. At  
23 this time, I'll--preventing layoffs is very  
24 important to this Council, we feel especially in  
25 ACS this is a priority to us. So we'd like to

1  
2 work with you in trying to prevent anyone from  
3 losing their job.

4 RONALD E. RICHTER: We agree with  
5 you totally and this budget does that.

6 CHAIRPERSON RECCHIA: Okay.  
7 Annabel Palma?

8 CHAIRPERSON PALMA: Thank you, Mr.  
9 Chair. Thank you, Commissioner. I interrupted  
10 Council Member Recchia because I just wanted to--

11 CHAIRPERSON RECCHIA: [interposing]  
12 That's okay, you could do it any time.

13 CHAIRPERSON PALMA: --be sure,  
14 because we hadn't heard before that ACS was going  
15 to be not responsible for funding that. But I'm  
16 happy to hear that.

17 Commissioner, in your testimony on  
18 the early education you mentioned that Early Learn  
19 NYC marks the first time in nearly 50 years that  
20 the city is dramatically changing the system in an  
21 effort to bring consistent quality early care and  
22 education to New York's neediest children.

23 And our sentiment in regards to  
24 hearing the providers and seeing the way these  
25 contracts were awarded is that those are the very

1  
2 same New Yorkers that are being left out and being  
3 the most impacted by the changes that Early Learn  
4 is going to bring.

5 I think, you know, as I said, it's  
6 commendable in terms of the goals that we're  
7 trying to reach to deliver quality care services  
8 but I believe and I expressed this to the  
9 administration in previous years, if we had  
10 concentrated years ago in making sure that we  
11 baseline funding for the daycare system within New  
12 York City, I believe that most of the providers  
13 that were doing this work year after year after  
14 year could have done the work that needed to be  
15 done and would not have been put in this position  
16 where now we see centers within our communities  
17 that have been providing this service for many  
18 years on the brink of closing down and not being  
19 able to service the very, you know, population  
20 that they have been trying to service all these  
21 years.

22 But, you know with that said, I  
23 want to concentrate, again getting on the record  
24 in regards to the implementation of Early Learn.  
25 How many fewer children will not receive child

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care as a result of the implementation of Early Learn?

RONALD E. RICHTER: So, we believe that the number is approximately 6,500.

CHAIRPERSON PALMA: Sixty-five hundred children will be left out of the system?

RONALD E. RICHTER: Right. Our Early Learn capacity is approximately 43,464 and our former capacity was approximately 49,971. So the difference is about 6,500.

CHAIRPERSON PALMA: What would it cost to ensure that no child lose subsidized childcare in this fiscal year?

RONALD E. RICHTER: We estimate that at \$71.5 million.

CHAIRPERSON PALMA: Is there any discussion within the administration to try to come up with this funding to ensure that these slots are covered or are we just going to walk away from the 6,500 children that will be affected?

RONALD E. RICHTER: So we would never want to characterize it as walking away from children and we are very aware--

1  
2 CHAIRPERSON PALMA: [interposing] I  
3 word it that way because, again, that's what the  
4 public is feeling like we're--

5 RONALD E. RICHTER: [interposing]  
6 No, I--

7 CHAIRPERSON PALMA: --leaving 6,500  
8 children, 6,500 families hanging.

9 RONALD E. RICHTER: No, I fully  
10 realize that and we feel that as well, and so  
11 there are always discussions going on about that  
12 number and about the cost and trying to figure out  
13 what we can do about it. You have been there with  
14 us having those conversations. So we're very  
15 aware of the number and the number of children and  
16 families.

17 CHAIRPERSON PALMA: If we were able  
18 to find \$71 million to cover the cost of these  
19 6,500 slots, would there be additional programs,  
20 would this allow additional programs or some of  
21 those programs that were contracted to remain open  
22 or how can this work?

23 RONALD E. RICHTER: So, my  
24 understanding is that we would need to work within  
25 the procurement process that Early Learn

1  
2 established and that we would be able to build  
3 upon the current system with some limitations,  
4 because the programs that Early Learn provides  
5 have Head Start in them. So there's a limited  
6 amount of Head Start dollars. So once you run out  
7 of Head Start programs, those programs can't--you  
8 can't continue funding Head Start programs when  
9 Head Start dollars in Early Learn run out. So  
10 then you would have childcare programs that could  
11 within Early Learn receive funding to add seats to  
12 preschool childcare programs, once you've fully  
13 funded all of the Head Start dollars that New York  
14 City receives.

15 CHAIRPERSON PALMA: So would that  
16 be in the scenario that within the negotiating  
17 discussions that are happening dollars were found  
18 to fund the current 6,500 slots that are now not  
19 funded--

20 RONALD E. RICHTER: [interposing] I  
21 should also say that another way to fund seats is  
22 through the Family Childcare Networks which  
23 actually provide an opportunity to add  
24 infant/toddler seats, which we are looking very  
25 much to expand and as you know, is a need in the

1  
2 city. So Family Childcare Networks also off an  
3 opportunity if there were added money to offer  
4 families--

5 CHAIRPERSON PALMA: [interposing]  
6 So additional dollars will be prioritized to fund  
7 the family--

8 RONALD E. RICHTER: [interposing]  
9 We would want to talk about that. That would  
10 offer infant/toddler seats, which Early Learn, as  
11 you know, increased significantly. We would like  
12 to see more families offered infant/toddler seats  
13 because families need that.

14 CHAIRPERSON PALMA: To date 70  
15 programs were not funded. Is that correct?

16 RONALD E. RICHTER: So let me--

17 CHAIRPERSON PALMA: [interposing]  
18 From the current system.

19 RONALD E. RICHTER: I can give you  
20 that number. That's correct. I should say that  
21 87 percent of the programs recommended for awards,  
22 87 percent are existing providers. So they're  
23 existing New York City childcare providers.  
24 You're right, the 70 number is accurate.

25 CHAIRPERSON PALMA: Out of those

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70, how many have gone through their appeals protest process?

RONALD E. RICHTER: I can tell you I think how many have requested. I think approximately 25 have requested--what's it called--it's a protest, but yes.

CHAIRPERSON RECCHIA: Can I just jump in? Don't they have to be notified first--don't they have to have a meeting first and then they file the protest? Debriefing?

RONALD E. RICHTER: There are two opportunities. You're right. First, they have a debriefing and then they have that, which is at notification they get that opportunity and then they have another opportunity that follows that. So they have--

CHAIRPERSON RECCHIA: [interposing] Okay. Because we've been getting a lot of complaints that people, they say they won't get the debriefing until like a month. People have been telling us.

[Pause]

CHAIRPERSON RECCHIA: Mr. Cardari [phonetic], would you like to testify.

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RONALD E. RICHTER: I'm going to have someone answer this question.

CHAIRPERSON RECCHIA: I just want you to know you have an excellent lawyer there. I've known him for a long time.

RONALD E. RICHTER: Thank you very much. I'll take anything I can get. Here you go, I'm going to have--go ahead.

CHAIRPERSON RECCHIA: State your name for the record.

MYUNG LEE: It's Myung Lee, Deputy Commissioner for Child Care--

CHAIRPERSON RECCHIA: [interposing] Put the microphone closer.

MYUNG LEE: Myung Lee, Deputy Commissioner for Child Care and Head Start. So there's two opportunities--

CHAIRPERSON RECCHIA: [interposing] Is that on?

MYUNG LEE: The light's on.

CHAIRPERSON RECCHIA: Okay.

MYUNG LEE: Can you hear me?

CHAIRPERSON RECCHIA: Okay, start.

MYUNG LEE: Okay. So there are two

1  
2 opportunities. As soon as they get the  
3 notification, which they should have received,  
4 they can file an appeal or a protest right away,  
5 depending on whether they're a Head Start or a  
6 child care program. So when you get calls from  
7 your constituents, they could file an appeal right  
8 now if they'd like to do that. Or they could wait  
9 for the debriefing, get some more information and  
10 then they can go ahead and file and appeal or a  
11 protest at that point. And then I believe there's  
12 another one after the public hearing. So there  
13 are several opportunities along the way.

14 CHAIRPERSON RECCHIA: Okay. Where  
15 is this publicized? Is this laid out somewhere?

16 MYUNG LEE: It is laid out in the  
17 letter that each recipient of the letter--

18 CHAIRPERSON RECCHIA: [interposing]  
19 All right, could we have a copy of that letter?

20 MYUNG LEE: Sure.

21 CHAIRPERSON RECCHIA: All right.  
22 Thank you. Council Member Annabel Palma?

23 CHAIRPERSON PALMA: I have one more  
24 question, and I know that my colleagues have  
25 questions as well, so I'm not going to monopolize

1  
2 the time. Based on the conversations with the  
3 current providers, do we have an adequate number  
4 of what the citywide layoffs, what that impact is  
5 going to be like within like the current system  
6 that exists?

7 RONALD E. RICHTER: The layoffs of  
8 individuals from providers?

9 CHAIRPERSON PALMA: Right.

10 RONALD E. RICHTER: So we don't  
11 have a sense of that number. I should say that  
12 there will be providers that we anticipate will be  
13 hiring people based on how we view Early Learn.  
14 And I also want to say that it is distinctly  
15 possible that providers who are now recommended  
16 for awards may continue to do business as  
17 providers.

18 So it's important to say that just  
19 because a provider did not get recommended for an  
20 award does not mean that they're going to stop  
21 being a child care provider in New York City. So  
22 it's very hard to say how many people are going to  
23 lose jobs. And I appreciate that some are, and  
24 it's crazy to say that nobody is going to lose a  
25 job, but to quantify the specific number at this

1 point is not, for us, possible. We don't know.

2 But we also know that some people, from what we've  
3 been told by providers who are being recommended  
4 for awards are going to be looking for people. We  
5 are trying to figure out how to help, how to work  
6 alongside providers--

7  
8 CHAIRPERSON PALMA: [interposing]

9 Is there a plan to match the workers with the  
10 providers that--

11 RONALD E. RICHTER: [interposing]

12 There is.

13 MYUNG LEE: So we'll be meeting  
14 with the Daycare Council and the Welfare Fund and  
15 also the Childcare Resource and Referral agencies  
16 to talk to them about transitioning the employees  
17 of the agencies that are not being recommended as  
18 well as for the families and the children that are  
19 going to be transitioning. So we will be working  
20 with them closely.

21 CHAIRPERSON PALMA: Well, I'll come  
22 back with questions, because I have questions  
23 about the workers, the positions, were they union,  
24 non-union, starting rates. You know, these  
25 changes actually, as you heard before, will

1  
2 definitely be issues of greater concern to us.  
3 But I'm going to let my colleagues ask questions  
4 as well.

5 CHAIRPERSON RECCHIA: Council  
6 Member Sara Gonzalez?

7 CHAIRPERSON GONZALEZ: Thank you,  
8 Chair. I just have a question in reference to  
9 your statement, Commissioner Richter, where you  
10 stated that the families affected by FY 12 service  
11 terminations that they were being notified. So  
12 I'd like to know the process. Those ones that are  
13 not going to be affected, a lot of families,  
14 particularly, well in the entire city but in my  
15 district. So I'd like to know what kind of  
16 notification.

17 RONALD E. RICHTER: So just for  
18 clarification, when you say affected, you mean the  
19 families of children whose programs are not going  
20 to be Early Learn programs?

21 CHAIRPERSON GONZALEZ: Exactly.  
22 That June 30th, you stated, it would end.

23 [Pause]

24 RONALD E. RICHTER: So those  
25 families received notification last year that

1  
2 their program was funded for one year. And we  
3 plan to inform them next week that that was the  
4 case. In other words, that their program was  
5 funded for--you're talking about the 250 classes,  
6 those classrooms, right, yes, 257--that that in  
7 fact remains the case, that that classroom was  
8 funded for a year and that we have to figure out  
9 how to work with them on that.

10 CHAIRPERSON GONZALEZ: That also  
11 apply to the Early Learn that now there's  
12 different, probably the RFP has included different  
13 agencies. Will they be notifying those families  
14 that get services elsewhere?

15 RONALD E. RICHTER: So, the  
16 families that are affected by Early Learn got a  
17 different letter. And those families I believe  
18 that there were approximately--and I'll get you  
19 the exact number, Council Member, I apologize--I  
20 believe that there were less than 2,000 families  
21 or children, so it might have been fewer families,  
22 but less than 2,000 letters went out regarding  
23 Early Learn when we made the recommended awards,  
24 that their child would be affected. So they got  
25 letters, a different letter concerning their

1  
2 childcare seat. That was Early Learn, which is  
3 different than the 257 classrooms.

4 CHAIRPERSON GONZALEZ: Yes, I  
5 clearly understand that. I just want to  
6 understand what method of notification, so that  
7 when folks call my office and they're trying to  
8 figure out, I love my services, what do I do, I'll  
9 say "did you receive a letter" or so on and so  
10 forth.

11 RONALD E. RICHTER: Yes. So--

12 CHAIRPERSON GONZALEZ:  
13 [interposing] So I want to understand.

14 RONALD E. RICHTER: So the Early  
15 Learn letter has already gone out to parents. And  
16 the 257 classroom letter will be going out next  
17 week. We're happy to give you a copy of both of  
18 those letters so you can see what your  
19 constituents received.

20 CHAIRPERSON GONZALEZ: Okay,  
21 Commissioner, and I just want to thank your staff.  
22 I had a nice conversation with Ms. Lee yesterday.  
23 In the interest of time, I'll continue to speak to  
24 you guys. Thank you.

25 RONALD E. RICHTER: Thank you.

1  
2 CHAIRPERSON RECCHIA: We're going  
3 to give every Council Member five minutes to ask  
4 questions. Council Member Barron, five minutes.

5 COUNCIL MEMBER BARRON: First of  
6 all, I resent the emphasis when I get the mike.

7 [Laughter]

8 COUNCIL MEMBER BARRON: Since I  
9 only have five minutes, Commissioner, what you are  
10 doing is borderline criminal. You are closing  
11 centers with this bogus Early Learn RFP process  
12 that have been doing great work for decades, for  
13 decades. When I look at a place like Karen  
14 Daughtry from the Alonzo Daughtry Daycare Center,  
15 it's been doing great work. Last year's RFP was  
16 fantastic. This year, through your process, they  
17 got a 75 or some nonsense like that. They didn't  
18 fit the bill. How do you close down in Steve  
19 Levin's district, three black agencies, give it to  
20 a white agency, a white agency that had 55 slots  
21 and now they have 274 slots, taken over from the  
22 black providers. And in my district, three or  
23 four shut down.

24 You know, I guess what's happening  
25 is reflective in the leadership you have here.

1  
2 You don't even have enough black people in the top  
3 leadership coming here providing the kind of  
4 information and things that we need.

5 CHAIRPERSON RECCHIA: All right,  
6 Council Member--

7 COUNCIL MEMBER BARRON:  
8 [interposing] Since I have five minutes--

9 CHAIRPERSON RECCHIA: --let's ask a  
10 question, let's not make this--

11 COUNCIL MEMBER BARRON:  
12 [interposing] Well, you know--

13 CHAIRPERSON RECCHIA: --racial  
14 remarks.

15 COUNCIL MEMBER BARRON: Let me tell  
16 you something, he made it racial, not me. Don't  
17 blame the person pointing out the racism as making  
18 it racial. When you close down black agencies and  
19 give the contracts to white agencies, don't say  
20 I'm raising race. He is. That's what's happening  
21 even in the leadership. He doesn't even have  
22 enough black people in leadership to be making  
23 sound decisions for our community.

24 So, you know, I think that you're  
25 doing a horrible disservice in our neighborhoods

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2 and we're not going to take it. We're going to  
3 fight this back. You can have these hearings  
4 where you ho-hum us through the hearings and think  
5 this is going to be an exercise in futility and  
6 then you just go ahead and do what you want to do.  
7 But what you are doing here, we have to stop you  
8 in this city. You are hurting families. You are  
9 hurting children. The racial dimension of it has  
10 nothing to do with my comments, it has to do with  
11 the actions that being taken and the communities  
12 that have the greatest need for these services are  
13 getting hit the hardest. It's going to come back  
14 to haunt us in the future.

15           So I want to ask you about that  
16 particular district where there are three black  
17 programs shut down and their slots given to a  
18 predominately white agency whose slots increased,  
19 Strong Play, Strong Build or something like that.

20           RONALD E. RICHTER: So let me start  
21 out by saying we're happy to try to answer your  
22 question about how proposals were graded. I do  
23 want to say that the group of people who are  
24 sitting beside me are among the most hard working  
25 fine people that I have had the honor to work

1  
2 with. The way they appear has nothing to do with  
3 their judgment or their value or who they are as  
4 people and how they view other people. In fact, I  
5 think that they are among the most fine upstanding  
6 fair minded people that I know--

7 COUNCIL MEMBER BARRON:

8 [interposing] Well, Commissioner, they're--

9 RONALD E. RICHTER: [interposing]

10 So let's try to answer your question.

11 COUNCIL MEMBER BARRON: Well, let's  
12 get back to that. There are fine upstanding black  
13 people who can do the same thing and some can do  
14 it even better. So that they're fine and  
15 upstanding and nice and competent and hard working  
16 is not quite the point. And that's why people  
17 argue for diversity in power and leadership. Not  
18 because they're not fine and upstanding but there  
19 are fine and upstanding blacks and Latinos as well  
20 and they need to be in power positions. But  
21 proceed.

22 RONALD E. RICHTER: So let's try to  
23 answer your question.

24 COUNCIL MEMBER BARRON: Yes.

25 RONALD E. RICHTER: Do you want to

1  
2 talk about the proposal? We're going to try to  
3 answer the question by addressing how we went  
4 about evaluating the proposals.

5 COUNCIL MEMBER BARRON: Can I ask  
6 you to do this, since I don't have a lot of time  
7 and my colleagues want to talk, I'm not asking for  
8 the proposal process, I'm asking you directly in  
9 Steve Levin's district, did you shut down three  
10 black agencies and give the slots to a white  
11 agency. That's all I'm asking. I don't want to  
12 know the whole process.

13 RONALD E. RICHTER: I guess we can-

14 COUNCIL MEMBER BARRON:  
15 [interposing] And did you increase--

16 RONALD E. RICHTER: [interposing] I  
17 guess I should say that the race of the provider  
18 was not taken into consideration--

19 COUNCIL MEMBER BARRON:  
20 [interposing] I didn't ask you that. I said did  
21 you shut down three black agencies and increase  
22 the slots in--

23 RONALD E. RICHTER: [interposing]  
24 Okay, so to--

25 COUNCIL MEMBER BARRON: --in Strong

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Play--

RONALD E. RICHTER: --answer your question very directly, I don't know the race of the providers.

COUNCIL MEMBER BARRON: Oh yes, you do. I'm finished. I'm finished. You all can have the rest of this. You do know the race of the provider, and if you don't, you should because we want to keep a balance and fair equitable distribution of childcare services to black and Latino providers in our communities. You should know the race.

RONALD E. RICHTER: Okay, well let me--

COUNCIL MEMBER BARRON:  
[interposing] You should know the race.

CHAIRPERSON PALMA: Thank you,  
Council Member.

RONALD E. RICHTER: I would like to answer the question--

COUNCIL MEMBER BARRON:  
[interposing] And you do.

RONALD E. RICHTER: I would like to answer the question by saying that it is not our

1  
2 view that the race of a provider dictates the  
3 quality of service.

4 COUNCIL MEMBER BARRON: No, that's  
5 not what I'm saying either. But most of the  
6 providers that get shut down are black and the  
7 ones that get the contracts are white, what are we  
8 talking about here? Don't try to skirt it by  
9 saying you don't see color, you don't see race,  
10 you're not counting the racial composition. How  
11 does it always find its way to be that way?  
12 That's what we have to get rid of. That's why we  
13 fight for inclusion and diversity. That's what  
14 our civil rights struggle, human rights struggle  
15 has been about, against the same things that  
16 you're doing here today.

17 RONALD E. RICHTER: I would like to  
18 say that our effort was to find providers who  
19 could provide services to the communities that  
20 they serve and that that was an important part of  
21 the evaluation process and was a consideration in  
22 the evaluation of proposals.

23 CHAIRPERSON RECCHIA: Okay, thank  
24 you. Council Member Leroy Comrie, to be followed  
25 by Council Member Lander and then Council Member

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Tish James.

COUNCIL MEMBER COMRIE: I have the same concerns that most of the members have that our locally based providers who have been providing excellent programming up until this RFP was cut are now being eliminated as providers. I'm concerned that providers that are in safe facilities that were built to provide excellent daycare space and excellent Early Learn space, those spaces even will be jeopardized by the elimination of these programs.

I'm concerned that locally based providers who have had an opportunity and also the ability to be close to the neighborhoods that they serve will no longer have the opportunity for these daycare slots and Early Learn slots. I'm concerned that we have a situation here where the city has created an RFP that deliberately eliminated people that were doing the work as opposed to people that could talk about the work.

So just writing a proposal does not mean that you can actually do the work. Just writing a proposal does not mean that you can actually provide the service. Writing a proposal

1  
2 does not mean that you have 30 years of experience  
3 teaching and educating children.

4           So I have a fundamental problem  
5 with the RFP. I have a very fundamental problem  
6 that you only gave 20 percent of the score based  
7 on the quantity--according to your words--and  
8 quality of successful relevant experience. You  
9 gave that the lowest amount of weight to people  
10 that had the experience of doing the job.

11           I would submit to you that your  
12 proposal was skewed to eliminate locally based  
13 providers. You didn't provide them enough  
14 technical support. You didn't let them know about  
15 what their new responsibilities would be. You  
16 didn't let them know that this RFP was designed  
17 and was framed in such a way--this RFP was  
18 designed in such a way to eliminate them.

19           I'm saying that this is a travesty  
20 of service, the people that originated daycare.  
21 Groups that originated this opportunity in  
22 federally funded buildings, most of them, that  
23 were able to provide this service. This is a  
24 travesty because this is not just about people  
25 looking for employment; this is about people

1  
2 controlling employment. This is about communities  
3 that wanted to have centers and locations where  
4 they employ locally based people, not to be  
5 servants to other people that only had 57 slots  
6 and now have 200 slots or 3,000 slots. This is a  
7 travesty. This needs to be changed.

8 We could get here and argue  
9 semantics and points and you felt that these RFPs  
10 were better and these providers went out, who  
11 mostly hired proposal writers, as opposed to  
12 actually people that did the work. So this is a  
13 travesty, Commissioner, because these are locally  
14 based providers that have been teaching our  
15 children, all of them had excellent track records  
16 until this RFP was cut. This RFP was cut to  
17 change the opportunity for people to have an  
18 income and also to have some self-esteem and pride  
19 about teaching children.

20 And also that you have not been  
21 advocating to restore the other 6,500 slots from  
22 the federal government. These are our children.  
23 It's been proven in every educational area that  
24 Early Learn and early childhood education is  
25 critical to a child's growth, especially in

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minority communities.

Nowhere in your statement did you say anything about advocacy to try to restore those 6,500 slots. And when Chair Palma asked you, you shrugged it off as just another problem that you're going to have to deal with after these children wind up as problems to the system. We need to be proactive in what we're doing here, not reactive. We need to protect the providers that have been working for 30 years, 30 plus years doing daycare, not afterwards.

This is a travesty, Commissioner. I would not want to waste my five minute with you, other than to ask you to think about what you're doing to these locally based providers. This administration's policy of trying to find people that can write proposals and put words on paper does not work in the real world.

So I would ask you to, number one, redo your RFP, change the percentages of what is important to people, but the actual delivery of services to children is much more important than promises of resources in the times to come. Because if you were serious about it, you would

1  
2 have given that opportunity for those locally  
3 based providers, you would have linked them with  
4 the resources so that they could have been able to  
5 do the necessary things to meet your new  
6 standards. You didn't do it. You have that  
7 ability. That's a travesty.

8           So I don't have a question. I  
9 would just appeal to you to think about what  
10 you're doing, taking away not just the jobs but  
11 the opportunity for employment for locally based  
12 people that live in our communities, mostly  
13 minority communities around this city that you're  
14 taking away slots from. It's not just the slots,  
15 but it's the ability of these people to be  
16 managers, to have their own centers, to hire  
17 locally based people from our communities that  
18 don't have to take two trains and a bus to get to  
19 their job. Thank you, Chairpersons.

20           CHAIRPERSON RECCHIA: Thank you,  
21 Council Member Leroy. Would you like to make a  
22 statement, Commissioner?

23           RONALD E. RICHTER: I would just  
24 say that 40 percent of the evaluation, in addition  
25 to the 20 percent that the Council Member

1  
2 referenced, was based on organizational capacity.  
3 If you've been running a center, then the ability  
4 to demonstrate your capacity to run an  
5 organization would certainly be very relevant.

6 I would also remind the--

7 COUNCIL MEMBER COMRIE:

8 [interposing] Commissioner, with all due respect,  
9 the ability to articulate this in the language  
10 that you want was not taught to these locally  
11 based providers. The ability to articulate this  
12 in a language that you want was not given--they  
13 were not afforded the opportunity to understand  
14 that. They are doing the work. They had an  
15 excellent track record. There is no reason they  
16 should not have kept the slots. But your RFP put  
17 them in a position where they could not articulate  
18 what they were doing because they're busy doing  
19 the work.

20 RONALD E. RICHTER: Okay. The  
21 other thing that I would add is that 87 percent of  
22 the recommended awardees are existing providers.  
23 They're already doing the service here in New York  
24 City. So they're in the business--

25 COUNCIL MEMBER COMRIE:

1 [interposing] But they're not doing the service  
2 in--they don't live in the neighborhoods. They're  
3 not from the neighborhoods. They're not hiring  
4 locally. People don't want to be employees. They  
5 want to be owners. And especially when they were  
6 owners and managers already now you want to make  
7 them employees for doing excellent work because  
8 they could not write your proposal and that's a  
9 travesty.  
10

11 CHAIRPERSON RECCHIA: Okay. Thank  
12 you, Council Member. Council Member Lander, to be  
13 followed by Council Member Tish James.

14 COUNCIL MEMBER LANDER: Thank you,  
15 Mr. Chairman. Commissioner, 87 percent of the  
16 awardees or 87 percent of the awarded child care  
17 slots?

18 RONALD E. RICHTER: Eighty-seven  
19 percent of recommended awardees are existing  
20 providers.

21 COUNCIL MEMBER LANDER: What  
22 percent of the awarded slots are to existing  
23 childcare providers?

24 RONALD E. RICHTER: We'll have to  
25 figure that out. I don't have that number.

1  
2 COUNCIL MEMBER LANDER: Because I  
3 believe that in addition what you did was took  
4 slots away so that it's far fewer than 87 percent  
5 of the slots because there is a dramatic shift  
6 from community-based smaller providers to larger  
7 networks. You told us or your staff told us at  
8 the briefing that we had on May 10th that zero  
9 percent, not a single point was awarded for being  
10 a community institution, being a neighborhood  
11 based provider, having a track record in that  
12 community. Is that correct? That is correct.

13 MYUNG LEE: So we didn't have a  
14 question to call out whether or not you're a  
15 community-based organization in that community but  
16 we had questions--

17 COUNCIL MEMBER LANDER:  
18 [interposing] In fact, at the briefing you  
19 suggested that it would have been inappropriate to  
20 do so. So I think we just have a philosophical  
21 disagreement. Because there is value in track  
22 record of providing childcare, but most members of  
23 the City Council believe there's value in being a  
24 community-based provider with roots in the  
25 neighborhood and that if you don't give a

1  
2 formative value to that, of course large networks  
3 will--

4 RONALD E. RICHTER: [interposing]

5 Okay, so--

6 COUNCIL MEMBER LANDER: --trump

7 small community-based providers every time.

8 RONALD E. RICHTER: Well,

9 respectfully, before you conclude that we have a  
10 philosophical difference about according no value  
11 to a community-based organization, I would like  
12 you to give us an opportunity, when you're ready,  
13 for us to explain how we believe that that did  
14 actually get consideration in the process because  
15 we believe it did.

16 COUNCIL MEMBER LANDER: I've got a

17 few other questions. If there's time at the end,  
18 that's great. I asked this question at the May  
19 10th hearing--

20 RONALD E. RICHTER: [interposing]

21 Because--

22 COUNCIL MEMBER LANDER: --and I was

23 told that it was not included. Okay, but let me--

24 RONALD E. RICHTER: [interposing]

25 Okay, May 10th was not a hearing. It was a

1  
2 briefing, and we would like to have an opportunity  
3 to explain when you have--we don't believe that  
4 there is a philosophical difference. We do  
5 believe that have community-based experience was  
6 part of the process and was considered. And so--

7 COUNCIL MEMBER LANDER:

8 [interposing] Maybe you'll get time to do that  
9 later. I have several other questions.

10 RONALD E. RICHTER: That's fine.

11 COUNCIL MEMBER LANDER: What I know  
12 is that in my district and in others around the  
13 city, those community-based providers were  
14 eliminated in favor. So I'd like to know what  
15 percentage of seats as well.

16 But I guess I do want to take one  
17 step back first. Can you just tell me what the  
18 overall reduction of subsidized childcare in  
19 recent years is, going back several years to  
20 either 2006 or 2009 or the start of the Bloomberg  
21 administration? How many subsidized childcare  
22 seats have we lost?

23 RONALD E. RICHTER: We can give you  
24 that answer. I don't have it in front of me.

25 COUNCIL MEMBER LANDER: In 2006,

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2 was it 116,000, more or less? In 2009, did it go  
3 down to 104,000, more or less? Today, we have  
4 about 94,000 and you're proposing to take it under  
5 90,000.

6 RONALD E. RICHTER: So you're--

7 COUNCIL MEMBER LANDER:

8 [interposing] A 30 percent loss of subsidized  
9 childcare on the watch of the Bloomberg  
10 administration. Is that correct, more or less?

11 RONALD E. RICHTER: If you're  
12 adding vouchers, I'm not going to disagree with  
13 you without having--you know, I don't have the  
14 numbers in front of me, but I have the childcare  
15 Head Start seats in front of me, which doesn't  
16 include vouchers, if you're adding vouchers. I  
17 have a chart of the childcare Head Start numbers  
18 in front of me.

19 COUNCIL MEMBER LANDER: I'm glad to  
20 hear them from you. My numbers say that from  
21 116,000 in 2006, and with this proposal we'd be  
22 under 90,000, a loss of 30 percent of the  
23 subsidized over the last six years of the  
24 Bloomberg administration. If you have different  
25 numbers, I'm happy to hear them.

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2 RONALD E. RICHTER: So I would be  
3 happy to check on those numbers and get back to  
4 you.

5 COUNCIL MEMBER LANDER: Okay. I  
6 think people can count on mine in the meantime,  
7 but I'd be glad to get them back. Also, at the  
8 May 10th briefing, I asked if your staff would  
9 provide a zip code breakdown of where the seats  
10 are today and where the awards are today so that  
11 we could compare whether neighborhoods are gaining  
12 or losing childcare appropriately. I know that  
13 was a big thing that you said the RFP was set up  
14 to do. I was promised I would have it before this  
15 hearing and I don't have it.

16 MYUNG LEE: So you'll have that  
17 today at 3 p.m.

18 COUNCIL MEMBER LANDER: Okay, but  
19 this is our hearing. This is the opportunity we  
20 have to figure out whether Sunset Park lost to  
21 much childcare. So if you have it at 3 p.m. that  
22 means that you have it now and you chose not to  
23 give it to us prior to this hearing.

24 MYUNG LEE: We are checking the  
25 information--

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COUNCIL MEMBER LANDER:

[interposing] Who's checking? You are sitting here.

MYUNG LEE: The staff is checking the information to make sure. I do have a staff and--

COUNCIL MEMBER LANDER:

[interposing] I have a hard time believing that the decision to give it to us at 3 p.m. is because you couldn't have it to us by 11:30 a.m. And it's insulting to this Council that you would tell us two weeks ago you'd have it before this hearing and you would have it right now and choose not to give it to us at the moment that we have an opportunity to ask questions about the public policy--

MYUNG LEE: [interposing]

Councilman?

COUNCIL MEMBER LANDER: --of the

budget of the city.

CHAIRPERSON RECCHIA: Is there any way you could give Mr. Lander the information now that he's requested?

COUNCIL MEMBER LANDER: It was for

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the citywide breakdown was what was promised.

CHAIRPERSON RECCHIA: I know.

RONALD E. RICHTER: So, Council Member, my understanding is that we did actually provide specific information by Council district at the briefing and then you requested that it be broken down by zip code and type of program by Council district. Am I--

COUNCIL MEMBER LANDER:

[interposing] I mean honestly, that's sophistry. So, yes, at the briefing you provided us each a list of what centers were being funded in our district and if a center was currently in existence and hadn't been funded, that was on the list as well. I asked for a zip code, not Council district--

RONALD E. RICHTER: [interposing]

So that was--

COUNCIL MEMBER LANDER: --

breakdown--

RONALD E. RICHTER: --a before and

after--

COUNCIL MEMBER LANDER: --of before

and after or contracted today--

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CHAIRPERSON PALMA: [interposing]

Can I interrupt for a second, Council Member Lander? At the briefing, each individual member got a list for their zip codes within their district. Today, what we're receiving later on is the expanded list that we requested at the briefing that day. So is that what you want to see?

COUNCIL MEMBER LANDER: I mean, so

I was pretty clear. At the briefing we got a list of individually by Council district of what centers are funded, not a before and after look but of funded centers, including some losses if an existing center was not funded.

What I asked for and what I was promised before this hearing--I was told at that briefing you'd have it to us and I specifically said before the hearing and your staff specifically said yes--was for across the city by zip code what's contracted today and what was awarded--

RONALD E. RICHTER: [interposing]

Okay, so--

COUNCIL MEMBER LANDER: --because

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how can we look at whether it's an appropriate  
reallocation--

RONALD E. RICHTER: [interposing]

Yeah, so Council Member--

COUNCIL MEMBER LANDER: --of

childcare resources--

RONALD E. RICHTER: [interposing]

So, Council Member, I'll concede that was my  
mistake and I apologize for it. You should have  
received it. I apologize.

COUNCIL MEMBER LANDER: I mean you

do a lot of good work and I appreciate--

RONALD E. RICHTER: [interposing]

And I assure that it as not--

COUNCIL MEMBER LANDER: --your

leadership but it's not a small oversight. It was  
a decision not to give the City Council essential  
information looking at the distribution of  
childcare--

RONALD E. RICHTER: [interposing]

Yes, yes.

COUNCIL MEMBER LANDER: --around

the city at the moment when it's useful to us.

RONALD E. RICHTER: I appreciate

1  
2 your frustration and I take responsibility for it.  
3 I apologize.

4 COUNCIL MEMBER LANDER: Thank you,  
5 Mr. Chairman.

6 CHAIRPERSON RECCHIA: Council  
7 Member Tish James? We've also been joined by  
8 Darlene Mealy and Diana Reyna.

9 COUNCIL MEMBER JAMES: First, let  
10 me thank you for extending the contracts of the  
11 current providers until September 30th so that  
12 there's no disruption in service. I just want to  
13 thank you for that. But that's where the  
14 compliments will end.

15 The working poor in this city stand  
16 on the margins of an increasingly growing more  
17 affluent city. They are unable to enjoy economic  
18 stability in this city. Most of them that I know  
19 throughout the City of New York are currently  
20 living hand to mouth, paycheck to paycheck and  
21 moment by moment. If we are to have a strong  
22 middle class in the City of New York, it's really  
23 critically important that we provide services to  
24 the working poor so that they can make a smooth  
25 transition to the middle class.

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2                   This Early Learn program basically  
3 decimates and guts childcare in the City of New  
4 York as we know it. And 97 non-targeted zip codes  
5 primarily are communities that are changing, what  
6 is often commonly referred to as gentrifying. In  
7 the district that I represent, you basically wipe  
8 out all subsidized childcare in downtown Brooklyn.  
9 Not recognizing that there are pockets of poverty  
10 all throughout the city.

11                   This Early Learn program has a  
12 disproportionate impact on communities of color  
13 and particularly targets public housing. If you  
14 look at the map and if you look at where early  
15 childhood is not, it is not in public housing.  
16 That is a travesty. And I believe it is  
17 inconsistent with the mission of Early Learn and  
18 what your original purpose was for this program.

19                   Let me also go on to say, following  
20 up on Council Member Lander, you provided this  
21 information. This is not hyperbole. This is your  
22 data. Forty percent of your evaluation process  
23 goes to organization capability. Forty percent  
24 goes to proposed approach, which basically tilts  
25 the awards to larger well-financed organizations.

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2 Only 20 percent is provided to the following and  
3 that is the relevant experience in the community  
4 or with comparable populations. That's the only  
5 time the word community is mentioned in your  
6 proposal. And it's only worth 20 percent.

7 In addition to that, only 20  
8 percent goes to demonstrating a commitment to  
9 diversity. Only 20 percent. In addition to that,  
10 including within that 20 percent is a performance  
11 evaluation and some other factors. So a small, a  
12 very small percentage is attributed to community  
13 organizations and organizations that are  
14 quote/unquote "culturally sensitive." Ninety-  
15 seven non-targeted zip codes are eliminated and  
16 not providing childcare.

17 So Commissioner, let me just ask  
18 you a legal question. The last time we had a  
19 briefing in the City Council where I asked you for  
20 a wide range of information and I asked you for  
21 specifics. I wanted to know who provided the  
22 technical score, who on your staff was responsible  
23 for it. What was the data relating to the  
24 evaluation process? I wanted to see the actual  
25 applications and the proposals. I wanted to see

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the follow-up data. We have not received it.

So as a result, I've served on your office a FOIL request. Did you receive that FOIL request?

RONALD E. RICHTER: We did.

COUNCIL MEMBER JAMES: When do you plan on responding to that FOIL request?

RONALD E. RICHTER: So the FOIL request essentially asked for everything related to Early Learn. It was voluminous. We are reviewing the FOIL request. We responded to your office by letter, I think it was dated yesterday. We received the FOIL request I think by now--

COUNCIL MEMBER JAMES:  
[interposing] When do you think you will complete the FOIL request and submit it to my office?

RONALD E. RICHTER: I...

COUNCIL MEMBER JAMES: In the absence of a FOIL request, if it is not received within the next 30 days, I am certain that you will probably be getting--you'll be served with legal papers.

RONALD E. RICHTER: Well, you know, our effort will be, of course, to comply with the

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2 request timely, as we are required to do, and  
3 we're working on it. We are currently working on  
4 it. And we'll make every effort to cooperate.

5 COUNCIL MEMBER JAMES: Thirty days  
6 from today, Commissioner. Because I believe that  
7 the Early Learn contract and the proposal is in  
8 violation of state law. Your contracts basically  
9 contract with organizations for four years. State  
10 regulations only require you to contract with  
11 organizations for 12 months. Why are you in  
12 violation of state law?

13 RONALD E. RICHTER: I'm not going  
14 to respond to a legal question--

15 COUNCIL MEMBER JAMES:  
16 [interposing] So then perhaps you'll respond to a  
17 government question. Why are you not following  
18 state law?

19 RONALD E. RICHTER: I am not of the  
20 opinion that we are in violation of state law.  
21 But I would like the opportunity to respond to the  
22 question about the proposals, since you did raise  
23 the 20 percent/40 percent question.

24 COUNCIL MEMBER JAMES: Yes, sir.

25 RONALD E. RICHTER: Thank you.

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2 MYUNG LEE: So, in reviewing the  
3 proposals that were submitted, we took into  
4 consideration community involvement and everywhere  
5 from whether or not a proposal, while that's not  
6 in the 20 percent, because it was under the  
7 quality and the quantity of the proposed approach,  
8 the 40 percent section, we did ask for things like  
9 if you're talking about curriculum, whether or not  
10 it was going to be meeting the needs of that  
11 community that the program was proposing to serve.  
12 So if it's a dual language community, then we took  
13 that into consideration and we specifically culled  
14 those things out.

15 We also asked for the board  
16 governance section, we asked to see who was going  
17 to be on the board, whether or not community  
18 members and parents from that community that they  
19 were serving would be on that board, so, again,  
20 going to the needs of that community as well. So  
21 it was not culled out specifically as in I'll give  
22 you ten points if you are from that community, but  
23 it was all throughout the proposal to ask for  
24 whether or not you have engaged the community and  
25 how you propose to work with that community and

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what you've done to show for that.

COUNCIL MEMBER JAMES: I understand your answer, but I reject your answer as being nonsensical. Some organizations, new organizations that received awards are moving to sites where they do not have a license. So having dealt with Department of Health and ACS, how do you plan on expediting licenses? Some organizations--and to all of my colleagues--some of the organizations that received awards do not have licenses. Do not, as of today. They received awards and they do not have licenses as the ones that have it currently. How could you possibly expedite the licenses of all of these new organizations? Why would you give an award to an organization that doesn't have an appropriate license?

RONALD E. RICHTER: So providers had to demonstrate viability in order to be considered for an award. We have worked with the Department of Health and Mental Hygiene and they have satisfied us that if an agency--if a provider was able to demonstrate viability, they indicated to us that there would not be an issue with

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issuing a license.

COUNCIL MEMBER JAMES: Last two questions, Chairs. Six thousand five hundred and seven children will lose their slots. Where do you propose they go? Six thousand five hundred and seven, to be exact. Where do they go? Do individuals just quit their jobs? Or are children going to be handed a key and say, you know, get home the beset way you can? Go stay with unregulated care? Go to the library, which is also being cut as a result of this mayor. Where do they go?

RONALD E. RICHTER: I fully acknowledge the impact that this proposal has and I also want to acknowledge that without Early Learn we would have been in a difficult situation, so--

COUNCIL MEMBER JAMES:  
[interposing] Commissioner, I have to end this. Let me just say, you need \$71 million. The employees who work for daycare centers are members of DC 37. It was DC 37 who notified me about Early Learn. They should benefit from the \$500 million, the windfall as a result of CityTime.

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2 And they, in fact that money should go back to the  
3 members of DC 37 and those funds should not be  
4 used as the mayor wishes. DC 37 found the fraud.  
5 They should benefit from the fraud. The \$500  
6 million plus the additional \$1.11 million as a  
7 result of other consultant contracts, and they  
8 include Latham contract, 4.5, Dynex Services, 450,  
9 Siferon [phonetic], 80 million, Technodyne 11  
10 million, Sidco, 7 million. All of that money  
11 should go back to people who need it, the working  
12 poor in the City of New York.

13 CHAIRPERSON RECCHIA: Okay.

14 COUNCIL MEMBER JAMES: If in fact  
15 the mayor gives a damn about poor people in the  
16 city.

17 CHAIRPERSON RECCHIA: Okay, Council  
18 Member, thank you very much. Chairwoman Gonzalez  
19 has a follow-up question and then we will hear  
20 from Gale Brewer.

21 CHAIRPERSON GONZALEZ: I just want  
22 to clarify, Commissioner, it's Juvenile Justice,  
23 Close to Home initiative. I have to leave to  
24 another hearing. Is that okay, Chair?

25 CHAIRPERSON RECCHIA: Yes.

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2 CHAIRPERSON GONZALEZ: Okay. My  
3 question is in reference Spofford and its closing,  
4 was there any savings reinvested back into the New  
5 York City facilities. That's what I'd like to  
6 know. If there was, how much was it?

7 [Pause]

8 RONALD E. RICHTER: So, Council  
9 Member, the staff that was at Spofford/Bridges,  
10 went to other facilities. And as you probably  
11 know, Bridges remains mothballed in Hunts Point  
12 and we are working currently with other city  
13 agencies to figure out a productive use for that  
14 site. But the site is not costing money to  
15 maintain but the staff that was working there has  
16 been redeployed.

17 CHAIRPERSON GONZALEZ: I guess,  
18 Commissioner, what I'm asking is the maintenance,  
19 whatever the savings were, if there's any savings.  
20 Were they?

21 RONALD E. RICHTER: In other words,  
22 how much it was costing--

23 CHAIRPERSON GONZALEZ:  
24 [interposing] From closing--right.

25 RONALD E. RICHTER: That money has

1  
2 been used at the agency for other purposes. I  
3 don't believe that we have saved money as a result  
4 of--the cost that we were spending in other words  
5 to keep it up--is that what you're--

6 CHAIRPERSON GONZALEZ:

7 [interposing] Maintain, right, the facility  
8 itself.

9 RONALD E. RICHTER: Yeah, I think  
10 we're using it for maintenance on other  
11 facilities.

12 CHAIRPERSON GONZALEZ: Okay. I'd  
13 like to know if you could get back to me on that,  
14 I would appreciate it.

15 RONALD E. RICHTER: I'm happy to.  
16 I'm happy to.

17 CHAIRPERSON GONZALEZ: Thank you.  
18 Then I just want to go over the positions.  
19 Seventy-five new positions, including intake  
20 specialists and case managers, could you give us  
21 an update on the hiring schedule for these  
22 positions? Have they already been hired?

23 RONALD E. RICHTER: Yes. For Phase  
24 I, which is part of the 75, we now have fliers up  
25 on our website for approximately 40 positions and

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we have begun the process of interviewing for those positions.

CHAIRPERSON GONZALEZ: Okay, originally there was 75.

RONALD E. RICHTER: Well, for the whole thing but we are--

CHAIRPERSON GONZALEZ: [interposing] Phase I.

RONALD E. RICHTER: --doing it in phases because non-secure placement will be the initial. In September 2012, we will have Phase I. So that's non-secure placement. And then in September 2013, we'll have limited secure. So we won't have a need for all 75 initially. So in Phase I we think it'll probably be approximately 40 or so staff.

CHAIRPERSON GONZALEZ: Okay. I'd like to be kept abreast of that. Thank you.

RONALD E. RICHTER: Of course.

CHAIRPERSON GONZALEZ: And then in respect to the training on juvenile justice and youth development with the new case managers. What kind of training?

RONALD E. RICHTER: So we're in the

1  
2 process of developing that. We'll have input from  
3 other agencies and advocates and probably some  
4 national experts. We've been working with Mark  
5 Solar [phonetic] and that will be training on case  
6 management for young people who are coming into  
7 placement and training on working with our  
8 provider agencies on permanency planning for  
9 youth.

10 Our primary goal in our Case  
11 Management Unit is to ensure that the three values  
12 that ACS has, since the young people will have an  
13 actual case planner at the provider agency, our  
14 goals for case management at ACS are to ensure  
15 that the young people will have family involvement  
16 during their time at a provider agency, that they  
17 will get a DOE accredited education while they are  
18 in placement and that there will be strong after-  
19 care planning going on during the entire time that  
20 the young person is in placement.

21 And so our Case Management staff is  
22 going to be trained in how to ensure that they're  
23 working with our providers to focus on those three  
24 values to make sure that there's a smooth  
25 transition to the community for our young people

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and their families while they're with us.

CHAIRPERSON GONZALEZ: Okay. I'd like to have sort of, at some point, maybe from Executive Deputy Busching, follow-up on those areas. Thank you.

RONALD E. RICHTER: Okay. Yes.

CHAIRPERSON GONZALEZ: Then also, in respect to the providers, there are 12 provider agencies that will deliver non-secure placement services. The question is since September is around the corner please provide an update on how the agencies are preparing to begin offering non-secure placement.

RONALD E. RICHTER: Okay. So there are 11 now.

CHAIRPERSON GONZALEZ: Eleven?

RONALD E. RICHTER: Yes, there are 11. There was one who is no longer a provider; Ali Forney in the Bronx is no longer a provider. I should say that we are meeting weekly with all of the providers and doing planning with them. We have a team that is ensuring that each provider has a practice model and that that model actually has a system whereby young people will be engaged

1  
2 in, you know, a rehabilitation model with their  
3 parents and with their education so that we're  
4 assured that they're not just sitting around  
5 watching TV when they're not at school but that  
6 they're actually in proactive positive behavior  
7 modification while they're with us.

8 CHAIRPERSON GONZALEZ: I'm going to  
9 end it now, Chair. But also, in respect to  
10 technical assistance, as you said earlier, are you  
11 going to continue to provide this for these  
12 providers to strengthen them? This is a  
13 significant area, due to this--

14 RONALD E. RICHTER: [interposing]  
15 Yes.

16 CHAIRPERSON GONZALEZ: --whole  
17 entire realignment process.

18 RONALD E. RICHTER: Yes, yes.

19 CHAIRPERSON GONZALEZ: And it  
20 really needs to be strong.

21 RONALD E. RICHTER: Yes. So some  
22 of the providers are actually paying for technical  
23 assistance through, for example, seven of the  
24 providers are using what's called the Missouri  
25 model. So they're actually paying for technical

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2 assistance through Missouri model technical  
3 assistance center. Boys Town, as you probably  
4 know, has technical assistance that comes with the  
5 model and they're very, you know, serious about  
6 delivering the model with integrity.

7 That leaves three of our providers  
8 that are demonstrating to us what model they're  
9 using. We will also be doing QA on all of them to  
10 make sure that they are having technical  
11 assistance as they deliver this service. So we  
12 are happy--

13 CHAIRPERSON GONZALEZ:

14 [interposing] So there will be oversight from the  
15 Department?

16 RONALD E. RICHTER: There will be  
17 oversight from us, yes.

18 CHAIRPERSON GONZALEZ: Okay. All  
19 right, I'm going to defer to my colleagues. Thank  
20 you.

21 CHAIRPERSON RECCHIA: Thank you.  
22 Council Member Gale Brewer, to be followed by  
23 Council Member Jackson.

24 COUNCIL MEMBER BREWER: Thank you  
25 very much. Maybe it's me that doesn't understand

1  
2 this, but when you mentioned the 6,500 does that,  
3 I assume does not include the vouchers. I have a  
4 program that lost 40 vouchers--

5 RONALD E. RICHTER: [interposing]

6 Yes, that--

7 COUNCIL MEMBER BREWER: --from 40

8 to zero. So is that--

9 RONALD E. RICHTER: [interposing]

10 You are correct.

11 COUNCIL MEMBER BREWER: So in other

12 words, how many vouchers are lost, in addition to  
13 the 6,500, because those are also kids?

14 RONALD E. RICHTER: We'll get that

15 number. That's the one-time funding you're  
16 talking about. Is that right?

17 COUNCIL MEMBER BREWER: Well, I

18 mean I have a program. I don't want to talk about  
19 specific programs. But I have a program that went  
20 from 40 slots, it's a childcare program that  
21 serves different kinds of children but they use  
22 vouchers. So they went from 40 to zero.

23 RONALD E. RICHTER: Right. So the

24 number is approximately 4,300.

25 COUNCIL MEMBER BREWER: Forty three

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hundred in addition to the 6,500?

RONALD E. RICHTER: That is--

COUNCIL MEMBER BREWER:

[interposing] Okay. So that's the number that's a real number. Okay.

RONALD E. RICHTER: That's the real number.

COUNCIL MEMBER BREWER: Okay. Are there any other numbers that I should have that weren't mentioned in terms of not having childcare September, October, whatever the date is? Is there another type of student who wouldn't, or child, family daycare, anything else?

RONALD E. RICHTER: We think that those are the numbers.

COUNCIL MEMBER BREWER: This is big enough, but I'm just checking. So the 6,500--the 4,300, what's the number for the 4,300 if we are to return to the vouchers--

RONALD E. RICHTER: [interposing] The cost? You're asking for the cost?

COUNCIL MEMBER BREWER: The cost. I think I have it but I want--

RONALD E. RICHTER: [interposing]

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Eleven point eight.

COUNCIL MEMBER BREWER: What is it?

RONALD E. RICHTER: Eleven point eight.

COUNCIL MEMBER BREWER: Eleven point eight. So that's on top of the 70--

RONALD E. RICHTER: [interposing] One.

COUNCIL MEMBER BREWER: Correct. Okay. My question then is we are now trying to figure out the 6,500 plus the 4,300, where are all these children going to go?

RONALD E. RICHTER: So that's an issue that we're working on. If I had an answer for you then this hearing would not be of the tenor that it currently is. I'm obviously very concerned about that, as are the people sitting with me and we are, you know we are committed to working with the Council to figure out the answer to that question. I am as urgently concerned about that as all of you are.

COUNCIL MEMBER BREWER: Okay. One other question would be this is another concern because we obviously want to keep--I think the

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public doesn't understand that these are working parents.

RONALD E. RICHTER: Yes.

COUNCIL MEMBER BREWER: People think that--they don't know the difference between TANF, it's a word that most people have no clue and public assistance and working parents. So my question is do you track to be sure that all of these parents are able to keep their jobs or working and not go back on public assistance if they were or need to because they don't have child care? Is that some aspect of one's life that you track, because nobody wants that to happen?

RONALD E. RICHTER: I'll add to what you're saying and say that the fear and the concern is that parents will pick, you know, caretakers--they will continue to work and they will identify caretakers that are substandard for their children. That is a concern of our agency.

COUNCIL MEMBER BREWER: Right.  
We're all concerned about that.

RONALD E. RICHTER: Yes. So people will continue to go to work and their children will be in places that we would prefer them not to

1  
2 be. But to answer your question, I don't know  
3 that we track the number of people who leave jobs  
4 in--

5 COUNCIL MEMBER BREWER:

6 [interposing] But is that something that--I mean  
7 it would be helpful--

8 RONALD E. RICHTER: [interposing]

9 That we could track?

10 COUNCIL MEMBER BREWER: I think

11 that would be--I hope it doesn't happen, but if it  
12 does, I must admit it gives us more ammunition  
13 that we need money for the 6,500 plus the 4,300.

14 RONALD E. RICHTER: That's a point

15 well taken.

16 COUNCIL MEMBER BREWER: The next

17 question is what do you do in terms of the  
18 Department of Education? I know that in past we  
19 always say we believe that we're overcrowded. I  
20 don't understand if there are any slots for any of  
21 these children in pre-k at DOE. I've never  
22 understood. My district, we don't even have room,  
23 we can't even find a space in a school for a pre-k  
24 let alone slots. We have like 2 schools out of 30  
25 that have pre-k. No room.

1  
2 RONALD E. RICHTER: We will pursue  
3 DOE on whether there are any seats available for  
4 any of these young people. We are working hand in  
5 hand with them on the UPK RFP that's about to be  
6 issued.

7 COUNCIL MEMBER BREWER: Right.

8 RONALD E. RICHTER: They have  
9 issued it. They are about to issue awards.  
10 That's what's about to happen. So we're working  
11 with them closely on that. But we will continue  
12 to pursue that.

13 COUNCIL MEMBER BREWER: All right.  
14 My final question is what do you do in terms of  
15 those centers that had vouchers, I assume that  
16 these vouchers are in centers that as you suggest  
17 might continue? In other words, that's usually  
18 how the voucher works. Is a voucher slot, and  
19 this is my ignorance, I assume it costs less for a  
20 voucher slot than for a regular full childcare  
21 slot. I assume. I don't know that's correct.

22 RONALD E. RICHTER: So it depends  
23 on the age of the child.

24 COUNCIL MEMBER BREWER: Okay. I  
25 guess my question is I want the unions to exist, I

1  
2 want everybody to be working and I also want to  
3 figure out how all these kids can get quality  
4 childcare, not poorly defined childcare. So I  
5 guess I want us to figure as creatively between  
6 this and the Head Start. My other final question  
7 is, is there any other Head Start money?

8 Remember, we talked about that at some point. Is  
9 there other Head Start money coming in? Are there  
10 any other--the Head Start issue has sort of not  
11 been discussed today. We all have Head Start  
12 programs that have been cut dramatically. And you  
13 said there might be some federal money--

14 CHAIRPERSON RECCHIA: [interposing]  
15 Council Member, can you sum up please? Other  
16 members have--

17 COUNCIL MEMBER BREWER:  
18 [interposing] Yeah, so is there any more Head  
19 Start money?

20 CHAIRPERSON RECCHIA: Yes or no?

21 COUNCIL MEMBER BREWER: Or where?

22 RONALD E. RICHTER: So there's \$197  
23 million be re-competed and we're trying to get all  
24 of it.

25 COUNCIL MEMBER BREWER: And that

1  
2 would take care of our Head Start cuts? I could  
3 tell you one Head Start has got like 90 slots cut.

4 RONALD E. RICHTER: It's hard to  
5 say. There is going to always be a limited pool o  
6 Head Start. We're trying to get as much of it as  
7 we can.

8 CHAIRPERSON RECCHIA: All right,  
9 thank you.

10 COUNCIL MEMBER BREWER: Thank you.

11 CHAIRPERSON RECCHIA: Council  
12 Member Jackson?

13 COUNCIL MEMBER JACKSON: Well,  
14 first let me thank you, Chair Recchia and Chair  
15 Palma and Julissa Ferreras and others.  
16 Commissioner, good afternoon to you and your  
17 staff. From what I've heard, most members are not  
18 happy overall. I would not want to be in your  
19 shoes where you're sitting right now, quite  
20 frankly. But I'm concerned also, like everyone  
21 else. In fact, there was a big rally up in  
22 northern Manhattan about daycare and childcare  
23 slot cuts.

24 It appears as though this year the  
25 cuts to youth services overall in education and

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2 daycare and after school programs and Beacon  
3 programs and summer youth employment jobs, we just  
4 classify all of that as youth services. It seems  
5 as though this is a huge, huge cut that's going to  
6 impact so many young people, from little babies  
7 all the way up to young adults that depend on  
8 summer youth employment jobs.

9           So I just have one or two  
10 questions. I'm not going to raise my voice and  
11 scream at you because I don't think that you  
12 really want to do this but it seems as though you  
13 have a budget and you're trying to live within  
14 that budget. Quite frankly, I can understand  
15 living in a budget.

16           You've answered this question and I  
17 guess people ask us "so what are we going to do  
18 when there's no place to take our children?" So  
19 that's the question that I ask you. What are  
20 parents going to do when there's no place to take  
21 their children and they have to go to work?

22           RONALD E. RICHTER: That's a fair  
23 question. We obviously for families who are  
24 losing a seat are going to work with them to try  
25 to answer person by person that question. We will

1  
2 obviously, based on what you're looking at, not  
3 have a satisfactory answer for each individual.  
4 That is painful. We are hoping that we are at a  
5 different place come June 30th--

6 COUNCIL MEMBER JACKSON:

7 [interposing] June 30th.

8 RONALD E. RICHTER: --than we are  
9 right now. But I obviously am, you know, troubled  
10 by where we sit today and would like to be in a  
11 different place because the answer, even if we  
12 were in a better place, is still never going to be  
13 ideal, considering the budgetary constraints that  
14 the city is in. So I feel the frustration of that  
15 question and don't have a great answer.

16 COUNCIL MEMBER JACKSON: Okay.

17 That's an honest answer and that's all that I can  
18 expect. I don't want any BS, you know, answer and  
19 you gave, in my opinion, an appropriate answer  
20 which is realistic, understanding what the  
21 situation is.

22 Under the Early Learn, can you, if  
23 you discuss this with your staff, what are the  
24 consequences for providers if they are unable to  
25 meet the required performance standard or the 6.7

1  
2 percent contribution? What type of impact would  
3 that have; if you can, specify whether or not  
4 you've fleshed that out already.

5 MYUNG LEE: Sure. Our goal is to  
6 work with every provider that we're contracting  
7 with so that they can be successful. So we will  
8 work with them and do everything we can to make  
9 sure that they're meeting all of the quality  
10 requirements as well as the programmatic and  
11 financial requirements. We expect that we'll be  
12 working closer with some programs than others. If  
13 after all the attempts and efforts after the first  
14 year or so, if things aren't working out, then we  
15 expect that there will be some sort of program  
16 performance evaluation type thing that we'll have  
17 to put into place. But we expect that we'll be  
18 providing every support that we can for the  
19 programs to succeed because that is our goal.

20 COUNCIL MEMBER JACKSON: So if in  
21 fact those performance goals are not met,  
22 basically are you telling me that there may be  
23 program reductions or staff layoffs for those  
24 various programs that do not meet that performance  
25 objective?

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2 MYUNG LEE: We hope that's not the  
3 case, but if after all of the efforts that we put  
4 into support the programs they can't meet the  
5 quality measurements then that's what I'll be.

6 COUNCIL MEMBER JACKSON: You may  
7 have answered this, and I apologize, I was  
8 downstairs at a press conference on hip hop  
9 against gun and gang violence, which is extremely  
10 important. But can you tell me how many families  
11 will lose a voucher or family daycare slot without  
12 restoration of the funding for Fiscal Year 2013.  
13 Was that answered already?

14 RONALD E. RICHTER: So we believe  
15 that the number for vouchers is a little over  
16 4,200 and the number right now for Early Learn  
17 seats is 6,500.

18 COUNCIL MEMBER JACKSON: Sixty five  
19 hundred. I think that's what you responding at  
20 the--so in essence, how much money would it take?  
21 Is that the \$72.5 million--

22 RONALD E. RICHTER: [interposing]  
23 It's \$71.5 million for Early Learn for the seats  
24 and for vouchers it's \$11 million, \$11.8 million.

25 COUNCIL MEMBER JACKSON: Okay.

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That's my five minutes.

CHAIRPERSON RECCHIA: Thank you,  
Council Member.

COUNCIL MEMBER JACKSON: I could  
scream and yell but I don't think that's going to  
get anywhere. But I just ask you and your staff  
to consider all of the things that my colleagues  
have raised overall in this executive hearing  
process. Thank you.

CHAIRPERSON RECCHIA: Council  
Member Helen Diane Foster?

COUNCIL MEMBER FOSTER: Didn't I  
turn it on? Yes. There I go. I will say that,  
as to not repeat my colleagues, I agree with the  
comments made by Council Member Barron in terms of  
race and that when it is pointed out it is not  
those of us of color that sit here that are making  
race an issue. It is the fact that community-  
based providers that are providing for children  
that look like myself are being replaced with  
others that don't look like the children that they  
are taking care of. That's real. I want to be  
aligned with the comments made by Council Member  
Comrie and James.

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2 I have two questions. One, of the  
3 Bronx providers that were community-based, how  
4 many now are being replaced with providers that  
5 are based outside of the borough and are in fact  
6 coming in?

7 RONALD E. RICHTER: We can't try to  
8 get you that information. We did not divide that  
9 up that way. So we don't have an answer to that  
10 question at the ready. We can try to find--in  
11 other words that--

12 COUNCIL MEMBER FOSTER:  
13 [interposing] Well, you know if you give a  
14 contract to say Episcopal Services that it's based  
15 in Manhattan that in fact that's not a Bronx  
16 provider. Yes?

17 RONALD E. RICHTER: So we did not  
18 take the address of where the organization is  
19 based--

20 COUNCIL MEMBER FOSTER:  
21 [interposing] Okay, then I would like--

22 RONALD E. RICHTER: --and break it  
23 up that way.

24 COUNCIL MEMBER FOSTER: I would  
25 like, and Chairs and staff please make note of

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this.

CHAIRPERSON RECCHIA: Yes.

COUNCIL MEMBER FOSTER: I would like to know--I will say specifically for the Bronx but I'm sure those that are in other boroughs would like to know the providers that have replaced our community providers, where in fact their headquarters are.

Number two, for those new providers coming in, it is my understanding that the providers their replacing are supposed to kind of grab hands with them, say kumbaya and show them how and where everything in their centers are if they are in fact taking over locations.

RONALD E. RICHTER: Are you referring to city leased sites?

COUNCIL MEMBER FOSTER: I'm referring to sites across the board. So, for example, if I had a site and as a community provider, I went out and with city money literally bought the beds, put the place in order and now I am no longer a provider--so it's kind of like I'm the first wife and I'm being kicked out and the second wife comes in and I'm being told to tell

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the second wife where everything is.

RONALD E. RICHTER: Okay. So you are referred to city leased sites, which are--

COUNCIL MEMBER FOSTER:  
[interposing] Right.

RONALD E. RICHTER: --sites for which the city has been responsible for paying the rent and so--

COUNCIL MEMBER FOSTER:  
[interposing] Paying the rent but these workers have been responsible for putting every piece of paper in place, every cot, every tack, where everything is and--

RONALD E. RICHTER: [interposing]  
Okay, yes.

COUNCIL MEMBER FOSTER: --the new providers are supposed to come in and be told by the outgoing providers where everything is.

RONALD E. RICHTER: So we will be working with the new provider and the provider that's transitioning out of the space to try to make it a smooth transition--

COUNCIL MEMBER FOSTER:  
[interposing] So, yes, we are asking those

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2 providers that are being displaced to then show  
3 the new providers coming in the lay of the land in  
4 these centers.

5 RONALD E. RICHTER: So, the goal is  
6 to have a smooth transition for the children that  
7 are being served and for the families that are  
8 depending on these centers. We appreciate that  
9 for the provider that is leaving the city leased  
10 site, and it is the city's lease, but--

11 COUNCIL MEMBER FOSTER:  
12 [interposing] Correct.

13 RONALD E. RICHTER: --and it's for  
14 the--

15 COUNCIL MEMBER FOSTER:  
16 [interposing] The city leases my office. I and my  
17 staff put every paper, fax, we do everything. So  
18 the fact that the city leases it, therefore does  
19 not take away the fact that we're doing the work.  
20 So my question for you is I'm not asking--I  
21 understand it's city leased. All I'm saying to  
22 you is we are asking providers that basically have  
23 been told no thank you, to show new providers the  
24 lay of the land in these city leased spaces that  
25 the former providers have put together.

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2 RONALD E. RICHTER: So I am  
3 certainly prepared to look into what obligations  
4 there may be for the providers that are  
5 transitioning out of the space. Our goal is to  
6 try to keep the spaces as suitable for the  
7 children who are using them and for their families  
8 as possible. If there's an overdue burden on the  
9 provider that's leaving the space, we don't want  
10 that to be the case.

11 COUNCIL MEMBER FOSTER: I don't  
12 think it's a question of burden. I think it's my  
13 analogy of asking the first wife to show the  
14 second wife around is what I'm asking.

15 RONALD E. RICHTER: Okay.

16 COUNCIL MEMBER FOSTER: That goes  
17 back to my first question. I'm very interested to  
18 know where these providers are based. Again,  
19 because it does make a difference when you have  
20 community-based providers versus providers whose  
21 headquarters are not in fact in the communities in  
22 which these kids reside.

23 RONALD E. RICHTER: Okay.

24 COUNCIL MEMBER FOSTER: So, can we  
25 please make sure we get that information? Thank

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CHAIRPERSON RECCHIA: Yes. Before we call on the next Council Member, I just want to follow up on Council Member Foster's comment and question to you. I'm going to try to say this as nicely as I can. There is a problem here. The problem is very serious. There are several groups out there that are experts in writing grants. They have a monopoly. I know for a fact of two groups. They don't even have facilities in boroughs.

One group got awarded 3,000 seats. They've never been in the boroughs that they got awarded. They are crushing community groups. They are crushing community groups like the NAACP Daycare Center in the Bronx. They are crushing groups that were for 40 years, and you awarded them 3,000 seats. It's a monopoly. They don't even have facilities. They couldn't care about other boroughs. Why did you do this? That's the question. I need an explanation. Every Council Member here needs an explanation on why a group got awarded 3,000 seats.

RONALD E. RICHTER: I'm not sure

1  
2 that I can give an answer that will be  
3 satisfactory for you, but I will try, because  
4 that's what I'm here to do. You know, the city,  
5 my agency got proposals and you may be accurate  
6 that there are providers that used professional  
7 proposal writing companies. We know they exist.  
8 Not just when they propose for childcare but when  
9 they propose for contracts across New York City.

10 We had a team of what we believed  
11 were very able and qualified people review the  
12 proposals. There was a process that we believe  
13 was committed to following the rules that we're  
14 supposed to follow to ensure that, you know,  
15 everybody was treated fairly in this process and  
16 that we applied the--

17 CHAIRPERSON RECCHIA: [interposing]  
18 That's good. Go on with the story. Here's the  
19 question, and you're not answering this question.  
20 How could a group be awarded when they don't have  
21 a daycare facility in that borough? How could  
22 they--they have nothing. They have no home. They  
23 have no business. They have to go in and start  
24 from scratch. How could that be better than a  
25 daycare that's been in a community for 30, 40

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years? Answer me that question.

RONALD E. RICHTER: The answer to the question is because the way that the RFP was written--

CHAIRPERSON RECCHIA: [interposing]  
But didn't you go out and say they've never been in this community before? Doesn't that count? That's exactly what Leroy Comrie was trying to get out. You didn't care about that. It's obvious. Because then this would have never happened.

RONALD E. RICHTER: So I want to say that if the organization was able to demonstrate that they would incorporate, as Deputy Commissioner Lee was saying, parents and community members as they provided the service, then that was--if they could show that effectively, then that was considered.

CHAIRPERSON RECCHIA: Well, you know what, Commissioner, let me tell you what the problem I have. I have a problem with giving you \$71 million to give to these groups who've never been in our communities, who never stood up for our communities. And you want us to give you \$71 million? You know what that says to me? All you

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care about is the people that could write a grant.

You don't care about the NAACP Daycare Center in the Bronx there 40 years. You don't care about the different facilities in Brooklyn that were there for 30, 40 years. You don't care about Reverend Daughtry's [phonetic] center in Brooklyn that's been in existence for many years. That was there before you and I were there. That has history. That's what community is all about. You know what, I have a problem with giving you \$71 million.

[Applause]

CHAIRPERSON RECCHIA: Council Member Chin?

COUNCIL MEMBER CHIN: Commissioner, it is really heartbreaking to be here. When we first saw the list, I myself was shocked that three daycare centers in Chinatown, provided by the Chinese American Planning Council, was not on the list. I was shock. They have provided quality daycare service in our community for decades and decades and they have waiting lists. It's very hard to get in those centers. The family that was lucky enough to get a slot, the

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2 children grow up so well that they're contributing  
3 back to society, to the community.

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How can that happen? What criteria  
did you use to say that our community don't need  
daycare? Three daycare center in Chinatown--I'm  
not talking about the one in the Lower East Side  
that's also slated to be closed but right in the  
heart of Chinatown, the Garment Daycare, Little  
Star Broom. These are quality daycare.

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When I ask the provider, when they  
submitted the proposal, they were saying that they  
weren't getting guidance about the rate. You  
know, what is the rate that ACS was looking for?  
And then you come back and you tell them your rate  
is too high. They have workers that are  
unionized. They rent in Manhattan, so the rents  
are higher. But they provide quality, quality  
daycare. How can you look me in the eye and tell  
me you in Chinatown don't need it? We don't have  
poor people there? We don't have working people?  
Three daycare centers shut down. Can you tell me  
why?

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RONALD E. RICHTER: So I would  
never sit here and tell you that the people in

1  
2 Chinatown don't need childcare because I know that  
3 they do. I want to say that practically speaking,  
4 the rates were in the RFP. I also want to say  
5 that the way that Early Learn's RFP was designed  
6 was to, as we've tried to explain and we can try  
7 to explain again, was to identify children who are  
8 in the city's poorest neighborhoods. And as one  
9 of your colleagues has pointed out, there are  
10 clearly pockets of poverty in parts of the city  
11 where Early Learn only provided 9 percent of its  
12 seats. So the--

13 COUNCIL MEMBER CHIN: [interposing]  
14 That is true. I mean I looked at your poverty  
15 rate. I mean the seats that ACS is providing in  
16 most of the community that you have identified are  
17 less than 10 percent.

18 RONALD E. RICHTER: That's correct.  
19 That's correct.

20 COUNCIL MEMBER CHIN: Yeah. So I  
21 mean that is the sad part. In the city, in one of  
22 the richest cities in the world, we can't even  
23 take care of our children. Right? That is a  
24 shame for all of us. The mayor has the money and  
25 he's telling us he's balancing this budget. That

1  
2 he's not raising taxes? Well he's raising taxes  
3 on the poor and working family. If people have to  
4 struggle to find daycare and pay for it, they're  
5 paying more taxes.

6 I mean there is not, I'm not  
7 getting any increase in childcare slot in the  
8 other part of the district where you can say okay,  
9 you're closing here; there's someplace else for  
10 these kids to go. I don't see any increase in  
11 some of the other providers. So the question  
12 comes back is where are these kids going to go? I  
13 mean we don't want to go backward. Taking the  
14 kids to the garment factory like it used to be 30  
15 something years ago. That's not what we want.

16 So I'm asking you, Commissioner.  
17 You have to work with us. You're the commissioner  
18 of ACS, commissioner for children. You have to  
19 advocate with us and demand the mayor baseline  
20 funding back. He's gotten money back. I mean,  
21 you heard one of my colleague talked about  
22 CityTime. He could put that money back easily.  
23 It's right there. He could help raise a more--you  
24 know, get some money back, some of the well to do  
25 people that he keeps saying is moving. They're

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2 not moving. And get some money back from our  
3 contract, because we're not even talking about a  
4 lot of kids.

5 We're asking, you're asking the  
6 City Council to help to restore the money. That  
7 money is only good for one year. Parents are  
8 getting letters now from the seats that we saved  
9 last year.

10 So can I ask a commitment of you to  
11 help us, work with us to fight to baseline? If we  
12 put any money back that those money has to be  
13 baselined?

14 RONALD E. RICHTER: I am certainly  
15 here prepared to work with you. I agree that  
16 baselining the money would be the best way to go.

17 COUNCIL MEMBER CHIN: Thank you,  
18 Chair.

19 CHAIRPERSON RECCHIA: Thank you  
20 very much. Council Member Greenfield?

21 COUNCIL MEMBER GREENFIELD: Thank  
22 you, Chairs. Thank you, Commissioner.  
23 Commissioner, I have a question for you.  
24 According to your stats, there are currently 149  
25 providers who are recommended for awards. How

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many providers were there before Early Learn?

RONALD E. RICHTER: So there were 251--there are currently 251 providers. Two hundred and one applied for Early Learn, which is kind of misleading because of the 201, there were 33 that merged. So they applied together. So it's not exactly 201 because some of the 201 applied together. So the 130 that were recommended, some of them are joined of the 201.

COUNCIL MEMBER GREENFIELD: But there were 71 who did not receive any award. Is that correct?

RONALD E. RICHTER: That is accurate.

COUNCIL MEMBER GREENFIELD: I mean doesn't that seem--I understand when you say some 80 odd percent are current providers, I guess so what it indicates to us is that what you did was you shifted, right. You took groups that were existing, you took it away from them and then you gave it to other groups and I guess you made sort of super groups.

RONALD E. RICHTER: So I should say that you're right in that Early Learn and you know

1  
2 everything is very clear, the goal was that there  
3 was an effort to try to have providers provide  
4 more than one classroom of 20 kids. So there was  
5 an effort to have providers provide four  
6 classrooms of 20 kids, so 80 kids was sort of the  
7 model--

8 COUNCIL MEMBER GREENFIELD:

9 [interposing] I guess that's kind of the problem  
10 that we have, right, because consistently  
11 Commissioner you refer to I guess this phrase that  
12 you've said several times today and I wrote it  
13 down. You say that's the way Early Learn was  
14 designed. But commissioner, you designed Early  
15 Learn. And you designed Early Learn in a way that  
16 would penalize smaller community-based groups,  
17 many in my district, many in other districts. So  
18 I guess my question is why? What do you have  
19 against these community-based groups?

20 RONALD E. RICHTER: So I don't have  
21 anything against any community-based groups.

22 COUNCIL MEMBER GREENFIELD: There  
23 are 71 of them who would beg to differ.

24 RONALD E. RICHTER: Well, I  
25 appreciate that. I realize that when you look at

1  
2 the way that these awards were recommended, there  
3 are some community-based groups that are troubled  
4 by the outcome. I would also suggest that there  
5 are many in the 130 that feel differently and that  
6 do represent communities in this city and that  
7 will continue to provide community-based services.

8 COUNCIL MEMBER GREENFIELD:

9 Commissioner, I'm running out of time, but you  
10 didn't answer my question. My question  
11 specifically is--

12 RONALD E. RICHTER: [interposing]

13 So the answer is I don't have anything against  
14 community-based groups.

15 COUNCIL MEMBER GREENFIELD: --why  
16 did you craft--why did you design, to use your  
17 words, why did you design an RFP that would  
18 penalize community-based groups? I think that's a  
19 very legitimate question.

20 RONALD E. RICHTER: Okay. So I  
21 don't believe that the RFP was designed with that  
22 in mind.

23 COUNCIL MEMBER GREENFIELD: The  
24 fact that 71 groups that were existing, which I  
25 guess is close to a third of the population have

1  
2 been completely wiped out, you're saying that it's  
3 completely coincidental. It can't be, because in  
4 fact it rebuts what you said a few minutes  
5 earlier, which was that you intentionally wanted  
6 to provide for larger classes, right, more classes  
7 rather than less classes, which means that you had  
8 to know that that would impact local community-  
9 based groups.

10 RONALD E. RICHTER: I think that  
11 the fact that there are 33 that decided to merge  
12 demonstrates that yes, in fact, there were some  
13 community-based groups that decided that they  
14 needed to take their one classroom and join a  
15 provider that maybe had three or four. But the  
16 intent here was not to do away with community-  
17 based groups, it was to enhance the quality of  
18 care and make a consistent system of quality  
19 across New York City. It was not to do way with  
20 community-based organizations.

21 COUNCIL MEMBER GREENFIELD: You  
22 know, the Fiscal 2012 budget included \$24.5  
23 million in combined funding from the Council  
24 Administration for school age vouchers and family  
25 daycare slots. The funding was not included in

1  
2 the executive budget. How many families will lose  
3 their vouchers or family daycare slots without the  
4 restoration of this funding?

5 RONALD E. RICHTER: That's the  
6 4,300 seats. Vouchers, forgive me, vouchers.

7 COUNCIL MEMBER GREENFIELD: So in  
8 addition--so let me get this straight, so in  
9 addition to the 6,500 reduce slots, there's an  
10 additional 4,300 children who are going to lose  
11 childcare as well.

12 RONALD E. RICHTER: You are  
13 correct.

14 COUNCIL MEMBER GREENFIELD: So  
15 that's 10,800, and that doesn't include the fact  
16 that of the children who currently are getting  
17 slots that some children will get the slots but  
18 not those same children, right? I mean,  
19 especially if there's a new provider. Is there a  
20 guarantee to a child who has a slot right now at  
21 one of these community-based groups that you just  
22 shut down that that child will now be able to go  
23 to a different provider? Is there some sort of  
24 guarantee? Does that exist?

25 RONALD E. RICHTER: So there is no

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2 guarantee, but we have said that we are going to  
3 do everything we can for those specific children  
4 to work with their parents to find them a seat.

5 COUNCIL MEMBER GREENFIELD: So, in  
6 reality you could be displacing far more than  
7 10,800 children.

8 RONALD E. RICHTER: You are  
9 correct.

10 COUNCIL MEMBER GREENFIELD: That's  
11 kind of shocking. I just have to ask you one  
12 other question. This match system that you guys  
13 use, was there a point awarded for that? Was it  
14 6.7 percent, did you get some bonuses for that?

15 RONALD E. RICHTER: I don't  
16 understand the question.

17 COUNCIL MEMBER GREENFIELD: You  
18 created a requirement that the groups have to put  
19 in a certain amount of money; it has to be a  
20 match, right. They have to raise it or they have  
21 to--it's in your--

22 RONALD E. RICHTER: [interposing]  
23 You mean in the grading process? In the process  
24 for proposals to be evaluated did you get points  
25 for that?

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COUNCIL MEMBER GREENFIELD: That's

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correct.

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RONALD E. RICHTER: No, you didn't.

5

No, you did not.

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COUNCIL MEMBER GREENFIELD: You did

7

not get points for--

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RONALD E. RICHTER: [interposing]

9

You had to demonstrate how you were going to do

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it--

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COUNCIL MEMBER GREENFIELD:

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[interposing] Everybody had to demonstrate it but

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there were no points evaluated for that one way or

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the other.

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RONALD E. RICHTER: So I don't want

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to answer the question incorrectly. Each proposer

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had to demonstrate how they would go about meeting

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the 6.7 percent and in the evaluation process it's

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called contractor contribution and the evaluators

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did a point scale from one to five on how a

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proposer did on describing how they would do it.

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COUNCIL MEMBER GREENFIELD: Okay.

23

So then you were evaluated, in fact. So if you

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did not describe it correctly, you were penalized.

25

RONALD E. RICHTER: I want to be

1  
2 very clear since I don't want to answer your  
3 question wrong. It says extent to which the  
4 contractor contribution is from a appropriate  
5 funding sources, extent to which the contractor  
6 contribution is a sustainable plan, things to  
7 consider while rating and then it refer to the RFP  
8 which describe this with page numbers, addendum  
9 number three with page numbers, addendum number  
10 seven with page numbers, and then it gives a point  
11 scale and it asks the evaluator to explain how  
12 they came up with that.

13 COUNCIL MEMBER GREENFIELD: Don't  
14 you think this point scale discriminates against  
15 poor groups? I mean if I'm a poor community-based  
16 organization and now I have to do a 6.7 percent  
17 match, versus a well established group that is  
18 providing for thousands, don't you think it  
19 effectively discriminates against smaller and  
20 poorer groups, who now have to have a challenge of  
21 raising the amount of money that a very large  
22 group could easily do?

23 MYUNG LEE: So every organization  
24 that is going to be providing services for  
25 childcare had to start under Early Learn will be

1  
2 required to do the match, as you know. The 6.7  
3 percent requirement, the contractor contribution  
4 is actually lower than what our current Head Start  
5 programs are required to do, which is at a 20  
6 percent. These Head Start programs are operating  
7 in the same communities where our childcare  
8 programs currently are. So that's one.

9           The other thing is in the greater  
10 picture, the reason why we put in a contractor  
11 contribution goes to the sustainability of the  
12 system. Without having a way for programs to be  
13 somewhat self-sustaining, we're looking at a  
14 system where we're going to be having this  
15 discussion every year over and over again because  
16 right now we don't have enough seats for all the  
17 children who need our services, as you have  
18 pointed out.

19           The 6.7 percent is a minimal  
20 requirement and it is also not a cash requirement.  
21 We go through painstakingly in the RFP explaining  
22 the various different ways that a contractor can  
23 meet that requirement.

24           COUNCIL MEMBER GREENFIELD: I will  
25 just conclude--

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RONALD E. RICHTER: [interposing]

And I want to add--

COUNCIL MEMBER GREENFIELD:

[interposing] Yes.

RONALD E. RICHTER: --that includes volunteerism. So a provider can meet the 6.7 percent by having a parent volunteer. You don't have to raise the money. You don't have to have a foundation. You can have a parent volunteer in-kind services--

COUNCIL MEMBER GREENFIELD:

[interposing] But the parents who are taking childcare because they're carrying three jobs now are required to volunteer their time--

RONALD E. RICHTER: [interposing]

No, they're not--

CHAIRPERSON RECCHIA: [interposing]

Council Member, we have to--

COUNCIL MEMBER GREENFIELD:

[interposing] I will just--

RONALD E. RICHTER: --they're not required to, but some parents work part time. We've spoken to providers about this--

COUNCIL MEMBER GREENFIELD:

1 [interposing] Commissioner, my final point, Mr.  
2 Chairman, is that you cannot simply explain  
3 everything away by saying that that's the way that  
4 Early Learn was designed, because you folks  
5 designed Early Learn. Right, so if you designed a  
6 process that ended up penalizing community-based  
7 organizations, that's your fault, not ours.

8  
9 CHAIRPERSON RECCHIA: Okay, thank  
10 you, Council Member. Council Member Cabrera,  
11 followed by Council Member Mealy, Reyna and  
12 Melissa Mark.

13 COUNCIL MEMBER CABRERA: Thank you  
14 so much. Welcome, Commissioner. I've sat here  
15 for the last couple of hours and it seems obvious  
16 to me that there seems to be something wrong with  
17 this RFP design process. The reason why I came to  
18 this conclusion is that the proof is in the fruit.  
19 Groups that are from out of the boroughs are going  
20 to be running; they're going to be displacing  
21 those who are in the community.

22 We heard regarding what's going to  
23 happen in many of the communities where the  
24 population is one of poor neighborhoods and  
25 minorities, grant writers being able to really

1  
2 essentially write a request that they know exactly  
3 what you're looking for, this is the area in which  
4 they're specialized and know exactly what you're  
5 looking for. I mean this is what they do for a  
6 living. And then you're closing established  
7 quality centers and displacing them with other  
8 programs.

9                   It makes me wonder what's behind  
10 all this and wonder if it's union busting. So you  
11 can eliminate this from my mind. How many union  
12 jobs we are looking here that are going to be  
13 lost?

14                   RONALD E. RICHTER: First of all,  
15 it's my understanding that the childcare workers  
16 are going to continue to be represented by a union  
17 in--

18                   COUNCIL MEMBER CABRERA:  
19 [interposing] You know that for sure?

20                   RONALD E. RICHTER: --Early Learn.  
21 I believe that that's the case. I know that there  
22 are very few for-profit providers in Early Learn.  
23 I think--

24                   COUNCIL MEMBER CABRERA:  
25 [interposing] How many are those?

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2 RONALD E. RICHTER: --it's maybe a  
3 handful.

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COUNCIL MEMBER CABRERA: How many  
5 are a handful?

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RONALD E. RICHTER: It's eight, so  
7 it's two handfuls. But that's out of 149.

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COUNCIL MEMBER CABRERA: Okay, so 5  
9 percent.

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RONALD E. RICHTER: I don't know  
11 how many seats that accounts for. I don't know,  
12 as I said earlier, whether many or some of the  
13 providers that are in Early Learn will be looking  
14 to hire childcare staff. Early Learn is a more  
15 staff heavy model than the one we have now.  
16 Obviously, there's no question that some people  
17 are going to be displaced and that some people are  
18 going to lose jobs. We don't know how many. But  
19 I do think that the majority, the great majority  
20 of the people who are going to be working in the  
21 Early Learn system will be unionized workers.

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COUNCIL MEMBER CABRERA: I just  
23 want you to realize that the design of this RFP is  
24 producing an outcome in which not one of us is  
25 happy with. So I'm wondering who wrote this, what

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criteria was put in place, what experts in this field were used to come up with this design.

Let me ask you another question that has not been asked and just regarding preventive services.

RONALD E. RICHTER: As you referenced experts in the field, I do want you to know that there were many experts that were consulted with respect to Early Learn. There were a lot of people, including many folks in the city with respect to the concept of Early Learn and the value of the quality that we think that it's bringing children. I think in terms of the quality of the model, people agree that it's a good model.

COUNCIL MEMBER CABRERA: Well, the model has produced a result that is unfair, is not equitable and displaces. So I don't like the result and I will wonder what kind of experts you had. As a matter of fact, I would call upon those experts to figure out where the 6,500 students were supposed to go, children. I mean it's scary to me that you're able to figure out all of this and yet to this point you have not been able to

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figure out with the 6,500 students.

But I have to ask you about preventive services because no one has asked regarding preventive service. I understand that ACS was moving towards utilizing more intensive preventive service for children and families, which will be delivered over a shorter time period in Fiscal 2013. Can you explain what do you mean by intensive preventive services? There's an assumption in that question that it's not already intensive and having worked in a preventive services as part of my field, it seems to me a play in words. Can you explain it, how short of a time?

RONALD E. RICHTER: Yes. So you're referencing our intensive teen preventive model. We are currently providing that in child welfare in Manhattan and Highbridge and one other part of the Bronx. That is an effort to bring the models that we're using in juvenile justice and PINS cases to child welfare, because in the child welfare area, a third of the reports that we're getting from the State Central Register involve teenagers. So we are bringing the same evidence-

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2 based models, like multi-systemic therapy and  
3 functional family therapy, which are basically  
4 having as social worker from preventive agency at  
5 the kitchen table with the family, working with  
6 the parent and the teen to Child Welfare. So--

7 COUNCIL MEMBER CABRERA:

8 [interposing] I don't think you answered the  
9 question. Maybe I didn't explain it well.

10 RONALD E. RICHTER: Okay.

11 COUNCIL MEMBER CABRERA: The  
12 information has been given to me that it will be  
13 delivered over a shorter time period.

14 RONALD E. RICHTER: So that is  
15 correct.

16 COUNCIL MEMBER CABRERA: Can you  
17 share with us, what do you mean shorter time  
18 period?

19 RONALD E. RICHTER: So these--

20 COUNCIL MEMBER CABRERA: Two  
21 months? Three? Six? A year?

22 RONALD E. RICHTER: These models  
23 are six month models.

24 COUNCIL MEMBER CABRERA: Six  
25 months?

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RONALD E. RICHTER: So the

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preventive is working with this evidence-based

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model for six months with the family--

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COUNCIL MEMBER CABRERA:

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[interposing] So what happens if a child requires

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more than six months?

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RONALD E. RICHTER: Say that one

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more time.

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COUNCIL MEMBER CABRERA: What

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happens if a child needs to go to therapy for

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longer than six months?

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RONALD E. RICHTER: So the therapy

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is provided by a social worker in the home. If

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the intervention needs to be longer than six

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months, it can be longer than six months.

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Sometimes it's three months. So the average

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intervention is six months.

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COUNCIL MEMBER CABRERA: Okay, I'm

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happy to hear that. Okay, thank you so much.

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I've run out of time. Respect to the Chairs.

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Thank you so much.

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CHAIRPERSON RECCHIA: Council

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Member Darlene Mealy, followed by Diana Reyna,

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followed by Melissa Mark-Viverito.

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COUNCIL MEMBER MEALY: Good afternoon. I just want to say I concur with my colleague. I'm not voting on this budget. It makes no sense for a commissioner to come in with this pilot program and nothing is really positive about it. One thing I wanted to ask you, the RFP contained three sources of funding: daycare, UPK and Head Start. Do you have an award letter from the federal government indicating the New York City has been awarded the Head Start money?

MYUNG LEE: So Head Start funding, we do have a letter from Head Start letting us know that we have the current level of funding--

COUNCIL MEMBER MEALY:  
[interposing] Do you have the letter? Yes?

MYUNG LEE: We do. We don't have it here with us, but we have a letter from the feds.

COUNCIL MEMBER MEALY: Chair, can we get a copy of that letter because--

MYUNG LEE: [interposing] But can I clarify what that letter is? So it is not telling us that we have won the re-compete because that process is still going. What we have--

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COUNCIL MEMBER MEALY:

[interposing] It's still going so how are you closing these Head Starts--

MYUNG LEE: [interposing] Because the letter--

COUNCIL MEMBER MEALY: --already if you don't have the money.

MYUNG LEE: We do have the money. We have the money that's in current contract right now. We have \$190 million contract with the Federal Head Start program and they have given us a letter indicating that that funding will stay with us through June 30th of 2013.

COUNCIL MEMBER MEALY: To June 30th, 2013.

CHAIRPERSON RECCHIA: That's next year.

MYUNG LEE: Yes. So we have the first year of Early Learn with the full \$190 million of Head Start funding in place. Then this July we'll be submitting a proposal for the Head Start re-compete.

COUNCIL MEMBER MEALY: So how are you debriefing these centers? When I came in, you

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said that people still can appeal, right now?

MYUNG LEE: Yes.

COUNCIL MEMBER MEALY: But you already told some of them you're not even giving them a debriefing, you're just telling them they close in the end of this year and that's it.

RONALD E. RICHTER: So there is a debrief process that 25 or so agencies have requested and we're having those debriefings now. So if they have requested one, they will have that debriefing.

COUNCIL MEMBER MEALY: What could change in a debriefing?

RONALD E. RICHTER: Well there's a process that unfolds and depending on how that debriefing goes for each of those--

COUNCIL MEMBER MEALY: [interposing] Could you explain at least one thing in that debriefing, do you think any one of those centers can stay open?

RONALD E. RICHTER: Okay. So, based upon the agency's debriefing, they then have an opportunity to protest.

COUNCIL MEMBER MEALY: There's

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protest.

RONALD E. RICHTER: And then out of the protest process that's like an appeal. That's a formal appeal.

COUNCIL MEMBER MEALY: So could you tell me why people are already trying to buy these city-owned buildings?

RONALD E. RICHTER: Buy the city-owned--

COUNCIL MEMBER MEALY:  
[interposing] Some of my providers are calling saying that people want to come in and buy the building.

RONALD E. RICHTER: I'm not aware that people are trying to buy the city-owned buildings or the city-leased buildings. I'm not aware of that.

COUNCIL MEMBER MEALY: I've got to concur with my colleague. It's like the first wife and the second wife. After our communities have dealt with children that sometimes their parents used to leave them in a car, we have passed that stage and now we going back to now if people do not have any place to put their

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2 children, where do you think they're going to put  
3 our children? Do you have any other alternative?

4 RONALD E. RICHTER: I appreciate  
5 your frustration and I--

6 COUNCIL MEMBER MEALY:

7 [interposing] No, like Council Member Jackson, I  
8 want to scream and holler. So I'm trying to  
9 refrain myself. And how could a commissioner come  
10 in and say like it's okay. These are our  
11 children. I don't know what this administration  
12 is doing where we close senior centers and now  
13 we're taking away young childhood. That's where  
14 we're nurturing our children.

15 What is the plan to serve children  
16 and families left behind in this transition?

17 RONALD E. RICHTER: So, for any  
18 child who currently has a seat, we will be working  
19 with that child and their parents to try to figure  
20 out what possible alternative there is. I want to  
21 make it very clear that this is not okay with us.  
22 We are obviously urgently concerned about this and  
23 want to try to figure out over the course of the  
24 next several weeks how we can figure out a way to-

25 COUNCIL MEMBER MEALY:

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2 [interposing] Do you have money for this  
3 transition?

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RONALD E. RICHTER: So the  
5 transition costs associated with Early Learn are  
6 something we're figuring out and that we are--

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COUNCIL MEMBER MEALY:  
8 [interposing] Wait a minute. This is your pilot  
9 program. You didn't put anything in for funds for  
10 transition.

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RONALD E. RICHTER: So I want to  
12 say--

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COUNCIL MEMBER MEALY:  
14 [interposing] Yes or no.

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RONALD E. RICHTER: So I want to  
16 say it's not a pilot program. We are evaluating  
17 the costs of the transition as we speak.

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COUNCIL MEMBER MEALY: But you're  
19 already telling people to leave and you're saying  
20 they're finished. So where is the transition  
21 money for this? It should be in this proposal  
22 already.

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RONALD E. RICHTER: So we're  
24 evaluating the transition costs currently.

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COUNCIL MEMBER MEALY: Currently?

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RONALD E. RICHTER: Yes.

COUNCIL MEMBER MEALY: So when will that come, transpire, soon, later?

RONALD E. RICHTER: Well they--

COUNCIL MEMBER MEALY:  
[interposing] When they're already out?

RONALD E. RICHTER: Well for the programs that--you mean for the programs that are leaving the city-leased spaces?

COUNCIL MEMBER MEALY: Yes.

RONALD E. RICHTER: The costs that they'll incur?

COUNCIL MEMBER MEALY: Yes.

RONALD E. RICHTER: Well, we'll be working with each program individually and managing the transition with them.

COUNCIL MEMBER MEALY: In this pilot program did you put the amount of per child in this pilot program?

RONALD E. RICHTER: I'm--

COUNCIL MEMBER MEALY:  
[interposing] The amount per child.

CHAIRPERSON PALMA: Council Member, I'm sorry. What pilot program are you referring

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to?

COUNCIL MEMBER MEALY: The Early Learn. I call it a pilot program because it's going to fail.

CHAIRPERSON PALMA: Okay.

RONALD E. RICHTER: So are you asking for the per child rate?

COUNCIL MEMBER MEALY: Yes.

RONALD E. RICHTER: In the RFP is the per child rate and we can provide that to you. The only rate that's changed is the preschool childcare rate which increased by \$3.95 a day.

CHAIRPERSON RECCHIA: Okay.

Council Member, I have to cut you off. We have other members.

COUNCIL MEMBER MEALY: This is more just union busting to me.

CHAIRPERSON RECCHIA: All right, thank you. So I just want to follow up. You're going to send us a copy of that letter from Head Start, from the federal government that says you're going to get the same level for one year?

MYUNG LEE: Yes.

CHAIRPERSON RECCHIA: Okay. We'll

1  
2 follow up with our staff. It'll be Council Member  
3 Reyna, Council Member Melissa Mark and then we'll  
4 sum up.

5 COUNCIL MEMBER REYNA: Thank you,  
6 Mr. Chair, Ms. Chair. I just wanted to take a  
7 moment to acknowledge that we're in the month of  
8 May, Community Action Month, which started in the  
9 60s. Head Start childcare programs were a product  
10 of this particular action, community-based. And  
11 it's funny how we're looking at what would be a  
12 40-year history how in one slash of a pen and  
13 marking period going to be decentralized and many  
14 families hurting because of it. I'm not too sure  
15 if this is just about funding anymore.

16 We started this journey when ACS  
17 figured it would reach its cost savings by  
18 transitioning school aged children from childcare  
19 center-based programs into DYCD. Today, DYCD is  
20 transitioning those children out of their system,  
21 leaving behind millions of children.

22 So we're not talking about just  
23 childcare today; we're talking about a course of  
24 this administration single-handedly decentralizing  
25 and destabilizing families in the City of New

1  
2 York. So I wanted to just state that for the  
3 record.

4 It disturbs me that we're talking  
5 about not just vouchers of 4,300 and 6,500 slots  
6 in center-based but that we're not too sure how  
7 many more children will be affected. We don't  
8 even have an accountability of the number of  
9 children that will be lost in this transition.  
10 The RFP seems to me to be the vehicle of an RFP  
11 process that has essentially negotiated new  
12 contracts for the childcare world. The cost  
13 savings that will be achieved because a contract  
14 right now that's been expired, unless you're  
15 telling me that the new contract has been signed  
16 for the center-based programs. Has that been the  
17 case?

18 RONALD E. RICHTER: No.

19 COUNCIL MEMBER REYNA: Okay. So we  
20 still have an expired contract. We still have  
21 less seats. We have no savings. And the City of  
22 New York applied for federal dollars through the  
23 Head Start program and was denied dollars.

24 RONALD E. RICHTER: No, so--

25 COUNCIL MEMBER REYNA:

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[interposing] Was not denied dollars?

RONALD E. RICHTER: No. We haven't been denied anything. The federal--

COUNCIL MEMBER REYNA:

[interposing] Be you did not apply for the last round?

RONALD E. RICHTER: No, no, no.

The federal government decided to re-compete its Head Start grants for a third of federal Head Start grants and New York City is being re-competed. So those applications are not due until mid-July. We're a super-grantee for--ACS is a super-grantee for New York City and so we're in--

COUNCIL MEMBER REYNA:

[interposing] So currently the programs that are currently Head Start will continue to be funded through the super-grantee the City of New York?

RONALD E. RICHTER: Right and--

COUNCIL MEMBER REYNA:

[interposing] For one year?

RONALD E. RICHTER: We're funded through June--

COUNCIL MEMBER REYNA:

[interposing] June of 2013.

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RONALD E. RICHTER: --30th of 2013.

COUNCIL MEMBER REYNA: Which means that the comment of we don't want to go through this year to year is in fact the case, despite your efforts to trying and not have to revisit a year to year budget allocation, you're still in the position where you haven't been able to stabilize the funding levels as you hoped. So therefore, next year we don't know. We can't guarantee that we're going to access federal dollars. We can't guarantee that the state is going to bring in dollars. The only sure economic line appropriation would be city tax levy dollars. This administration is not willing to dedicate those funds.

RONALD E. RICHTER: So we believe that based upon our record with Head Start and our relationship with the Head Start programs and also with the tenor of the conversations that we've had with the federal Head Start office that the likelihood that we will continue to receive a substantial amount of Head Start dollars is fairly good.

COUNCIL MEMBER REYNA: So,

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Commissioner, why not--

RONALD E. RICHTER: [interposing]

And that's been consistent--

COUNCIL MEMBER REYNA:

[interposing] And I appreciate that.

RONALD E. RICHTER: That's been consistent funding for New York City.

COUNCIL MEMBER REYNA: And I appreciate that. What I have a problem with is why not then as commissioner engage the federal government to pick up all these centers to become what would be a dual eligible program, all of them.

RONALD E. RICHTER: So the federal government has been very positive about the Early Learn RFP. They've endorsed it. They've been very--

COUNCIL MEMBER REYNA:  
[interposing] I certainly can imagine so.

RONALD E. RICHTER: They have been.

COUNCIL MEMBER REYNA: But Commissioner, we're losing almost 11,000 kids. That is something that has to be acknowledged.

RONALD E. RICHTER: And I do

1  
2 acknowledge that. I hope that my testimony has  
3 reflected that I do acknowledge that. I also want  
4 to say that the full Head Start grant for New York  
5 City is \$197 million and New York City gets \$190  
6 million--ACS receives \$190 million of that grant.

7 COUNCIL MEMBER REYNA: And where's  
8 \$7 million of the 197?

9 RONALD E. RICHTER: So \$7 million  
10 goes to other organizations. For example,  
11 Catholic Charities receives some of that and does  
12 a direct Head Start program. And then there are  
13 other providers that get direct grants from the  
14 federal government to do Head Start here in the  
15 city.

16 COUNCIL MEMBER REYNA: So why would  
17 we be duplicative in trying to give away center-  
18 based slots to a Catholic Charities that receives  
19 already their own line of Head Start dollars?  
20 I'll give you an example.

21 RONALD E. RICHTER: So it's--

22 COUNCIL MEMBER REYNA:  
23 [interposing] I have a letter here from the  
24 Department of Administration for Children's  
25 Services, awarding what would be Los Ninos

1  
2 [phonetic], a 40-year old center-based program,  
3 community-based program with the two sites out of  
4 four they applied, of which they were told they  
5 scored the same as Catholic Charities. But  
6 because they did not apply their FCC family care  
7 network to a site-specific, it seems that they  
8 were dropped, not just by one but by two sites in  
9 addition to their FCC. We're talking about  
10 losing, destabilizing their whole network, their  
11 neighborhood network.

12           A hundred jobs will be lost of  
13 community residents in the neighborhood, in one  
14 zip code. Because you decided, you as a panel, as  
15 an administration, decided to fund Catholic  
16 Charities and award them the city-owned site that  
17 this community organization in our community  
18 fought for during the Giuliani years to receive  
19 and construct the funding, secured funding to  
20 construct a city-owned site, after 40 years,  
21 pleading with every administration. And finally  
22 we receive it and now it's being taken away.

23           The reason for it is because they  
24 were not site-specific. Meanwhile, Catholic  
25 Charity has no record of ever running an FCC. In

1  
2 addition to that, Los Ninos had a 40-year  
3 experience track record. So you mean to tell me  
4 that they scored less because they were not site-  
5 specific? So are we scoring site's address or are  
6 we scoring neighborhood networks? That is your  
7 letter right here.

8 RONALD E. RICHTER: I'm happy to  
9 have you talk to someone about--

10 COUNCIL MEMBER REYNA:  
11 [interposing] I would be happy to have that  
12 conversation and I have reached out. And I was  
13 told to wait until today, after today because of  
14 this hearing. I also want to share with you I  
15 have Colony--I'm sorry, I'm wrapping up.

16 Colony South Brooklyn Houses has  
17 ten different centers running for 40 years, one of  
18 which is in my district, Graham Childcare Center.  
19 One is in Council Member Levin's district. It's  
20 the Jonathan Williams. My husband went to that  
21 daycare center. I don't understand why a 40-year  
22 family network which runs the FCC as well was also  
23 de-awarded, completely lost, ten sites were lost.  
24 They are abolished. Now we're talking about  
25 hundreds and thousands of jobs lost.

1  
2 In addition to that, and this is my  
3 last point, Small World Daycare Center, a week  
4 later, after receiving this letter, was approached  
5 by a new network with was awarded probably about  
6 3,000 seats--3,000 seats--are looking for their  
7 site, because they're searching for real estate  
8 now. Knocking on their door--

9 [Applause]

10 CHAIRPERSON PALMA: No, no, please.

11 CHAIRPERSON RECCHIA: Could we have  
12 order in the chamber please?

13 COUNCIL MEMBER REYNA: Throwing  
14 anything they can--

15 CHAIRPERSON RECCHIA: [interposing]  
16 Sum up, Council Member.

17 COUNCIL MEMBER REYNA: --to make  
18 sure that they have a site ready to go because  
19 they're not prepared to take care of our children.  
20 What gave any committee to understand that what  
21 they're looking at paper may look good, but when  
22 you go out and view and witness and ask questions  
23 at the community level that it is nowhere near  
24 what they claim they can achieve on paper. That  
25 is what I want you to evaluate. That deserves a

1  
2 second round of an evaluation process. And are  
3 you prepared to do that? That is what we're  
4 asking here today. This needs a second look.  
5 This cannot continue, not the way it's been  
6 achieved.

7 CHAIRPERSON RECCHIA: Thank you,  
8 Councilwoman. Council Member Melissa Mark-  
9 Viverito?

10 COUNCIL MEMBER MARK-VIVERITO:  
11 Thank you.

12 CHAIRPERSON PALMA: Council Member,  
13 I'm sorry. You know, we don't mean to want to  
14 rush through this but we know how sensitive this  
15 topic is and we still have another agency to hear  
16 from and, you know, Domenic and I have to hear  
17 from DHS and I believe that the commissioner is  
18 due here shortly. I know we all need answers and  
19 we're going to get our answers. Thank you.

20 COUNCIL MEMBER MARK-VIVERITO: You  
21 know, and I know that. You know, I just have five  
22 minutes. So, Commissioner, I guess you can  
23 appreciate how strongly we feel that this is just  
24 a disaster. This is just a disaster. And it  
25 feels like our communities and our children are

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2 being treated as guinea pigs. I don't believe  
3 that we're willing to tolerate that and it's not  
4 at our expense.

5 Who can argue, right, with your  
6 premise that this is all being done because we  
7 want to provide a solid quality education to our  
8 children? Who can argue with that, right? That's  
9 the way it's being presented to us as a way of, as  
10 we say in Spanish [foreign language], right, to  
11 swallow this and to accept this. But in fact,  
12 we're talking about between the vouchers, as you  
13 indicted today, and the 6,500, over 10,000  
14 children that are not going to receive childcare.

15 And you want to tell me that as an  
16 agency you're going to sit with those 10,000  
17 individuals to figure out an alternative for their  
18 daycare needs. I really don't think that's  
19 realistic and you know that. That's not  
20 realistic. That's not a solution to this issue.

21 We have a city where the poverty  
22 rate is now over 20 percent. Twenty-seven percent  
23 of our children live in poverty in New York City.  
24 We have food stamp applications through the roof.  
25 We have homeless shelters that are, you know,

1 busting at the seams. We have families that are  
2 double and tripled up. This is all happening  
3 under this administration.  
4

5 We had a report that John Liu the  
6 Comptroller came out with yesterday that indicated  
7 that the wealthiest 1 percent takes in over one-  
8 third, close to one-third of the personal income  
9 of the City of New York. Thirty-three percent of  
10 the income in the city is gained by the 1 percent.  
11 We talk about equity and distribution of resources  
12 and this mayor thinks it's too much. He thinks  
13 it's too much to pay a living wage, it's too much  
14 to pay a prevailing wage, and we have poverty that  
15 continues to rise.

16 We are losing and the middle class  
17 is disappearing. And with that is the loss of  
18 union jobs that has happened under this  
19 administration, that has had a full front attack  
20 on our unions and these are middle income jobs  
21 with benefits that we're losing.

22 So I don't even have a question  
23 because I want to lay out the reality that our  
24 communities are living in. We're being asked to  
25 continue to pay. We don't have after school

1  
2 programs. We're losing daycare slots. We're  
3 losing vital, vital services that are necessary  
4 for our working families and the working poor in  
5 this city to just survive.

6           It almost feels like there is an  
7 intent to make it so intolerable for people in  
8 this city to continue to live here that they're  
9 forced to go elsewhere. This is becoming the  
10 playground of the rich and the wealthy and  
11 everyone else is being left on their own. That to  
12 me is not acceptable.

13           And you have to understand the  
14 desperation that many of us feel because it just  
15 can't continue. I think Council Member Reyna said  
16 it. We just can't continue this way. I really  
17 don't understand how you think that sitting down  
18 with 10,000 families. What options do you  
19 realistically--what did you project were the  
20 options that were available to these 10,000  
21 children that now don't have a place to go? What  
22 realistically is there for them?

23           RONALD E. RICHTER: So obviously  
24 our hope is that we will not be at a place where  
25 we have 10,000 children at the end of this

1  
2 process. I do want to say that for the--I feel  
3 like I need to say that for the 44,000 children or  
4 so who are in Early Learn, we are hopeful, and I  
5 realize that this is a difference of opinion, but  
6 we remain hopeful that this is going to be a good  
7 program where kids, more infants and toddlers than  
8 ever before in New York City are going to receive  
9 really quality care for the first time more than--

10 COUNCIL MEMBER MARK-VIVERITO:

11 [interposing] Commissioner, I have to, because I  
12 have one minute and I had one more comment. But I  
13 understand but that's what's being told to us as a  
14 way of trying to just have us accept that this is  
15 the right way. Meanwhile, we have thousands of  
16 children--

17 RONALD E. RICHTER: [interposing]

18 Yes, I understand that.

19 COUNCIL MEMBER MARK-VIVERITO: --

20 that don't have an option right now. And  
21 families--

22 RONALD E. RICHTER: [interposing] I

23 understand--

24 COUNCIL MEMBER MARK-VIVERITO: --

25 that are probably going to have to lose their jobs

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2 because they don't have daycare needs taken care  
3 of. That's a real, real crisis.

4           The last thing I would say, and  
5 obviously I've lost and a lot of my providers,  
6 longstanding providers have lost many seats and  
7 slots and it's putting them to task. You know,  
8 some of these providers were asked by ACS to step  
9 up to the plate, to assume slots because there was  
10 a desperate need to find alternatives. I have  
11 three providers--and now those providers are  
12 losing seats, after they stepped up to the plate  
13 and came to your aide to say okay, we can assume  
14 this extra caseload because you're asking us for  
15 that. And then you turn around and you slap those  
16 organizations in the face and you take away slots  
17 and possibly putting them in a position where they  
18 may have to close their doors if they're losing  
19 hundreds of slots.

20           I don't, again I don't know what  
21 the thinking process was. I don't know how you  
22 justify that. Again, these providers that have  
23 had longstanding relationships in our communities  
24 that are losing these opportunities it's just not  
25 acceptable. So I will leave it there. I think,

1  
2 you know, I did not have a question; I wanted to  
3 just add my voice. But I want to stand up for my  
4 providers and all the children and families that  
5 are losing seats in my district and throughout the  
6 city.

7 CHAIRPERSON RECCHIA: Thank you,  
8 Council Member. Council Member Steve Levin will  
9 be the last Council Member to ask a question.

10 COUNCIL MEMBER LEVIN: Thank you  
11 very much, Mr. Chairman. Thank you, Commissioner.  
12 First off, I just want to give you a snapshot, and  
13 I think Council Member Barron made reference to  
14 this earlier, of what Early Learn has done--

15 CHAIRPERSON RECCHIA: [interposing]  
16 Speak into the mike.

17 COUNCIL MEMBER LEVIN: --what Early  
18 Learn has done to one of the communities that I  
19 represent. We had one, two, three, four, five  
20 programs--actually, sorry, seven programs in one  
21 particular area. Two of them were a white run  
22 program. Five of them were African American run  
23 programs. They had all been around for 40 years.  
24 And they had all been--it was a good system.  
25 There was nothing wrong with the system in place.

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2 The programs worked effectively. They were  
3 neighborhood-based programs. They were  
4 multigenerational. Parents now were students 25  
5 years go.

6 What Early Learn did was take away  
7 all of the African American programs and gave them  
8 all to the white run program. Now, I love all of  
9 my programs that are in my district and I think  
10 that they work exceedingly well together. But  
11 what this has done, it has injected an issue of  
12 racial disparity in the awards that is creating  
13 conflict in my district. The conflict did not  
14 exist prior to this, but it exists now.

15 So that is something that I think  
16 was not--when you say that you didn't look at that  
17 part, you know whether those issues, community  
18 issues when awarding the Early Learn awards, I  
19 believe you. Because if you did take those things  
20 into account, you realize there are effects, side  
21 effects that you don't necessarily foresee but  
22 that could be really troubling and disturbing to a  
23 community. So I'm not asking you to really  
24 respond to that.

25 What I do want to ask is actually

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2 with the process, you know in those centers, all  
3 of those centers are incredibly confused as to  
4 what is going on. The one center that is due to  
5 take over the other centers, their actual program,  
6 their lease ends on June 30th. They don't know  
7 where they're going to be on July 1st. If the  
8 other programs continue to operate into the fall,  
9 then the program that won the awards presumably--I  
10 mean and I'm not going to sit by and let this all  
11 happen, but they're going to be actually homeless  
12 and ACS actually does not have a clear plan set  
13 out for how to deal with any of these things.

14 So actually, I don't need you to  
15 respond to that either. I just want you to know  
16 that this is actually a logistical nightmare going  
17 on right now.

18 But what I do want to ask is the  
19 process for appealing, I want to see all these  
20 programs get their programs restored, but now that  
21 there's an issue of the procurement and the  
22 contracts, I mean is it conceivable that these  
23 programs will be able to--say there's funding  
24 restored. Say we find \$100 million. Is it  
25 possible that the programs can be restored? I

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2 mean how is that going to work? They don't have a  
3 contract through the procurement process. How are  
4 we going to restore the money to a program that  
5 doesn't have a contract?

6

RONALD E. RICHTER: So that is a  
7 challenge and we actually are--we believe that we  
8 need to work within the procurement that we have.  
9 So we have a list that we are required to work  
10 within. And as I have tried to explain, there is  
11 a certain amount of Head Start money and once you  
12 exhaust all of the Head Start money, then dual  
13 Head Start and Head Start only programs you can't  
14 fund because there isn't any more Head Start money  
15 to use. So then you're either funding family  
16 childcare networks or you're funding childcare  
17 only. So those are the constraints within which  
18 we're working.

19

COUNCIL MEMBER LEVIN: This is  
20 something that I think we need to be in close  
21 communication over the next couple of weeks about  
22 because I'm not giving up on my centers. I'm not  
23 going to allow for the timing of this process to  
24 essentially be a death sentence for these programs  
25 that have all been around for 40 years. They're

1  
2 neighborhood-based programs. They are  
3 institutions in the neighborhood.

4 I'm going to have other things that  
5 I want to address, particularly on the voucher  
6 situation. You know this seems to be a pattern  
7 every year where it's on the Council to do  
8 extraordinary things to restore what ought to be  
9 ACS' obligation. You know, I'm just looking at  
10 the number of \$84 million reduction from one  
11 fiscal year to the next. I've sat in a couple of  
12 budget hearings so far with different agencies  
13 where their budgets are going up. The Department  
14 of Education's budget increases. DEP's budget  
15 increases. Why on earth do we decrease the budget  
16 so drastically, I mean so, so drastically, so  
17 devastatingly for our youngest children? It is  
18 insane to me and I just can't get my head around  
19 it year after year. Thank you, Mr. Chairman.

20 CHAIRPERSON RECCHIA: Thank you.  
21 Council Member Annabel Palma.

22 CHAIRPERSON PALMA: Commissioner, I  
23 have one last question before we hear from DHS.  
24 Of the 87 percent of the existing providers that  
25 go awards, is there a commitment from ACS to honor

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union contracts if those providers had a contract with the city? Contracts, wage, benefits?

RONALD E. RICHTER: So we're not-- the union contract is not with us. It's with...

[Pause]

RONALD E. RICHTER: It's with the sponsor. It's not with ACS.

CHAIRPERSON PALMA: So do we know if those contracts are going to be honored?

RONALD E. RICHTER: That's between the centers and the union. So that's a different relationship than the relationship between ACS and the individual centers.

CHAIRPERSON PALMA: Okay.

RONALD E. RICHTER: Which is, by the way, how it is currently, that won't change.

CHAIRPERSON PALMA: Was that taken into account when they were funded?

RONALD E. RICHTER: It was.

CHAIRPERSON PALMA: And then I want to know how many contracted centers are currently operating under ACS?

RONALD E. RICHTER: With pre-Early Learn, before Early Learn?

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CHAIRPERSON PALMA: Yes.

RONALD E. RICHTER: I think it's--  
you mean sites or organization?

CHAIRPERSON PALMA: Centers, the  
actual contracted--

MYUNG LEE: [interposing] Actual  
brick and mortar, the buildings that exist?

CHAIRPERSON PALMA: Or those--

MYUNG LEE: [interposing] I'll  
answer it this way. We have 251 contractors.

CHAIRPERSON PALMA: Okay.

MYUNG LEE: And they are operating  
547 sites.

CHAIRPERSON PALMA: Okay. So 250  
contracts?

RONALD E. RICHTER: Correct.

CHAIRPERSON PALMA: Then how many  
of those 257 did not get an Early Learn contract?

RONALD E. RICHTER: So what I have,  
I have that we have 251 current providers that 201  
applied for Early Learn and that 130 were  
recommended for awards.

CHAIRPERSON PALMA: So then the  
rest were--okay.

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RONALD E. RICHTER: Which leaves 71 that were not recommended.

CHAIRPERSON PALMA: So 71, okay. All right, thank you.

RONALD E. RICHTER: And I said before, which is true, that of the 201 that applied, 33 merged.

CHAIRPERSON PALMA: So out of the 50 that didn't apply, 33 of those merged?

RONALD E. RICHTER: No, no, I apologize. That's in addition. In addition to the 201, 33 additional merged and made applications.

CHAIRPERSON PALMA: And then 50 just did not apply?

RONALD E. RICHTER: Go ahead.

MYUNG LEE: So of the 251, 201 applied. Seventeen didn't apply at all.

CHAIRPERSON PALMA: Didn't apply at all.

MYUNG LEE: Thirty-three of them came in under other applications. Of the 201, the 33 came in with them somehow, so they didn't necessarily merge. We call them a merge just--

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CHAIRPERSON PALMA: [interposing]

So 17 of them just said we can't do this.

RONALD E. RICHTER: Correct.

Correct.

CHAIRPERSON PALMA: Okay, thank

you.

RONALD E. RICHTER: We had

providers who just decided they're no longer doing  
childcare. They just decided to not do it.

CHAIRPERSON PALMA: I think it was

clear why they decided they couldn't do child care  
anymore. Commissioner, with all due respect, I  
believe the RFP drove them to that decision.

CHAIRPERSON RECCHIA: All right,

Commissioner. You know, you heard from the City  
Council today and we are asking you to reconsider  
the way you did this process. There are many  
questions. There are many flaws. This is just  
the beginning of the process.

You really have to--you know, if  
you want us to work with you and add funding, then  
something has to change here. Many programs got  
hurt. And the issue has to be addressed  
immediately.

1  
2 I just want to say what hurts the  
3 most is that there is a provider that got awarded  
4 several centers. And one of the centers that is  
5 closing is the Shirley Chisholm Daycare Center.  
6 It's being taken over. This is history here,  
7 named after the first African American  
8 congresswoman. And it's being taken over by a  
9 provider from Glen Cove Long Island. That hurts.  
10 That hurts. It hurts my colleagues. I mean you  
11 have to look at all of these what you did here.  
12 Because it seems there are many providers that  
13 were in business for 30 plus years that go wiped  
14 out. So I'm asking you to really reconsider and  
15 take a second look.

16 I want to thank you for putting up  
17 and listening to us. We heard what you had to  
18 say. We want to work with you, not against you.  
19 We believe by working together we could accomplish  
20 something that's in the best interest for our  
21 children. Annabel?

22 CHAIRPERSON PALMA: You summed it  
23 up.

24 CHAIRPERSON RECCHIA: Okay. Thank  
25 you very much.

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RONALD E. RICHTER: Thank you.

[Pause]

CHAIRPERSON PALMA: Commissioner.

I'm sorry, before you leave. I would be remiss if I--there were parents and children who sent petitions to you and I just want to make sure that for the record I'm giving them to you.

[Pause]

CHAIRPERSON RECCHIA: All right,

we're going to get started. Good afternoon. We're here. I'm going to resume our Executive Budget hearing for Fiscal Year 2013 with the Department of Homeless Services. I'd like to now turn the mike over to Annabel Palma, my co-chair from General Welfare, to say a few words.

CHAIRPERSON PALMA: Thank you,

Council Member Recchia, Mr. Chair. Good afternoon, and we will now, as Council Member Recchia mentioned, we're going to hear from DHS, which provides services and programs to prevent homelessness and when prevention is not possible or successful, the agency provides temporary emergency shelter for eligible homeless adults and families.

1  
2 Today, we will examine DHS' Fiscal  
3 2013 Executive Budget of \$800.9 million, which saw  
4 an increase of \$9.9 million when compared to the  
5 Fiscal 2012 Adopted Budget. A majority of this  
6 increase in funding can be attributed to a greater  
7 need for shelter capacity, both in the agency's  
8 single adult and family shelter facilities.

9 As discussed during the preliminary  
10 budget hearing, the services provided by DHS are  
11 needed now more than ever, particularly since our  
12 shelter center numbers have continued to rise year  
13 after year. This year, the city's shelter centers  
14 reached nearly 43,000 people, including 10,000  
15 families and a record of 17,000 children spending  
16 the night in homeless shelter facilities.

17 While DHS Fiscal Year 2013  
18 Executive Budget does not include any new PEG  
19 proposal, two PEGs considered in previous fiscal  
20 plans are still included in the Fiscal Year 2013  
21 budget, namely the shared living plan for families  
22 with children PEG and the adult shelter diversion  
23 PEG, both of which would need legislative changes  
24 in order to be lawfully enacted.

25 Under the shared living plan for

1  
2 families with children, DHS proposes to convert  
3 existing one-family shelter units into units that  
4 would house two or three families. DHS proposes a  
5 savings of \$23.4 million in Fiscal Year 2013 and  
6 in the out years as a result of this  
7 implementation. However, this action raises  
8 serious questions about the child safety, and as  
9 discussed during the preliminary budget hearings,  
10 it is directly prohibited by law, by Local Law 18,  
11 which was passed by the Council in 1990. Today,  
12 we will question DHS about how it intends to  
13 implement this proposal.

14           Additionally, DHS proposes to  
15 implement a new diversion policy. The adult  
16 shelter diversion PEG is designed to establish  
17 standards by which single adult intake facilities  
18 will determine whether individuals are eligible  
19 for temporary emergency shelter. The  
20 determination for shelter would be based on an  
21 assessment of whether the applicant had other  
22 available housing or means to obtain other  
23 housing.

24           As a result of this proposed plan,  
25 DHS projects a savings of \$2 million in Fiscal

1  
2 Year 2012 and in the out years. More  
3 specifically, the agency projects a reduction in  
4 the net cost of shelter via diverted applicants--  
5 Fiscal Year 2013--which would be aided by hiring  
6 an additional 10,000 diversion staffers.

7           However, the Council and the Legal  
8 Aid Society brought legal action to prevent  
9 implementation of this policy and a court  
10 determined that DHS could not implement the policy  
11 without complying with the City Administrative  
12 Procurement Act, CAPA, yet, the projected Fiscal  
13 2013 and out year savings from its implementation  
14 remains in the budget. We will also question DHS  
15 about how it plans to implement this PEG in Fiscal  
16 Year 2013.

17           Today, we will also further  
18 question DHS about its proposal to hire 51  
19 compliance staff for its Client Responsibility  
20 Unit. This staff will be charged with ensuring  
21 that both adult and family shelter clients are  
22 fulfilling federal employment training  
23 rehabilitative program requirements. DHS projects  
24 they will spend \$2 million in Fiscal Year 2012 and  
25 \$268 million in Fiscal Year 2013--excuse me--

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\$268,000 in Fiscal Year 2013 for these hires.

The agency estimates this cost will be offset in the out years by an anticipated reduction in care dates in adult and family shelters. DHS believes this action will eventually generate a savings of \$12.8 million in Fiscal Year 2014 and in the out years. As expressed during the preliminary budget hearing, the Council has serious concerns about anticipating a savings by reducing the care adults and families receive in the shelters.

Although many of the issue I've mentioned at the Fiscal 2013 Preliminary Budget hearing, it is important that the Council gains a full understanding of what DHS proposes as we move closer to adoption of the Fiscal 2013 budget.

I want to thank all of you who have been here with us since this morning and who have remained to hear testimony and Council Member Lander for joining us again. I look forward to the commissioner's testimony.

SETH DIAMOND: Good afternoon, Chairs Palma and Recchia and members of the General Welfare and Finance Committees. I'm Seth

1  
2 Diamond, Commissioner for the Department of  
3 Homeless Services and joining me here today are  
4 Steve Pock, Deputy Commissioner for Fiscal and  
5 Procurement Operations, and Lula Urquhart,  
6 Assistant Commissioner for Budget and Audit.

7 I'd also like to introduce you to  
8 Douglas James, DHS' new Deputy Commissioner for  
9 Adult Services, who's sitting in the front row  
10 with us today. Many of you may recognize Doug  
11 from his former position with DHS as Deputy  
12 General Counsel. In his new role, Doug will  
13 manage emergency shelters for single adults and  
14 adult families and provide services to individuals  
15 living on the street. Additionally, Doug will be  
16 interfacing with some of you at the Council as  
17 well as other City agencies, not-for-profit  
18 partners and key stakeholders to lead agency  
19 initiatives.

20 Today we are happy to be here to  
21 discuss Mayor Bloomberg's Fiscal Year 2013  
22 Executive Budget for DHS and to update you on  
23 Agency initiatives and accomplishments.

24 Two weeks ago, Homeless Services  
25 unveiled a new citywide prevention campaign to

1  
2 urge families at-risk of homelessness to utilize  
3 Homebase prevention services. As you can see on  
4 our exhibit to my left, the public awareness  
5 campaign centers around the slogan, "Reach out,  
6 before you're forced out of your home: We can help  
7 you avoid shelter."

8           The first phase of the campaign  
9 features ads in both English and Spanish on  
10 billboards, subways, check-cashing establishments,  
11 MTA buses and bus shelters. We identified key  
12 advertisement placements in the city's 15 highest  
13 risk communities to ensure that we are targeting  
14 families and individuals who are most at-risk of  
15 becoming homeless.

16           The intent is to raise awareness  
17 and encourage families and individuals to access  
18 prevention services through Homebase before  
19 seeking shelter. In addition to the outdoor  
20 campaign, television public service announcements  
21 will air in July and a web video will be available  
22 on DHS' website.

23           DHS will also combine these public  
24 messages with a grassroots campaign to solicit  
25 Homebase referrals, working with community-based

1  
2 organizations and public officials who play a  
3 crucial role in helping families who are  
4 experiencing a housing crisis.

5           The campaign is off to a great  
6 start. Since the ads first went up, the daily  
7 average number of calls to 311 for Homebase  
8 services has doubled. Since its inception,  
9 Homebase has served nearly 35,000 families and  
10 individuals through this effort, and we intend to  
11 reach even more New Yorkers before they seek  
12 shelter.

13           In addition to our efforts to raise  
14 public awareness in high risk communities, DHS is  
15 continuing to place targeted homelessness  
16 prevention services in key locations. In April,  
17 we collaborated on a new eviction prevention pilot  
18 with the Office of Court Administration, Human  
19 Resources Administration and the Office of  
20 Temporary and Disability Assistance in Bronx  
21 Housing Court. Our staff has been screening  
22 Advantage petitioners as they enter Housing Court  
23 to expedite FEPS applications and providing an  
24 attorney to represent them in housing court as  
25 needed.

1  
2                   On average, from start to finish,  
3 eviction cases have been discontinued in less than  
4 20 days, an unprecedented accomplishment. Later  
5 this week, we will be meeting with Deputy Chief  
6 Administrative Judge Fern Fisher and her staff to  
7 replicate the effective early intervention model  
8 in Brooklyn and Queens.

9                   In preparing for the loss of  
10 Advantage, from April 2011 to January 2012, DHS  
11 sent monthly letters to Advantage households to  
12 ensure they understood the program was ending. We  
13 have also notified tenants of the City's  
14 prevention resources and strongly encouraged  
15 households to attend Homebase information  
16 workshops to avail themselves of support services  
17 to remain stably housed in the community.

18                   Since late September, we've hosted  
19 325 information sessions throughout the five  
20 boroughs and have an additional 40 sessions  
21 scheduled through the end of June. Already  
22 reaching more than 3,500 former Advantage  
23 households, we will continue to provide these  
24 community housing advice workshops on a variety of  
25 topics geared to maximizing housing stability and

1  
2 increasing knowledge in communities around tenant  
3 rights and the services available to tenants and  
4 landlords.

5 DHS is also piloting a program for  
6 families who have a previous shelter history to  
7 assist them in their return to independence. In  
8 the spring of 2010, the agency launched the Home  
9 to Stay program as a collaborative pilot project  
10 with four service providers: Center for Urban  
11 Community Services or CUCS, Community Solutions,  
12 Women In Need and the Jericho Project.

13 Funded by the Robin Hood  
14 Foundation, the program is designed to place  
15 families into housing as quickly as possible and  
16 ensure families do not return to homelessness.

17 Home to Stay provides housing  
18 placement, employment assistance and temporary  
19 social services to achieve independence and reduce  
20 recidivism to a targeted group of homeless  
21 families using Family Critical Time Intervention.

22 Early results from the pilot show  
23 promise, with a 17 percent increase in the  
24 percentage of families exiting shelter and 62  
25 fewer days in shelter for families served in the

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Home to Stay program.

While we are examining a cohort of families with shelter histories, we are also doing more to support veteran families. DHS has been a leader in innovative programming to help homeless veterans and we continue to explore new strategies.

Since last fall, the Homebase program, through a grant to HELP USA, has been providing homeless prevention and rapid re-housing services for at-risk and homeless veteran households in New York City under the Department of Veterans Affairs Supportive Services for Veteran Families Program.

The SSVF program focuses on serving two populations of veterans. The first group is housed veterans who are at imminent risk of becoming homeless. The program assists these veteran households with an array of services, which includes anti-eviction services, short-term financial assistance, job placement, budget counseling and housing relocation services.

The second population is sheltered homeless veterans. The SSVF program works with

1  
2 shelter providers to offer specialized services  
3 and assists shelter staff to place these veterans  
4 back into housing in the community. The SSVF  
5 program then offers follow-up services to ensure  
6 veterans remain stably housed.

7           The program also adds a specialized  
8 veterans' component to the City's existing  
9 Homebase program and coordinates the work of  
10 Homebase with the range of services available  
11 through the VA. With an annual enrollment target  
12 of 225 at-risk and homeless veteran households,  
13 the program is on track to exceed its goals.  
14 Since its inception, the program has served 204  
15 homeless and at-risk veteran households throughout  
16 City.

17           Additionally, last October, DHS  
18 launched the Veterans Outreach and Housing  
19 Placement Initiative in partnership with the  
20 Bowery Residents' Committee, Common Ground and  
21 Goddard Riverside Community Center. With a goal  
22 of connecting homeless single veterans to services  
23 and housing, the initiative has resulted in 150  
24 individuals being engaged to date, with 120 of  
25 these veterans having moved to either permanent or

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transitional housing.

Furthermore, more than 80 percent of these clients have either been connected to benefits through the United States Department of Veterans Affairs or other public benefits or entitlements. We anticipate that a total of 200 single veterans will be placed into housing through this initiative by October of this year.

DHS is also proud to announce that its Prevention Assistance and Temporary Housing family intake center has been recognized by the Construction Management Association of America and the Society of American Registered Architects of New York.

In early June, DHS will be honored at the CMAA's 19th annual awards ceremony where PATH will be distinguished as one of five award recipients in 2012. Later this month, PATH will be additionally honored by SARANY at its 17th annual Celebration of Architecture and Design awards. With this award, PATH will join the ranks of other exclusive awardees, including the High Line and the Brooklyn Navy Yard.

Since its opening, PATH's

1  
2 innovative and efficient design has improved the  
3 intake process and allows DHS to better serve New  
4 Yorkers on a daily basis. I do hope that we are  
5 able to reschedule the General Welfare Committee's  
6 tour of PATH in the coming weeks.

7 Finally, DHS' current fiscal year  
8 expense budget is \$914 million; for next year,  
9 Fiscal Year 13, the budget is \$801 million;  
10 Advantage funding accounts for the most  
11 significant portion of the difference.

12 Of the \$801 million, \$410 million  
13 are City funds, \$107 million are State funds, \$279  
14 million are federal funds, \$4 million are CD grant  
15 funding, and \$1 million are intra-city funding.  
16 The \$801 million budget allocates \$335 million to  
17 services for single adults, \$404 million to  
18 services for families, and \$62 million to support  
19 services.

20 The DHS Capital Plan for the five  
21 year period of Fiscal Year 12 through Fiscal Year  
22 16 is currently \$103 million. Capital projects  
23 for homeless families total \$31 million; projects  
24 for single adults total \$40 million; \$21 million  
25 has been allocated for support services; and \$11



1  
2 appreciate if you can get back to us with the  
3 amount of the grant. How many families? I know  
4 that here in your testimony you say early results  
5 from the pilot show promise with a 17 percent  
6 increase in the percentage of families existing  
7 shelter and 62 fewer days in the shelter. So how  
8 many actual families benefited?

9           SETH DIAMOND: So 400 families are  
10 in the program. These are families that have had  
11 time in shelter and have had substantial barriers  
12 to exit. So the fact that these agencies are  
13 working with them I think is needed and provides  
14 some additional services that will help them exit.  
15 Again, as you said, we've been able to take the  
16 families who have some of them some very  
17 significant barriers, have been in shelter for  
18 multiple periods, to still be able to reduce the  
19 time with them with no subsidy, we're very  
20 encouraged by that.

21           CHAIRPERSON PALMA: Were any of  
22 these 400 families who benefited from this grant  
23 and this pilot program part of the Homebase study?

24           SETH DIAMOND: We don't think so,  
25 although I don't know that for sure.

1  
2 CHAIRPERSON PALMA: Is there any  
3 way, would you be able to find out if any of them  
4 were part?

5 SETH DIAMOND: We can look to see  
6 if we can find out.

7 CHAIRPERSON PALMA: I would  
8 appreciate that. Then in regards to the homeless  
9 prevention citywide campaign, I know that in the  
10 plan there's a \$6 million allocation that reflects  
11 funding for prevention and after care. Is there  
12 any plan to increase funding, given the times that  
13 we're in and we're seeing additional people come  
14 through the doors? I know in previous years the  
15 funding has fluctuated in regards to prevention.

16 SETH DIAMOND: Right. Just to be  
17 clear, the campaign is part of the--the \$6 million  
18 is largely for services, not the campaign.

19 CHAIRPERSON PALMA: Right. I'm  
20 referring to the \$6 million for services. Because  
21 of the campaign, I'm pretty sure that, you know,  
22 more folks are going to be made aware of the good  
23 job that DHS is doing and they're going to want to  
24 seek services.

25 SETH DIAMOND: So the money that

1  
2 you're talking about is the tax levy portion of  
3 the city tax contribution to Homebase. We  
4 anticipate being able to draw down substantial  
5 state and federal money as a result of the  
6 services that we provide. So we will  
7 substantially grow the money that's invested from  
8 the \$6 million and we are anticipating the program  
9 to be about a \$20 million program. But  
10 ultimately, it depends on how many people we  
11 serve.

12 We do think, because of some of the  
13 work we've done, the research that we have done,  
14 we will be able to better target the services to  
15 people who are coming in to make sure that we're  
16 providing just the right services for the people  
17 who are seeking them. That will allow us to serve  
18 more people even with the same money, so that we  
19 will be able to reach more people as a result of  
20 the campaign. You're right, we are hopeful that  
21 more people will come to us first and we want to  
22 be able to serve them, certainly far cheaper than  
23 coming to shelter.

24 CHAIRPERSON PALMA: I have other  
25 questions and I'm going to allow Lander to ask

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some questions.

COUNCIL MEMBER LANDER: Thank you very much, Madame Chair. Thanks for being here, Commissioner. It's nice to see the new efforts of the campaign and some of the other programs that you're talking about.

I just want to start by getting a better understanding. I guess on this year's budget first. So you said that we're projecting to end FY 12 at \$914 million.

SETH DIAMOND: Right.

COUNCIL MEMBER LANDER: And what we had budgeted for was \$791 million. So that's \$123 million increase, like, you know, well over, about, I don't know, 15 plus percent. Can you help walk me through on what we're spending an extra \$123 million?

SETH DIAMOND: Well, we can certainly talk about some of the specifics. Lula would be happy to do that. The main difference is that there are grants and Advantage funding that is not in the budget as adopted that gets added to the budget in the course of the year for a variety of technical reasons. That accounts really for

1  
2 the difference. But if you want to go through it  
3 in more detail, I'm happy to have Lula do that.

4 COUNCIL MEMBER LANDER: It's a big  
5 variation and as we budget for next year, trying  
6 to understand whether the numbers we're projecting  
7 are really what we're going to spend--I mean, you  
8 know, I know as we spoke about at the preliminary  
9 budget hearing, obviously if someone shows up at  
10 the shelter, we house them and if that means we  
11 expand shelter capacity and spend more, of course  
12 we are both obligated and it's the right thing to  
13 do, to do it. But, you know, as much as we're  
14 trying to budget, I'm just trying to understand  
15 what the--

16 SETH DIAMOND: [interposing] There  
17 was some additional money added to our budget for  
18 Fiscal 13 for capacity. But the difference you're  
19 talking about, the most significant part is a  
20 combination of Advantage and grant funded programs  
21 that get added later. There is no more Advantage,  
22 so that will not be added. But there will be some  
23 grant funded and intra-city programs that get  
24 added later.

25 LULA URQUHART: Would you like me

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to go through it? Advantage is about--

CHAIRPERSON PALMA: [interposing]

Can you just introduce yourself for the record and push the microphone a little bit closer to you?

LULA URQUHART: Sure. Lula Urquhart, Assistant Commissioner of Budget and Audits. Yes, at the beginning of the fiscal year, we do not have our grants. We do not have any of the grant funding added to the budget. So the \$700,000 that you're referring to excludes all of the grants. And it excludes any other re-estimations that are done during the fiscal year.

So for Advantage, there was approximately \$43 million additionally added to the budget, while ESG and stimulus were added. So it comes to a total of about--it fills the gap from the 700 and some thousand dollars to the 914.

COUNCIL MEMBER LANDER: The Advantage \$40 million I assume was largely was what the court ordered the city to spend on Advantage awards that hadn't been projected at the time?

SETH DIAMOND: Well, it's a combination of some of that, some of the--for some

1  
2 period, some part of Fiscal 12, there were  
3 expenses that were from--right, the court ordered  
4 us to spend money that we didn't anticipate at  
5 that point. That's true. But the Advantage, if  
6 you look back over DHS' budget during the entire  
7 Advantage period, there was uncertainty as to how  
8 much would be spent from year to year, so it was  
9 adjusted as the years went on.

10 COUNCIL MEMBER LANDER: So do you  
11 know how much of that \$123 million that we spent  
12 more than was budgeted is specifically attributed  
13 to needed increase in shelter capacity, both on  
14 the single and the family side?

15 SETH DIAMOND: We did have some  
16 money added in Fiscal 12 for capacity. Do you  
17 know--

18 LULA URQUHART: [interposing] For  
19 family capacity, we had about 30 million added for  
20 family capacity. For adult capacity, it was--this  
21 is from the exec plan. And for adult capacity, it  
22 was about 8 million.

23 COUNCIL MEMBER LANDER: So about  
24 \$11 million more between preliminary and exec.  
25 How much did you say for FY 13 in new capacity?

1  
2 LULA URQUHART: It was \$38 million  
3 in '12 that was added for various forms, adult and  
4 family capacity.

5 COUNCIL MEMBER LANDER: One thing I  
6 noticed in looking at the MMR is that, and this is  
7 obviously not surprising with the end of  
8 Advantage, that length of stay is up pretty  
9 dramatically across the board. Again, you know,  
10 for all the hard work people are doing, you lose  
11 the opportunity, you know, the resource to place  
12 people, of course that's going to happen. Has  
13 that been factored into the budget? Essentially  
14 that's going to mean we're going to spend more on  
15 shelter if the average family or singles are in  
16 shelter longer?

17 SETH DIAMOND: Yeah, a couple of  
18 things on that. First, some of the money that  
19 gets added to the budget is to catch up with where  
20 we already are on capacity. We've already added  
21 capacity and are paying for it but OMB hasn't  
22 formally added money to the budget. It's sort of  
23 paying for it on an emergency basis initially  
24 until it gets to the point of a formal budget  
25 cycle where it can add it and sort of readjust.

1  
2 So that's why some of the money is added not for  
3 new capacity but sort of catching up with where we  
4 already are on capacity.

5 In terms of the length of stay,  
6 after the Advantage program, we have been very  
7 encouraged that we still continue to be able to  
8 remain strong in terms of our move-outs. We had,  
9 in the month before Advantage ended we had about  
10 680 families that are moving out of shelter. In  
11 the year since, it's been about 620 a month.

12 So there has been some decline but  
13 it still remains very strong. I think that's a  
14 real tribute to our providers who work hard every  
15 day with limited tools to make sure that families  
16 are ready to leave and to prepare them to leave  
17 the shelter system.

18 It has meant, as you said, that  
19 there has been some increase in length of stay  
20 because we don't have as many exits as we did have  
21 and the shelter capacity does have to take that  
22 into account.

23 COUNCIL MEMBER LANDER: You know, I  
24 appreciate that the reason for it is the loss of  
25 Advantage and I know people are trying to work

1  
2 hard to keep up. But certainly the length of stay  
3 increase for families with children, according to  
4 the MMR is up over 28 percent. So it's  
5 significant. Again, this is not surprising if  
6 folks don't have the resources to place people.  
7 But we should look at that.

8 On the issue of the shelter  
9 providers, I guess one concern that a few of them  
10 have expressed to me is that they're also finding  
11 it harder to continue to provide the resources for  
12 services and placement. Some of them I know have  
13 contracts that were performance based and the loss  
14 of Advantage has made it harder for them to meet  
15 their targets and they therefore have suffered a  
16 loss of contracted funds and they can't spend less  
17 on beds and food.

18 So of course, just like the agency,  
19 unfortunately through the loss of stimulus funding  
20 and then the loss of Advantage, has a much higher  
21 percent of its resources going to shelter than  
22 going either to prevention or for placement. My  
23 sense is now that some of the shelter providers  
24 also, you know, have lost resources that they  
25 would like to be putting towards prevention on the

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one hand and re-housing on the other.

SETH DIAMOND: I'm not exactly sure what you've been told but that's not entirely the situation. We understood that with the end of Advantage we would have to re-look at our performance measures. We have not had a family performance measurement system for a year, since Advantage ended, precisely because we wanted to take account of the new world and make sure we were holding providers accountable for achievable results. We now have one that we are in discussions that we think is reflective of the realities of the day and we want to be able to use that.

Similarly on the single side, we have not had a performance system in place since January, and we are seeking to start one on July 1st. So we do think that we have taken into account the difficult realities that shelters deal with. I do think it can't be stressed enough how wonderfully they've responded to the changed environment and how they've been very creative and innovative in their thinking, always looking for new opportunities.

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2 I will also add that while I know  
3 there may be some opposition to initiatives like  
4 shared families, doing that will prevent further  
5 cuts to shelter providers, because we have a  
6 choice to make of where we will need to cut the  
7 budget. We can cut the budget, we can say to all  
8 shelter providers we know you've been doing a  
9 great job with less resources, but we just have to  
10 cut you another 2, 3, 4 percent and it will make  
11 life more difficult.

12 Or we can say let's try something  
13 different; let's try an approach that allows us to  
14 save money and invest some of those savings in  
15 additional services that's a model that's been  
16 used in other parts of New York City and all  
17 across the country, and we don't have to then cut  
18 shelter providers as much. That's the choice we  
19 have to make: cut shelter providers more or try  
20 something different that will allow us to invest  
21 in more services for families.

22 COUNCIL MEMBER LANDER: So, as you  
23 know, the Council actually has a very similar  
24 offer on the table to you: cut shelters more or  
25 invest in something different that's worked in

1  
2 many places. And not just me, but at this point  
3 since the preliminary budget hearing, the chair of  
4 this committee, the chair of the Finance Committee  
5 and the Speaker, in preparing the Council's budget  
6 response one more time and I think for the first  
7 time in the budget response and as the Council as  
8 a whole, asked the administration to take a look  
9 again at placing people from the shelter into  
10 permanent housing, into Section 8 when we have it,  
11 into NYCHA, which we now have in some ratio and  
12 then hopefully also combining that with a new  
13 temporary subsidy.

14                   And so, just as you ask us to look  
15 seriously at shared rooms, we again ask you to  
16 look seriously at the proposal that's in the  
17 Council's budget response and consider what would  
18 be the cost savings as well as the improved  
19 permanent housing placement rate of using the  
20 permanent housing resources that we have.

21                   SETH DIAMOND: Well, I understand  
22 that that has been a proposal and I think there's  
23 a meeting that's being scheduled to more fully  
24 discuss the idea. It's been sort of in  
25 development is my understanding. A firm proposal

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2 was still being worked on. But we are willing to  
3 discuss that.

4 I know that you have asked for some  
5 discussions to also look at the cost of using  
6 those resources. We are meeting with the IBO  
7 tomorrow to discuss a full accounting for the  
8 cost, which would include how much it would cost  
9 to move people out of shelter, whether there would  
10 be an impact on the length of stay, whether there  
11 would be an impact on the number of people coming  
12 into shelter, whether people would work at a  
13 different rate if they leave shelter with a  
14 subsidy versus knowing they have to supply the  
15 income to support themselves. All those issues  
16 should be on the table and we are happy to look at  
17 all of that. If it is part of a shared  
18 discussion, where we honestly look at shared  
19 living, as a legitimate option, that gets  
20 considered and evaluated against further cuts to  
21 providers, I think that would be a very healthy  
22 discussion to have.

23 COUNCIL MEMBER LANDER: All right,  
24 thank you for your openness. I thank the chair  
25 for your leadership on this issue in general as

1  
2 well as the Speaker and the Finance chair. Thank  
3 you very much. Thanks, Madame Chair.

4 CHAIRPERSON PALMA: Council Member  
5 Brewer?

6 COUNCIL MEMBER BREWER: Thank you.  
7 I wanted to ask again about Homebase and to  
8 understand. I know you have the particular new  
9 initiative. I just want to know how you think it  
10 will change people's opportunities to stay where  
11 they are if they so desire and if there are  
12 different hours. Just, you know, all the things  
13 that I think are needed in order to keep people in  
14 their homes. I think I've been talking about this  
15 for a very long time.

16 SETH DIAMOND: Yes, yes.

17 COUNCIL MEMBER BREWER: Like years  
18 and years and decades and decades--

19 SETH DIAMOND: [interposing] We're  
20 following your lead.

21 COUNCIL MEMBER BREWER: --and  
22 decades.

23 SETH DIAMOND: Yes. We are  
24 following your lead, absolutely.

25 COUNCIL MEMBER BREWER: I know, but

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what's going on?

SETH DIAMOND: Well, the first challenge with prevention resources is to make sure people know about them. Because shelter is certainly well known in communities throughout the city, but Homebase as a newer program is less well know. We find that many people come to shelter either after it's too late, after all the bridges have been burned, or not knowing that there are resources available that might--

COUNCIL MEMBER BREWER:

[interposing] We barely know about it.

SETH DIAMOND: So the idea is to do a very large advertising campaign. I've been working in social services for 20 years and the Council has always urged me to do more, no matter what the service, to do more prevention. Whether it's food stamps, employment services, housing assistance, we've always been criticized for not doing enough notification to the community, enough advertising and enough prevention. So now we're doing all of that. We have a very robust prevention program. We have a very strong advertising campaign to let people know about it.

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We want people to come to those offices first.

The strength of the offices and the services they provide and also the fact that their work is backed up by solid history and solid research which shows who is best and how best to target our resources to help people. I think all of that combined with I think a very good and solid group of providers, some of whom are new to this, some of whom have done this work for a long period of time, since Homebase has come onto the scene will give us an even more improved program going forward.

COUNCIL MEMBER BREWER: What are the hours of these Homebase programs?

SETH DIAMOND: They each have one to two late nights a week and then they're open business hours.

COUNCIL MEMBER BREWER: There's no hope to move them to some weekends also? In other words, I'm 24/7, that's where people find me. I hate to say 24/7 is the way to go but 24/7 is the way to go.

SETH DIAMOND: There are some Saturday hours. And of course, people can call

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311 which is often a way--

COUNCIL MEMBER BREWER:

[interposing] Oy vey.

SETH DIAMOND: --they do get to  
Homebase through 311.

COUNCIL MEMBER BREWER: I know.

After you get through the--

SETH DIAMOND: [interposing] And we  
will get back to them.

COUNCIL MEMBER BREWER: --alternate  
side of the street parking and everything else.  
So have you found even before this ad--there was  
some federal grant this year we were going to get  
for Homebase. Did that come alive? Did that go  
online? There was some federal grant that  
wonderful woman in the pink sweater told me about.  
It was a federal grant. That's what's paying for  
the ads?

SETH DIAMOND: Well, the ads is a  
part of the overall stimulus money--

COUNCIL MEMBER BREWER:

[interposing] Okay, so that's federal last I  
checked.

SETH DIAMOND: Yes, it's federal

1  
2 and its time limited. We have to spend it by mid-  
3 July, so we're--

4 COUNCIL MEMBER BREWER:

5 [interposing] All right. So did you already  
6 discuss what all the stimulus money is going  
7 toward? In other words, is anything else in terms  
8 of prevention or is it just the ads?

9 SETH DIAMOND: Well, Homebase has  
10 been traditionally funded with stimulus money.

11 COUNCIL MEMBER BREWER: Right.

12 SETH DIAMOND: But because it's  
13 ending in July, the stimulus money is ending in  
14 July, we have had to find additional sources of  
15 funding. So we have tax levy money in there, but  
16 we also have had discussions with the state about  
17 accessing different streams of state and federal  
18 funding. So we're confident that going into the  
19 new year, even though we will not have any federal  
20 stimulus funding we'll be able to fully fund the  
21 Homebase program.

22 COUNCIL MEMBER BREWER: Okay. And  
23 do you have some sense of how many people were--  
24 it's hard to know how many people didn't get  
25 evicted but how many people you served in the

1  
2 Homebase program last year? And wasn't there some  
3 study you were going to do to analyze all this?

4 I'm focused on Homebase. Have you noticed?

5                   SETH DIAMOND: Right. Seven  
6 thousand people have been served in the past. We  
7 anticipate being able to serve 10,000 in the new  
8 contract with level funding because we will be  
9 able to use more precise targeting of providing  
10 the resources that people need. That is a product  
11 of research that we've done. We had a researcher  
12 who looked at designing a good screening tool that  
13 would allow us to assess the best services that  
14 were needed for people and to--

15                   COUNCIL MEMBER BREWER:

16 [interposing] Is that that man from Cambridge?

17                   SETH DIAMOND: It's Beth Shinn, a  
18 woman who's at Vanderbilt I believe.

19                   COUNCIL MEMBER BREWER: Oh, there  
20 was some man from Cambridge who was here for a  
21 while.

22                   SETH DIAMOND: Right. So the  
23 study--

24                   COUNCIL MEMBER BREWER:

25 [interposing] He's gone.

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2                   SETH DIAMOND:  --I think you were  
3 talking about was a broader study.  All these  
4 studies were done--

5                   COUNCIL MEMBER BREWER:  
6 [interposing] A lot of studies.

7                   SETH DIAMOND:  Yeah, a lot of  
8 studies.

9                   COUNCIL MEMBER BREWER:  So how  
10 many, what are they showing us all?  They're  
11 showing us to be more targeted, is that what  
12 you're saying?

13                   SETH DIAMOND:  That's one of the  
14 conclusions.

15                   COUNCIL MEMBER BREWER:  Do these  
16 studies exist somewhere or they're going to be  
17 released.  You know, this releasing of studies is  
18 always a big issue--

19                   SETH DIAMOND:  [interposing] Yes,  
20 we have--some of the studies have been completed  
21 and we are happy to discuss them in more detail.  
22 They've all been done under the guidance and  
23 leadership of John Melloncaugh [phonetic] from  
24 CUNY who I know you know.

25                   COUNCIL MEMBER BREWER:  Yeah, we

1

2 know John. He got lambasted, I remember, when he  
3 came here.

4

5

        SETH DIAMOND: Well, but he's one  
of the city's--

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        COUNCIL MEMBER BREWER:  
[interposing] He survived.

8

9

        SETH DIAMOND: He's one of the  
city's finest researchers.

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11

        COUNCIL MEMBER BREWER: He  
survived. We love him, yes.

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        SETH DIAMOND: He's put together a  
program that has a number of different elements.  
Part of it is to evaluate the effectiveness of  
Homebase: does it work? And there's been some  
Columbia research that has been done that shows  
that it works at a community level. The research  
I think you were talking about where he had a  
hearing on and we're really focused on is to look  
at what individuals--but for Homebase would people  
come to the shelter system.

22

23

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        COUNCIL MEMBER BREWER: Right. And  
has that study been released? That was the one  
that was somewhat controversial.

25

        SETH DIAMOND: Right. It's not

1  
2 completed. The initial results are encouraging in  
3 that it shows that fewer people are coming to  
4 shelter who got the Homebase services. Twice as  
5 many people are coming to shelter who didn't get  
6 it as who got the Homebase services.

7 COUNCIL MEMBER BREWER: I could  
8 have told you that before the study.

9 SETH DIAMOND: Okay. And then  
10 another part of the research was to look at how  
11 best to design Homebase, how best to have an  
12 intake interview that identifies what services  
13 people need and how to invest in them to help them  
14 avoid shelter. That's what I was talking about  
15 earlier that was done by Professor Shinn at  
16 Vanderbilt. That's ready to go into place with  
17 the new contract and a screening assessment  
18 instrument.

19 COUNCIL MEMBER BREWER: Maybe with  
20 the Chair's permission we could have some more  
21 discussions about these studies, which I can't  
22 quite figure out what is or isn't done, and then  
23 how--our Chair says it's great in the Bronx, and I  
24 appreciate that. But I still think you need more  
25 hours. Obviously the campaign is good. I

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understand that. But it needs a buzz--

SETH DIAMOND: [interposing] Well, we're happy to talk--

COUNCIL MEMBER BREWER: It needs a buzz, a buzz.

SETH DIAMOND: Absolutely, and we--

COUNCIL MEMBER BREWER: [interposing] You have no buzz yet.

SETH DIAMOND: Well I think we have some buzz. The calls to 311 have gone up significantly since we started the campaign.

COUNCIL MEMBER BREWER: And you've been training the 311 folks, because that's always a challenge.

SETH DIAMOND: We've given them information on the script and how to connect to Homebase and what's available, et cetera.

COUNCIL MEMBER BREWER: When people are calling, that's it. You know, like people call, that's when they want to go but they don't--

SETH DIAMOND: [interposing] You've got your one shot, I agree, absolutely.

COUNCIL MEMBER BREWER: They don't wait--

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SETH DIAMOND: [interposing] No,  
no, I agree.

COUNCIL MEMBER BREWER: They're not  
doing that. But we even have further elements--

COUNCIL MEMBER BREWER:  
[interposing] But when people call in the middle  
of the night, what does happen, just out of  
curiosity? You call 311, what do you do, call  
them back? But don't forget, they may or may not  
have a cell phone, you know, people are--

SETH DIAMOND: [interposing] Well,  
we get back to them the next day.

COUNCIL MEMBER BREWER: Hopefully.

SETH DIAMOND: Hopefully. As soon  
as we can. I mean we understand that we have one  
shot. People come to us and if we can't meet them  
right there at that moment they'll go look for  
some other help. So we have to capitalize on that  
one opportunity we have.

COUNCIL MEMBER BREWER: All right.  
If you don't mind, Madame Chair, the 311 script  
for all of this, I'd like to see a copy of it.  
Thank you.

SETH DIAMOND: Thank you.

1  
2 CHAIRPERSON PALMA: I want to add  
3 that I know that in my office we've been  
4 successful at getting your staff after hours and  
5 on the weekends, you know, via their cell phones  
6 and email. So the staff has been responsive when  
7 we are--

8 SETH DIAMOND: [interposing] Thank  
9 you.

10 CHAIRPERSON PALMA: --reaching out.  
11 But I know, you know, there's still a lot more  
12 that needs to be done. I guess that's why the  
13 issue of after hours for certain organizations--

14 SETH DIAMOND: [interposing] No, we  
15 understand and we have made some hours available  
16 and we'll continue to look at that. I mean Lisa  
17 Black, as great as she is, should be able to turn  
18 off her BlackBerry once in a while.

19 CHAIRPERSON PALMA: I agree but  
20 this--

21 COUNCIL MEMBER BREWER:  
22 [interposing] She's not allowed to ever in her  
23 lifetime.

24 CHAIRPERSON PALMA: --but there are  
25 others also in the department. So I thank them

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for their immediate assistance when we call.

Council Member Levin?

COUNCIL MEMBER LEVIN: Thank you, Madame Chair. Thank you, Commissioner; it's good to see you. I'm sure that you're glad that you're going last today.

SETH DIAMOND: You're never sure--

COUNCIL MEMBER LEVIN:

[interposing] There were like 20--

SETH DIAMOND: --when it's best or worst.

COUNCIL MEMBER LEVIN: There were like 20 Council Members here for ACS.

SETH DIAMOND: Yes, yes.

COUNCIL MEMBER LEVIN: Thank you. I just have a couple of questions. I wanted to ask about Council Member Brewer and I and Council Member Oliver Koppell have been focusing in recent months on the issue of mental health for our student age kids and mental health services. I'm wondering, have you looked into or is DHS looking at federal funding opportunities that are available for kids that are in the homeless system, the mental health funding that's provided

1 through McKinney-Vento Act on the federal level?

2 Is that something that you've been kind of

3 interfacing with feds on at all?

4  
5           SETH DIAMOND: Well, we certainly  
6 deal with McKinney-Vento funding, although most of  
7 that, as you know, goes to the Department of  
8 Education. In terms of the mental health  
9 services, we have an extensive system, as you  
10 probably know, for mental health for single adults  
11 and dedicated shelters and providers with onsite  
12 services. For families we haven't traditionally  
13 provided as much service and support for either  
14 adults or children who have mental health issues.  
15 But we are doing more in that area, particularly  
16 around heads of households to make sure that we're  
17 appropriately accessing them and identifying  
18 treatment opportunities and referring them to  
19 treatment.

20           COUNCIL MEMBER LEVIN: Okay. Would  
21 it be all right if my office works with your  
22 staff--

23           SETH DIAMOND: [interposing] Sure.

24           COUNCIL MEMBER LEVIN: --over the  
25 next couple of weeks to see if we're able to

1  
2 identify untapped federal funding resources. I've  
3 heard that there may be some resources out there  
4 that's not going to the Department of Education  
5 and--

6 SETH DIAMOND: [interposing] We're  
7 happy to have that discussion.

8 COUNCIL MEMBER LEVIN: That'd be  
9 great. I wanted to ask just a little bit about  
10 the situation with Advantage funding coming to a  
11 close and kind of where we find ourselves right  
12 now. I think Council Member Lander may have asked  
13 this before. How many families that are former  
14 Advantage clients have gone back into the system  
15 at this point? I'm assuming we're keeping track  
16 closely of what's happening with the former  
17 Advantage recipients.

18 SETH DIAMOND: Of the Advantage  
19 families that end--or the Advantage households  
20 that ended when the program was terminated, when  
21 we were able to stop funding in January, there  
22 were about 6,500 households that at that point  
23 would have been due a February payment but for the  
24 stopping of the payment and then the subsequent  
25 action. Two point three percent of them have come

1  
2 back into the system since then. I think that's  
3 121 or 119 households have come into the system  
4 since then.

5 COUNCIL MEMBER LEVIN: Now,  
6 nonpayment proceedings, I mean holdovers take some  
7 time. I mean are we expecting--are we following  
8 exactly what's going on with their ability to make  
9 rent over the last couple of months? I forget how  
10 long it takes to go through the holdover  
11 proceeding but it's several months, especially if  
12 clients have access to a lawyer.

13 SETH DIAMOND: Right. We have been  
14 very conscious of this issue for a long period of  
15 time. As I had mentioned, we've done a lot of  
16 outreach to Advantage tenants. Of the 6,000 or so  
17 households, Advantage households, we've actually  
18 made contact with two-thirds of them, not just  
19 sending them something but actually either having  
20 them--3,500 of them have come to information and  
21 advice and counseling sessions we've offered.  
22 Another thousand or so, or 500 or so, we've talked  
23 to on the phone. So we've been able to reach and  
24 have substantial discussions with a large majority  
25 of them, two-thirds of them.

1  
2                   So we think that we will be able to  
3 be in a position to help as many as possible and  
4 hopefully avoid eviction. There will be some that  
5 will come back. You are right that it is a  
6 process that takes some time. So the number is  
7 very modest at this point. It may grow. But  
8 we're doing everything we can to try and avoid it,  
9 including giving people access to lawyers if they  
10 need it, sometimes counseling might be  
11 appropriate. There are others kinds of assistance  
12 we can offer.

13                   COUNCIL MEMBER LEVIN: In this  
14 fiscal year, in FY 12, how much did we spend on  
15 Advantage?

16                   SETH DIAMOND: There was \$43  
17 million was the city portion. We anticipated it  
18 being about \$150 million but it probably was  
19 somewhat more than that because--

20                   COUNCIL MEMBER LEVIN:  
21 [interposing] One hundred and fifty?

22                   SETH DIAMOND: Yeah, 150 million,  
23 roughly.

24                   COUNCIL MEMBER LEVIN: With 43  
25 coming from city tax levy.

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SETH DIAMOND: Correct.

COUNCIL MEMBER LEVIN: The rest coming from?

SETH DIAMOND: State and federal--

COUNCIL MEMBER LEVIN:  
[interposing] Okay.

SETH DIAMOND: No, that's incorrect actually. That would have had we been able to continue to access. So for Fiscal Year 12, which is not over yet, obviously, we have \$34 million in expenditures.

COUNCIL MEMBER LEVIN: \$34 million of city tax levy and then any state money?

SETH DIAMOND: No.

COUNCIL MEMBER LEVIN: No state money. Any federal money at all?

SETH DIAMOND: No.

COUNCIL MEMBER LEVIN: So then in FY 13, how is DHS repurposing those dollars? Where is it going elsewhere in the DHS budget?

SETH DIAMOND: Well, the DHS budget of course is part of the larger city budget. So the mayor has looked across all city agencies and decided where to put the money. That money was

1  
2 not in our budget, it was in HRA's budget I  
3 believe. It wasn't technically. But it's part of  
4 the larger discussion about where there are city  
5 needs. Some of it is needed for additional  
6 shelter costs, as we talked about. We are using  
7 some money there. But it is in the mix of  
8 deciding where city funds should be spent, on what  
9 services.

10 COUNCIL MEMBER LEVIN: I would  
11 think it would be wise to keep it within DHS'  
12 budget because you're going to need the resources.  
13 I mean I'm not a soothsayer, I can't look into the  
14 future, but it's looking--you know, it would be  
15 logical to think that the percentage is going to  
16 be increasing as the holdover process takes place  
17 for tenants that are not being able currently to  
18 make their rent. So I think that it would be  
19 wise, in the absence of a replacement program, to  
20 keep that money within the agency and use it  
21 towards those resources.

22 SETH DIAMOND: Well certainly, as  
23 you know, as we've talked about the city is  
24 committed to making sure that anyone who is  
25 eligible we will have shelter for them and we will

1  
2 make sure and the city and the budget office makes  
3 sure that that's true. One of the things that we  
4 have talked about extensively in the past is that  
5 shelter is a shared expense with state and federal  
6 resources being added to city tax levy which  
7 reduces the city funded portion of it. The  
8 probably with Advantage was that we were left in  
9 the position of it being only a city-funded cost.

10 COUNCIL MEMBER LEVIN: Then with  
11 the staff, the DHS staff that was administering  
12 the Advantage program, where do they go now? Are  
13 they being reassigned into other areas? Are you  
14 laying them off? What's going on?

15 SETH DIAMOND: We had a number of  
16 staff that were involved in the lease signing  
17 process and various supports for that. We have  
18 reallocated them throughout the agency. They work  
19 in almost every department in the agency doing  
20 other needed tasks.

21 COUNCIL MEMBER LEVIN: Then lastly,  
22 I just want to ask a little bit about the Client  
23 Responsibility Unit. Can you explain a little  
24 bit, you know, the value that DHS sees? Just the  
25 value that DHS sees in the program?

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2                   SETH DIAMOND: We think it's very  
3 important that people in shelter are taking  
4 positive steps to improve their situation and  
5 ultimately move out of shelter. And one of the  
6 best ways to do that is to access public  
7 assistance services. Some of that is the income  
8 that public assistance provides, which can help  
9 households. But more than that, it's the services  
10 that are offered: the employment services, the  
11 rehabilitative services, the services that are  
12 offered even after people get a job. And so we  
13 are very strongly encouraging and requiring  
14 everyone who's in shelter who's eligible to apply  
15 for public assistance and to maintain public  
16 assistance. Again, not as an end in itself but as  
17 a vehicle to gain services that will help them  
18 leave the shelter system.

19                   The Client Responsibility Unit  
20 helps monitor that. It works with shelters across  
21 the system to see how they're doing in terms of  
22 getting people into public assistance programs,  
23 identifies where there are problems, works with  
24 shelters to alleviate those problems and has been  
25 very successful in substantially reducing the

1  
2 number of people without any kind of income in the  
3 homelessness system.

4 COUNCIL MEMBER LEVIN: So you said  
5 encouraging and requiring. Is it encouraging or  
6 requiring?

7 SETH DIAMOND: First encouraging  
8 and if encouraging doesn't work, requiring.

9 COUNCIL MEMBER LEVIN: So then are  
10 people receiving shelter sanctions for not opening  
11 and maintaining--

12 SETH DIAMOND: [interposing] Our  
13 savings do not anticipate people leaving based on  
14 people not complying and having to leave. Our  
15 savings are based on the fact that we believe the  
16 overwhelming number of people will either comply  
17 or make their own decision to leave the shelter  
18 system.

19 Ultimately, if despite repeated  
20 efforts, despite all the steps we are taking,  
21 which are multiple steps in the process, including  
22 people's opportunity to ask for fair hearings, if  
23 they refuse to walk into an office and file an  
24 application that will be a shelter eligibility  
25 issue.

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2 COUNCIL MEMBER LEVIN: I'll pass it  
3 back to Chair Palma. Thank you, Commissioner.

4 CHAIRPERSON PALMA: So  
5 Commissioner, just to continue on the Client  
6 Responsibility Unit. So is DHS already  
7 implementing or issuing sanctions for those  
8 clients that are not complying?

9 SETH DIAMOND: Well, our hope is  
10 that people will comply. Again, there's  
11 significant financial benefit for the city, in  
12 addition to the other benefits for this. The city  
13 is able to claim money from the federal and state  
14 government for families that are on public  
15 assistance for shelter costs. It cannot claim  
16 those funds for families that are not.

17 So in addition to the personal  
18 benefits for households, there's a system benefit  
19 to requiring people to be on public assistance.  
20 So we--

21 CHAIRPERSON PALMA: [interposing]  
22 So we already started doing that?

23 SETH DIAMOND: We have already  
24 hired most of the staff, if not all the staff and  
25 we have begun, yes.

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CHAIRPERSON PALMA: So most of the  
51 are already all hired?

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SETH DIAMOND: Yes.

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CHAIRPERSON PALMA: Do you know how  
many exactly?

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SETH DIAMOND: I don't off the top  
of my head. Somewhere around a half a dozen have  
not been hired, approximately.

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CHAIRPERSON PALMA: So were there  
any adults or families ejected from shelter for  
noncompliance during Fiscal Year 12?

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SETH DIAMOND: Well, the good news  
is that, as I said before, the overwhelming number  
of people who have been asked to comply, do. In  
the single system, for example, in January of this  
year, we had over 2,000 households that either  
were not working, were not on SSI or were not on  
public assistance. We've been able to reduce that  
number to around 800. The family system we had 10  
percent of the households did not have public  
assistance. We've been able to reduce that number  
in half.

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So we've been able to take  
substantial steps to reduce the number of people

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2 without imposing on the overwhelming number of  
3 people a sanction. There was one household in the  
4 family system that refused to comply and there  
5 were, I believe, three households in the single  
6 system that similarly refused to do that.

7 But let me also explain, before any  
8 household has a sanction imposed, first households  
9 are urged repeatedly to do it. They're given an  
10 opportunity by the shelter they are at to apply  
11 for public assistance. If they refuse to do that,  
12 despite the repeated requests, they are moved  
13 first to another shelter. Families have an  
14 opportunity to ask for a fair hearing on that  
15 transfer from one tier two shelter to another, to  
16 contest that if they think that that's a problem.

17 At their new shelter, they are  
18 repeatedly asked again to apply for public  
19 assistance. If they refuse repeated requests  
20 there, they are given an opportunity for a fair  
21 hearing. All they have to do to avert the  
22 sanction is go into a public assistance office and  
23 give their name, their address and sign an  
24 application. That's all that's required.

25 CHAIRPERSON PALMA: So out of the

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2,000 households, that's combined adults and

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families, correct?

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SETH DIAMOND: So, let me give you

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the exact numbers, just to be clear. On January

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30th, there were 1,821 single adults that either

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were not working, did not have SSI or did not have

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public assistance. On May 16th, there were 872.

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So 1,000 people, 1,000 fewer, huge compliance

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effort and the overwhelming number of people, as I

11

said, complied. There were three single adult

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households that did not. Families--

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CHAIRPERSON PALMA: So those three

14

single adult households--

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SETH DIAMOND: [interposing] And

16

two of those, after they were given the notice,

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cured immediately, meaning they applied right

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away.

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CHAIRPERSON PALMA: Okay. So then

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that leaves us with only one single adult that did

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not comply?

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SETH DIAMOND: And that person had

23

some extenuating circumstances, so when they

24

reapplied they were given shelter.

25

And the family system, again, on

1  
2 January 30th, 10 percent of the family system was  
3 not on public assistance, meaning the city was  
4 getting no benefits, no federal and state funds  
5 for those families. Those families were not  
6 involved in employment services through the Human  
7 Resources Administration. On May 14th, that  
8 number is 5 percent, so it was cut in half. And  
9 there was one family that despite the repeated  
10 attempts had to be served a sanction and left the  
11 shelter system.

12 CHAIRPERSON PALMA: And they left  
13 the shelter system because of the sanction because  
14 they were just not--

15 SETH DIAMOND: [interposing] After  
16 all the repeated attempts, after their opportunity  
17 for a fair hearing, after counseling not only by  
18 shelter staff, by DHS staff, by the Administration  
19 for Children's Service staff, after all of that,  
20 they refused to give their name, address and  
21 signature at an HRA office and so they--

22 CHAIRPERSON PALMA: [interposing]  
23 So let me ask this, what is the estimated cost  
24 savings for when that happens, per family, per  
25 adult?

1  
2                   SETH DIAMOND: I don't know if we  
3 have it calculated that way. You have the overall  
4 savings, which again are based on people complying  
5 or people who are not complying voluntarily  
6 leaving the system. So in Fiscal 14, which is not  
7 next year but as you know the fiscal year after  
8 that, there's a \$3 million Client Responsibility  
9 savings for the efforts that we were just talking  
10 about. That's a combination of being able to  
11 increase revenue into the city because families  
12 are on public assistance and also families being  
13 able to leave, either because they decide they  
14 want to or because they're able to connect to  
15 employment services and so they can leave through  
16 those resources.

17                   CHAIRPERSON PALMA: What happens to  
18 a family with children if they don't comply,  
19 they're ejected out of the system, does ACS get  
20 involved in terms of foster care and then what's  
21 the cost of that? Has there been a discussion  
22 between OMB, ACS and DHS in terms of those costs?

23                   SETH DIAMOND: First of all, I  
24 would say, as I've said before, that we expect the  
25 overwhelming number of people to comply and that

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has been our experience.

We have had hundreds of families that have been asked to comply with the system, that have been urged by their shelter providers, by DHS staff, by fair hearing judges to file public assistance applications and the overwhelming number have done so, as I said one family with children and three single adults, two of whom quickly did file and application. So the overwhelming number of people agree that filing a public assistance application is a reasonable request and do it, and we're very encouraged by that.

For those who refuse, even after all the repeated efforts I said, by shelter providers, by DHS staff, by fair hearing staff, we do involve ACS. Before we impose any consequence, ACS comes, also meets with the family, explains what it means, urges them to do so, explains that it's certainly better than not being able to access shelter to go file, give your name, address and signature at a public assistance office.

Ultimately, they would look into what alternatives families have with friends or

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other families in the neighborhood, in the community, if they're ineligible for shelter.

CHAIRPERSON PALMA: If they're ineligible because they're not complying, correct?

SETH DIAMOND: Again, the ACS conference is one more step we take to try and get families to be compliant. Some become compliant following that discussion.

CHAIRPERSON PALMA: Thank you, Commissioner.

CHAIRPERSON RECCHIA: Does anybody else have any more questions? I shouldn't have asked that right?

SETH DIAMOND: Yes, I would second that.

CHAIRPERSON RECCHIA: Lander?

COUNCIL MEMBER LANDER: It's a small and final, I think.

CHAIRPERSON RECCHIA: Never small with you.

COUNCIL MEMBER LANDER: I got the information on the family shelter provider payments and so I just want to make sure I understand what they're being asked to do. I mean

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2 on the single side. As you said, on the family  
3 side you guys move pretty quickly to change the  
4 graduated payment system, but on the single side,  
5 I guess partly it didn't get changed until  
6 December so there were folks who got paid less  
7 Calendar 11 than they were anticipating betting  
8 paid. Then even under the new system called CARES  
9 I guess, both having targets in quarters rather  
10 than annually and increasing the maximum potential  
11 loss from negative 10 to negative 15. I mean,  
12 look, we have less. Those are budget management  
13 efforts or?

14           SETH DIAMOND: Just a couple of  
15 things. First, CARES is a computer system that we  
16 implemented starting in December which is a case  
17 management system that's part of the system that  
18 we hope to demonstrate when you come to PATH.  
19 It's a system that takes people from intake  
20 through their eventual exit from shelter. It's  
21 used by both DHS staff and provider staff.

22           You're right, we haven't had a  
23 perform payment system since December for the  
24 single adults. The system that we set up was  
25 changed over time because of budget realities.

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2 Because when we do have to take budget cuts, we  
3 believe rather than do across the board cuts, we  
4 should take deeper cuts for people who are not  
5 performing as well and either not take cuts or  
6 even give increases to providers that are doing  
7 better. So we have changed some of the up or down  
8 measures, depending on budget issues and some of  
9 the PEGs that is done on.

10 But the way we do the measures are  
11 relative. So that there are always winners,  
12 meaning providers who are performing well and  
13 providers who are, the ones who are doing less  
14 well lose money. So they're not targets that are  
15 set blindly or targets that are set absent  
16 reality. They are targets that in fact the best  
17 providers by their own measure relative to each  
18 other are the ones who earn money. The ones who  
19 do worse relative to each other lose money. So  
20 they're achievable targets at every instance by  
21 definition.

22 COUNCIL MEMBER LANDER: That means  
23 there's not a net funding change, it's not a net  
24 budget cut. You know, the winners do a little  
25 better and the loser do a little worse. Or is it

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overall an effort to spend less money?

SETH DIAMOND: The overall goal on performance payment is to move the system in a positive direction. And we have seen, I think, the providers have responded well. I think, as I've said before, we've all been very impressed with how they have, despite diminished resources, been able to do better.

The performance payments we have in place--I don't want to misquote.

COUNCIL MEMBER LANDER: This is relatively detailed. I'm happy to follow up afterwards, if that's okay.

CHAIRPERSON RECCHIA: We can follow it up.

SETH DIAMOND: Yes.

COUNCIL MEMBER LANDER: I wasn't trying to put you on the spot. Thank you.

CHAIRPERSON RECCHIA: Okay? All right, thank you. Commissioner, I want to thank you for testifying here today. Thank you for coming out.

SETH DIAMOND: Thank you.

CHAIRPERSON RECCHIA: We look

1  
2 forward to working with you. This concludes our  
3 hearing for today. The Finance Committee will  
4 resume its executive budget hearing tomorrow at  
5 11:30 in the 16th Floor Committee Room. Tomorrow,  
6 the Finance Committee will be joined by the  
7 Committee on Transportation, chaired by my  
8 colleague James Vacca, to hear from the MTA and  
9 the Taxi and Limousine Commission. Please try to  
10 be on time.

11 As a reminder, the public will be  
12 allowed to testify on the last day, June 6th,  
13 beginning at 4 p.m. For members of the public who  
14 wish to testify but cannot make the hearing, you  
15 can fax your testimony to my counsel Tanisha  
16 Edwards and she'll make it part of the official  
17 record.

18 This hearing is now adjourned.

C E R T I F I C A T E

I, Donna Hintze 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 Donna Hintze

Date June 20, 2012