

8CITY COUNCIL  
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE, EDUCATION, & GOVERNMENTAL  
OPERATIONS

-----X

May 30, 2012  
Start: 10:15 am  
Recess: 4:15 pm

HELD AT: Council Chambers  
City Hall

B E F O R E:

DOMENIC M. RECCHIA, JR.  
ROBERT JACKSON  
GALE A. BREWER  
Chairperson

COUNCIL MEMBERS:

James S. Oddo  
Daniel Dromm  
Deborah Rose  
Helen D. Foster  
Brad Lander  
Letitia James  
Mark Weprin  
Margaret Chin  
Albert Vann  
Karen Koslowitz  
Daniel R. Garodnick  
Melissa Mark-Viverito  
Stephen Levin  
G. Oliver Koppell  
James G. Van Bramer  
Charles Barron

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

## COUNCIL MEMBERS:

Eric Ulrich  
Jessica S. Lappin  
James Vacca  
Joel Rivera  
Rosie Mendez  
Leroy G. Comrie, Jr.  
Darlene Mealy  
Ruben Wills  
Fernando Cabrera  
Diana Reyna  
Inez E. Dickens  
Peter F. Vallone, Jr.  
Erik Martin Dilan

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

Dennis Walcott  
Chancellor  
New York City Department of Education

Shael Suransky  
Chief Academic Officer  
New York City Department of Education

Mike Tragale  
Chief Financial Officer  
New York City Department of Education

Edna Wells Handy  
Commissioner  
Department of Citywide Administrative Services

Russell Ann Nobles  
General Counsel  
Department of Citywide Administrative Services

Richard Badillo  
Chief Financial Officer  
Department of Citywide Administrative Services

Ariella Maron  
Deputy Commissioner for Energy Management  
Department of Citywide Administrative Services

Keith Kerman  
Chief Fleet Officer  
Department of Citywide Administrative Services

Sergio Paneque  
Chief Acquisition Officer  
Department of Citywide Administrative Services

Theresa Ward  
Chief Asset Management Officer  
Department of Citywide Administrative Services

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

Christine Norman  
M/WBE Officer  
Department of Citywide Administrative Services

Dawn Sandow  
Deputy Executive Director  
Board of Elections

Pamela Perkins  
Administrative Manager  
Board of Elections

Steven H. Richman  
General Counsel  
Board of Elections

John Ward  
Finance Officer  
Board of Elections

Valerie Vazquez  
Director of Communications  
Board of Elections

Steve Ferguson  
Director of MIS  
Board of Elections

Linda May  
Deputy Commissioner  
Office of Administrative Trials and Hearings

Michael Cardozo  
Corporation Counsel  
Law Department

Amy Loprest  
Executive Director  
New York City Campaign Finance Board

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

Sue Ellen Dodell  
General Counsel  
New York City Campaign Finance Board

Shauna Tarshis Denkensohn  
Operations and Budget Director  
New York City Campaign Finance Board

Eric Friedman  
External Affairs Director  
New York City Campaign Finance Board

1  
2 CHAIRPERSON RECCHIA: Good morning  
3 and welcome to the ninth day of the City Council's  
4 hearing on the Mayor's Executive Budget for Fiscal  
5 Year 2013. My name is Domenic M. Recchia Jr. and  
6 I am the Chair of this Finance Committee.

7 We are joined here today by the  
8 Committee on Education, chaired by my colleague,  
9 Council Member Robert Jackson. Later today, the  
10 Finance Committee will be joined by the Committee  
11 on Governmental Operations, chaired by my  
12 colleague, Council Member Gale Brewer.

13 Before we get started, I'd like to  
14 recognize all those members who have joined us  
15 here this morning: Jimmy Oddo, Danny Dromm,  
16 Debbie Rose, Helen Diane Foster, Brad Lander,  
17 Robert Jackson, Tish James, Mark Weprin, and  
18 Margaret Chin.

19 Yesterday, we heard from the  
20 Department of Information and Technology and  
21 Telecommunication and the Department of  
22 Transportation. Today, we will hear from the  
23 Department of Education, DCAS, and the Board of  
24 Elections, the Administrative Trials and Hearings,  
25 the Law Department, and the Campaign Finance

1 Board.

2  
3 The Department of Education's  
4 fiscal 2013 executive budget is \$19.7 billion.  
5 The executive budget includes \$66.6 million in  
6 additional state aid that was added to the  
7 schools' baseline. This additional funding, plus  
8 \$135 million in additional state aid, including  
9 the preliminary budget, brings the total  
10 additional state aid to 201.6 million since fiscal  
11 2012 adoption. In 2012, the projected Medicaid  
12 revenue has been reduced by 80 million, from 117  
13 million to 37 million. The estimate for Medicaid  
14 revenue for fiscal 2013 remains unchanged at 167  
15 million.

16 There is good news in this budget  
17 for the DOE, there will be an additional 1,477  
18 special education teachers, there will be no  
19 reduction to general education teacher positions,  
20 and there'll be no reduction per-session pay.  
21 Also, the DOE will implement a revised fair  
22 student funding formula which includes wage  
23 changes for special education students and  
24 students who are overage and under credited. The  
25 revised formula will impact how funding is

1 allocated to schools but will not affect the size  
2 of the funding pot overall.

3  
4 I'm interested to hear more from  
5 Chancellor Dennis Walcott and other executive  
6 budget actions that he plans to take. But before  
7 we get started, I want to remind everyone that the  
8 public will be allowed to testify on the last day  
9 of the budget hearings on June 6th beginning at  
10 4:30. The members for the public who wish to  
11 testify on June 6th but who cannot make the  
12 hearing, you can fax your testimony to my counsel  
13 Tanisha Edwards and she'll make it part of the  
14 official record. Her fax number is (212) 788-  
15 7061.

16 At this time, I'd like to recognize  
17 [pause] co-chair Council Member Robert Jackson to  
18 make an opening statement.

19 CHAIRPERSON JACKSON: Well thank  
20 you, Chair Recchia, and good morning to everyone  
21 on this beautiful, seems like summer, morning in  
22 New York City.

23 Today, we are going to hear from  
24 the Department of Education in a joint hearing of  
25 the Education and Finance Committees on the fiscal

1  
2 2013 executive expense budget for DOE. And I'd  
3 like to welcome our Chancellor, Dennis Walcott,  
4 and all of his staff, they will be here today  
5 testifying.

6 Obviously, we all know that the  
7 DOE's budget and how the Department of Education  
8 will allocate \$19.7 billion to ensure that our  
9 city's 1.1 million children are offered the best  
10 quality education possible. But, obviously, there  
11 are many questions and concerns, and we are here  
12 to try to listen to what he has to say regarding  
13 this expense budget and to ask the serious  
14 questions that everyone is asking.

15 The DOE's executive budget for  
16 fiscal '13, as I indicated, is \$19.7 billion,  
17 approximately 290 million, or 1.5%, more than the  
18 fiscal year 2012 adopted budget. The budget  
19 growth is largely due to a \$324 million increase  
20 in state aid over last year. The State-enacted  
21 budget provides \$202 million increase in state aid  
22 over last year than had been projected when we  
23 reviewed the DOE's preliminary budget in March of  
24 this year. These additional funds will allow the  
25 Department of Education to keep school budgets

1 flat and avoid losing nearly 2,600 general  
2 education teachers through attrition next year.  
3 And I'm very pleased that after years of  
4 diminishing teacher workforce and increasing class  
5 sizes, the Department of Education will be able to  
6 hire back school aides that were laid off in  
7 fiscal year 2012, who also played an integral role  
8 in our children's education.  
9

10 I said that they will hire back,  
11 it's unclear, but I make the assumption that  
12 they're going to be hired back because, as you  
13 know, school aides help run the school in many  
14 capacities that are not in the classroom.

15 And, also, despite the increase in  
16 state aid, I am still not satisfied with the level  
17 of state funding for New York City's educational  
18 system. The City will receive just about \$5  
19 billion in fair student funding, for example, but  
20 the need is about 6.5 billion. Meeting this need  
21 will enable the Department of Education to put  
22 more money into school budgets and help reduce  
23 class sizes, which continue to grow. And I hope  
24 the Administration and the City Council will work  
25 together to push the state to increase its funding

1 for our school children.

2  
3 Through various efficiencies and  
4 headcount reductions, the Department of  
5 Education's executive budget plans--it reduces  
6 spending in the central administration by  
7 approximately \$34 million, or 11%, from the fiscal  
8 year 2012 adopted budget. And I applaud the  
9 department for making these cuts to avoid reducing  
10 school budgets.

11 Also, the City's November 2011  
12 financial plan introduced several Programs to  
13 Eliminate the Gap, commonly known as PEGs,  
14 totaling \$301 million in fiscal year 2013. Among  
15 the PEGs are \$116 million in special education  
16 related services and special education pre-K  
17 savings associated with revised spending  
18 estimates.

19 It is important to note that the  
20 Department of Education asked them to look again  
21 at special education budget and other areas of  
22 mandated spending that have experienced rapid  
23 growth in recent years in order to ensure that  
24 spending projections are realistic and so that the  
25 department may continue to achieve programmatic

1  
2 and budgetary savings without negatively impacting  
3 services.

4           Also, I hope that the department  
5 rethinks its plan to save \$3 million through the  
6 attrition of 72 school food workers. These  
7 workers provide direct services to students and I  
8 encourage the Department of Education to achieve  
9 these savings through attrition of administrative  
10 positions that do not provide direct student  
11 services.

12           Despite the DOE's efforts and  
13 relatively positive fiscal outlook, I am far from  
14 satisfied with the DOE's ability to provide a  
15 quality education that our children are entitled  
16 to. The department maintains teacher headcounts  
17 in fiscal year 2013 but we don't need to maintain  
18 class sizes, we need to reduce them. And everyone  
19 says, it doesn't matter who you ask around the  
20 country, class size and a qualified teacher makes  
21 all the difference in the world. And the  
22 department plans to use increases in state aid to  
23 maintain school budgets in future years, but this  
24 means that principals would have to make cuts and  
25 costs automatically rise and their budgets stay

1 flat. Obviously when that happens, that scenario,  
2 that means you have to reduce somewhere, and I  
3 would like to know how the Department of Education  
4 expects schools to maintain the quality services  
5 that our children need with a flat budget.

6  
7 It is also troubling that, while  
8 students in district public schools face service  
9 reductions and decreasing per pupil expenditures,  
10 the executive budget shows a \$91 million, or 12%,  
11 increase in charter school spending. According to  
12 the Department of Education, 24 new charter  
13 schools will open next year. Spending for charter  
14 schools should not come at the expense of our  
15 district public school students that face service  
16 reductions year after year after year.

17 And there are many other issues my  
18 colleagues and I plan to discuss at this hearing  
19 today, and we would like an update on Medicaid  
20 claims and how the Department of Education plans  
21 to meet the fiscal 2013 \$167 million revenue  
22 projection that has not changed as far as  
23 recouping that money from the federal government.  
24 And so we want to know. Despite the Department of  
25 Education falling short of \$80 million in fiscal

1  
2 year 2012.

3                   Though we will hold a hearing on  
4 special education reform next month, I have  
5 concerns about the proposed changes to the fair  
6 student funding formula and the adverse impacts of  
7 funding incentives on Individualized Education  
8 Plans, commonly known as IEPs. And service  
9 provisions, school closures, Carter cases, and  
10 testing are among many topics which budget  
11 implications that might come up today.

12                   And I look forward to hearing from  
13 Chancellor Walcott about the Department of  
14 Education's fiscal 2013 executive budget and  
15 discussing how we can maximize available resources  
16 to provide the best possible education to our  
17 city's schoolchildren. And I also would like to  
18 point out that we are not holding a hearing today  
19 on the capital budget because there has not been  
20 any real changes to the proposed amendment to the  
21 five-year capital plan since we held the  
22 preliminary hearing in March.

23                   So with that, Chair Recchia, that's  
24 my opening statement.

25                   CHAIRPERSON RECCHIA: Okay. Thank

1  
2 you. We've been joined by Council Member Al Vann,  
3 Council Member Karen Koslowitz, Council Member Dan  
4 Garodnick.

5 Good morning, Chancellor.

6 DENNIS WALCOTT: Good morning,  
7 Chair.

8 CHAIRPERSON RECCHIA: Welcome back  
9 to our chambers.

10 DENNIS WALCOTT: It's a pleasure to  
11 be back in your chambers.

12 So good morning--

13 [Crosstalk]

14 DENNIS WALCOTT: --to all of you,  
15 Chairs Jackson and Recchia and all the members of  
16 the City Council Education and Finance Committees  
17 here today, it's a pleasure to be here.

18 Thank you for the opportunity to  
19 discuss Mayor Bloomberg's proposed Fiscal Year  
20 2013 Executive Budget as it relates to the  
21 Department of Education and our public schools.  
22 Seated with me are Shael Suransky, our Chief  
23 Academic Officer, and Mike Tragale, our Chief  
24 Financial Officer. This morning, I would like to  
25 provide an updated overview of our fiscal

1  
2 condition and note some new developments since I  
3 last appeared before the Education Committee in  
4 March.

5 Mayor Bloomberg has always made  
6 education a top priority, evidenced once again in  
7 his proposed Fiscal Year 2013 Executive Budget.  
8 The Mayor's budget includes an allocation of  
9 approximately \$19.7 billion in operating funds and  
10 another 4.7 billion in educated-related pension  
11 and debt service funds as well. This represents a  
12 \$646 million increase in total funds from fiscal  
13 year '12, \$378 million for operating funds, and  
14 259 million for pension and debt service. Our  
15 funding is a combination of city, state, and  
16 federal dollars, City tax levy dollars making up  
17 the largest share. Looking at non-federal, City  
18 tax levy amounts to roughly 60% of our funding and  
19 state aid is approximately 40%.

20 When I testified at the preliminary  
21 budget in March, I shared my optimism that we  
22 would be able to protect schools from budget  
23 reductions in the coming fiscal year. I'm happy  
24 to report that the Mayor's budget affirms this  
25 commitment. Yesterday, school budgets were

1 released to principals and posted on our website,  
2 and I held a webinar discussion with our  
3 principals, along with Mike and other staff  
4 members yesterday morning. In fact, our standing  
5 in both the city and state budgets improved  
6 slightly. While the state is still far from  
7 fulfilling its commitment to the Campaign for  
8 Fiscal Equity, the restored state funds are a  
9 welcome step in the right direction. These  
10 additional city and state dollars will help enable  
11 us to maintain our teaching workforce at its  
12 current level, rather than lose nearly 2,600  
13 teachers through attrition, as well as meet other  
14 critical expenses. We are now also able to avoid  
15 \$30 million in reductions to per-session programs,  
16 enabling teachers to provide additional academic  
17 intervention and enrichment services for students  
18 and schools.

19  
20 However, and in order to ensure our  
21 fiscal stability in the year ahead, our partners  
22 in labor and government also need to do their part  
23 as well. Any and all additional state funds  
24 depend on the City reaching a final agreement with  
25 the United Federation of Teachers, UFT, on a

1 teacher evaluation system by January of 2013.

2 While the City has aggressively pursued an  
3 agreement with the UFT, unfortunately, to date, we  
4 have not yet arrived at an agreement. Failure to  
5 reach an agreement would have significant negative  
6 consequences for our students, our teachers, and  
7 our schools. We stand ready to resume good-faith  
8 negotiations and urge the UFT to return to the  
9 table as well.  
10

11 We also need the cooperation of  
12 District Council 37, DC 37. Last year, as you  
13 recall, we were able to avoid teacher layoffs due  
14 to collective efforts of this administration, the  
15 City Council, and the UFT together. Unfortunately  
16 though, despite a concerted effort, we were unable  
17 to reach a similar agreement with DC 37. This  
18 year, I'd like to avoid all layoffs, including  
19 non-pedagogical employees, but that will require  
20 assistance from DC 37. Since last year, we have  
21 been carrying some 225 DC 37 employees, mostly  
22 school aides, who were excessed by schools, but  
23 unable to find placements. As a result, we  
24 assigned them to schools in the interim and  
25 covered their costs centrally. Unfortunately,

1 this arrangement is simply unsustainable. As  
2 unfair as it is to ask taxpayers to fund the  
3 salaries of teachers who remain without permanent  
4 jobs for over a year--a topic I will return to  
5 shortly--it is also unfair to ask taxpayers to  
6 underwrite the costs of non-teaching positions as  
7 well, especially in these difficult financial  
8 times. In addition, due to annual changes in  
9 school organizations and school-based budget  
10 decisions, we anticipate additional non-teaching  
11 positions to be excessed as well.

13 I don't want to see any layoffs and  
14 I know DC 37 doesn't want to see any layoffs  
15 either, and most of all, neither do the men and  
16 woman affected by the prospective loss of  
17 employment. If we can work with the union to  
18 identify savings and concessions to offset these  
19 costs, layoffs are avoidable, and I'm hopeful this  
20 can be accomplished. In the coming weeks, I look  
21 forward to engaging both DC 37 and you, the  
22 Council, on this important issue.

23 Finally, if President Obama and  
24 Congress do not reach a budget agreement by  
25 January of 2013, automatic spending reductions in

1 federal discretionary dollars will be triggered,  
2 including education aid. These potential cuts,  
3 known as sequestration, were part of a deal that  
4 Washington enacted last summer to raise the debt  
5 ceiling and avoid financial default. If these  
6 cuts are triggered, we would lose tens of millions  
7 of dollars in Title I funds, which would represent  
8 a sizable loss of aid.  
9

10 So while there are issues to  
11 resolve, as is the case with every budget, I am  
12 hopeful that the parties will be able to come  
13 together and collectively do right by our  
14 students. As an agency, we will continue to do  
15 everything we can to protect school budgets and  
16 push as many dollars as possible directly to the  
17 classroom. We have always looked first at our  
18 central budget, as you indicated earlier, for ways  
19 to reduce our expenses. In fiscal year '12, our  
20 cumulative PEG cut were 11% from our central  
21 budget, totaling roughly \$74 million in savings.  
22 We absorbed a mid-year PEG centrally, to protect  
23 our schools from any mid-year reductions as well.

24 Comparably, schools experienced an  
25 average reduction of roughly 2.4% and our central

1 budget now represents less than 3% of our total  
2 budget. For fiscal year '13, we have shifted an  
3 additional \$45 million from central to help  
4 support school budgets and meet other critical  
5 rising costs. This will be achieved through  
6 reductions in OTPS and central headcount through  
7 attrition.  
8

9 In order to further identify  
10 efficiencies, I remain committed to taking  
11 additional proactive steps. Let me provide just a  
12 few examples. Earlier this month, I proposed  
13 several new initiatives to improve teacher  
14 quality. Let me say at the outset, as I always  
15 do, the vast majority of our teachers are  
16 committed, hardworking, and talented  
17 professionals, and I celebrate them every day.  
18 They pour their hearts and souls into their jobs,  
19 and we can never say thank you enough. However,  
20 like every organization, there are a small number  
21 of individuals who just aren't getting the job  
22 done and we need better ways to help them improve,  
23 or show them the door.

24 We, the taxpayers, also continue to  
25 foot the bill for teachers that don't even have

1 permanent teaching positions. Early in this  
2 administration, we made a decision not to force  
3 any principal to accept a teacher they do not  
4 want. If you're charged with leading an  
5 organization, you should be empowered to build the  
6 team you believe will make your organization  
7 successful. Schools are no different, and we  
8 believe that principals should be empowered to  
9 make the best choices for their students. As a  
10 result, some teachers have ended up without  
11 permanent teaching jobs, and are placed in  
12 something we call the Absent Teacher Reserve pool,  
13 also known as the ATR pool. If these teachers  
14 can't be hired by another principal, and even if  
15 they don't try to find a job at all, we still have  
16 to pay their salaries. There have been over 3,600  
17 teachers in the pool at some point this year, and  
18 now we're down to an all-time low of 800. But  
19 those who remain will still cost the City an  
20 estimated \$100 million in salaries. That's a  
21 huge, wasteful expenditure that doesn't help our  
22 students succeed. More than a quarter of these  
23 teachers have been disciplined for bad behavior.  
24 Almost half of them have not even submitted a job  
25

1 application or attended a recruitment fair in the  
2 past year. That is just totally unacceptable. We  
3 simply can't afford to foot a \$100 million bill on  
4 teachers who aren't even interested in teaching.  
5

6 So I'm prepared to make an offer.  
7 If you're a teacher that can't find a permanent  
8 jobs in our schools after a year, we will offer  
9 you a generous incentive to resign and pursue  
10 another career. It would reduce a significant  
11 burden on our budget, allowing us to divert  
12 millions of dollars back to our schools. I am  
13 encouraged that the UFT has expressed a  
14 willingness to discuss this proposal and that  
15 talks are currently underway.

16 Another way we're identifying new  
17 efficiencies is with our contracted services. To  
18 be clear, 98% of our contracts are with vendors  
19 that provide direct student services and school  
20 support services. By and large, these services  
21 are mandated or essential to our operations and  
22 it's most efficient and sensible to handle with  
23 external partners. And given the size of our  
24 system and economies of scale, we're able to get  
25 many goods and services at a much lower price

1 point.

2  
3 One area that we'll be doing this  
4 in a big way is school busing. As you may recall,  
5 last fall, for the first time in over 30 years,  
6 the Department of Education released a school  
7 busing request for bid, an RFB, in this case for  
8 pre-kindergarten students. The DOE took over  
9 responsibility for pre-K busing in 2006, but was  
10 prevented from releasing a bid due to ongoing  
11 litigation, which was finally resolved in June of  
12 2011, and in November of 2011, we released the  
13 RFB.

14 In response, a major local union  
15 resorted to threats of a citywide strike, but we  
16 didn't blink and we issued the RFB anyway. Today,  
17 the results are clear: Nearly 50 busing companies  
18 responded to our RFB at price points that will  
19 provide significant savings for our students. In  
20 the coming weeks, we will look forward to  
21 announcing our proposed contracts, and this fall  
22 we are going to open up all of our busing  
23 contracts to competitive bidding.

24 We're going to exercise that same  
25 kind of vigilance with all of our new contracts as

1 well. Earlier this month, I issued a system-wide  
2 freeze on all new tax levy contracts and  
3 encumbrances of \$100,000 or more. Moving forward,  
4 new contracts, as well as those up for renewal,  
5 will require my direct approval. This change in  
6 process will allow closer scrutiny of spending in  
7 order to ensure the department operates as  
8 efficiently as possible. All DOE contract  
9 managers were required to attend mandatory  
10 trainings where in-depth guidance was provided on  
11 ensuring contract compliance, scrutinizing  
12 invoices, and reporting contractors who fail to  
13 comply with their obligations or engage  
14 inappropriate behavior.  
15

16 In the end, every dollar saved is  
17 another dollar that can be used to provide  
18 academic enrichment and support services for our  
19 students. Let me give you a real-life example.  
20 Since I became chancellor, it has become apparent  
21 to me that one area of student support that could  
22 benefit greatly from further expansion is the  
23 physical and mental health services of our  
24 department. We all know healthy students perform  
25 better academically. So today I'm proposing to

1  
2 create 20 new health and mental health centers at  
3 middle and high school campuses over the next  
4 three years. These new centers will provide on-  
5 site primary care and mental health services,  
6 helping to keep kids healthy and secure in school.  
7 We currently have 126 school based health centers  
8 serving over 150,000 students and their services  
9 are highly valued by our principals and the  
10 parents. We will immediately begin work with  
11 school administrators, parents, city, state health  
12 agencies, and health providers to identify school  
13 buildings where we have interest, need and, space.

14 To stretch limited dollars to fund  
15 this important initiative, we are putting up \$30  
16 million in capital funding to build state-of-the-  
17 art clinics in our buildings in order to attract  
18 providers with outside grants with the requirement  
19 that no DOE tax levy funding be required to  
20 operate these clinics on a day-to-day basis. To  
21 further leverage this investment, we are asking  
22 providers and the State Department of Health to  
23 consider having these clinics, not only serve the  
24 students in the building in which they are  
25 located, but students in nearby school buildings

1  
2 as well.

3                   While I've been able to highlight  
4 some new initiatives, our schools still face  
5 notable fiscal constraints and challenges. And  
6 our work will be all more challenging in the  
7 school year ahead as we raise the bar even further  
8 with continued implementation of the Common Core  
9 standards and move towards college and career-  
10 readiness. Despite these challenges, I'm more  
11 hopeful and optimistic than ever before. Our  
12 students' progress has not wavered, even in tough  
13 budget times. Every time we have raised the bar,  
14 our students have met the challenge, and I'm  
15 confident they will do it again, thanks to the  
16 dedication of our parents, teachers, principals,  
17 and school support staff. New York City continues  
18 to show the nation how to turn a large urban  
19 school district and we should all be proud of our  
20 collective accomplishments.

21                   In conclusion, I look forward to  
22 working with the Council as the City budget  
23 process moves forward in the coming weeks. I have  
24 had numerous meetings and conversations with  
25 members of this Council in recent weeks and prior

1 months. Council and DOE staff have also met, and  
2 we will continue to meet, on a regularly scheduled  
3 basis to discuss our Financial Status Reports and  
4 other budget and non-budget related matters.  
5

6 While we may not always agree, I always welcome  
7 constructive conversations and collaborations on  
8 behalf of our city's students and families.

9 With that, thank you again for the  
10 opportunity to testify today, and we are here to  
11 take your questions.

12 CHAIRPERSON RECCHIA: Thank you,  
13 Chancellor Walcott. We've been joined by Council  
14 Member Steve Levin, Council Member Koppell,  
15 Council Member Jimmy Van Bramer.

16 A lot of my colleagues have  
17 questions, I will ask my questions at the end so I  
18 could give all my colleagues a chance to ask their  
19 questions. But before that, we'll start off with  
20 Council Member Jackson, then we'll go to each  
21 Council Member. Each Council Member will have  
22 five minutes to ask their questions and get their  
23 answers, all right? You'll be put on the clock.

24 Council Member Jackson.

25 CHAIRPERSON JACKSON: Thank you,

1  
2 Chair Recchia. Chancellor, let me thank you for  
3 your statement. I do have several questions and,  
4 obviously, let me just start off with an easy one.  
5 You talked about the mental health clinics, you  
6 know, we had a hearing on that recently with  
7 Oliver Koppell and my other colleagues, so I'm  
8 glad that one of the focuses is going to be on the  
9 mental and physical health of our students,  
10 obviously, it's a need there. And you said that  
11 you're going to be putting up \$30 million in  
12 capital funding, I would assume that that will be  
13 part of the five-year capital plan.

14 DENNIS WALCOTT: That is correct.

15 CHAIRPERSON JACKSON: So that  
16 basically that money is--the flexibility  
17 considering 30 mill when the plan is about 11  
18 billion--

19 DENNIS WALCOTT: [Interposing]  
20 Eleven point one billion.

21 CHAIRPERSON JACKSON: Yeah, so...  
22 But you did say that from an operations point of  
23 view, that there will be no tax levy money to  
24 operate these clinics, is that correct?

25 DENNIS WALCOTT: That's correct. I

1 mean, what we're doing is issuing basically a  
2 challenge to providers and to the State saying,  
3 we'll put aside capital money and we'll do the  
4 construction in the schools and have capital money  
5 available and work with the State Department of  
6 Health, community-based providers in how we  
7 identify both where space is available and also  
8 where there is high service need as well. And  
9 from a service point of view, whether through  
10 state funding or through private funding,  
11 foundation funding, work with providers to  
12 identify that funding to provide the services in  
13 those schools. So we'll put up the necessary  
14 capital dollars and ideally work with the State  
15 Department of Health so it's not solely fixated on  
16 that one school, but it serves a network of  
17 schools in that immediate area so there's a  
18 maximum use of the dollar benefiting that school  
19 community and that surrounding community.

21 CHAIRPERSON JACKSON: And assuming  
22 that the providers will then where appropriately  
23 billed Medicaid or other health-related if they  
24 have insurance in order to recoup--

25 DENNIS WALCOTT: [Interposing]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

That's correct.

CHAIRPERSON JACKSON: --recoup  
whatever their fees are?

DENNIS WALCOTT: They would get the  
appropriate reimbursement based on the Medicaid  
reimbursement depending on the type of mental  
health services they provide. So, again, they  
would get that type of reimbursement, we're giving  
them space, we're giving them constructed space as  
well, and they would have to meet the needs of  
that particular community and we would go through  
a process in working with the various entities,  
including the City Council, in how we unfold this  
in making sure that our students and families  
benefit in the long run.

CHAIRPERSON JACKSON: That's a good  
thing. Another good thing--and see I'm  
complimenting you so much today--

DENNIS WALCOTT: I know, but we got  
a five-hour meeting in front of us so a lot can  
happen, I'm ready.

[Laughter]

CHAIRPERSON JACKSON: But also  
another real good thing, I'm glad that you as the

1  
2 Chancellor have made a decision that you will  
3 scrutinize all of the contracts above a certain  
4 amount of money and approving them. Obviously,  
5 that's a lot of work, but I think it's extremely  
6 important understanding the amount of money that  
7 the Department of Education contracts out for  
8 goods and services. And, obviously, that's one  
9 area in which I and everyone else talks about that  
10 in these tough economic times, we can tell  
11 contractors, listen, you know, we're not doing so  
12 well, we need a 5% or a 10% reduction, you need to  
13 work with us. If you can't work with us, then  
14 we're going to have to look and see what we can do  
15 in order to get the quality work we deserve at a  
16 cheaper price. How much do you anticipate, if  
17 anything, to save as a result of you and your  
18 other directors and people scrutinizing all of the  
19 contracts, invoices, and where contractors are  
20 failing to comply with their obligations? What is  
21 the expectations of how much we're going to save  
22 as a result of that?

23 DENNIS WALCOTT: I mean, we haven't  
24 tagged an amount yet, I mean, we just put in place  
25 the process and so we're going through the

1 internal exercise. I think as I may have  
2 mentioned in prior testimonies before this body  
3 and other bodies, you know, our goal was always to  
4 take a look internally of having efficiencies in  
5 place, and contracting is one of those areas. So  
6 through our Chief Operating Officer Veronica  
7 Conforme, she will be working with Mike Tragale--

8  
9 CHAIRPERSON JACKSON: [Interposing]  
10 That's Veronica right there, right?

11 DENNIS WALCOTT: That is Veronica  
12 right there. She and her team and Mike Tragale  
13 and his team will be working together in all our  
14 various departments and trying to identify where  
15 there are potential savings, but also putting in  
16 place what I mentioned in my testimony, having a  
17 more efficient review of the process of  
18 contracting. And like the bus contracts, again,  
19 people had not done this in a while and we felt it  
20 was important to put an RFB out there and as a  
21 result of that, in another couple of weeks we'll  
22 be announcing the potential amount of savings as a  
23 result of this RFB, and we'll be taking a look in  
24 other areas to accomplish the same goal.

25 CHAIRPERSON JACKSON: And so you

1  
2 have not basically identified how much you're  
3 going to save, but there are expected to be some  
4 savings once the plan is laid out, is that  
5 correct?

6 MICHAEL TRAGALE: Correct. The  
7 executive budget reflects approximately 25 million  
8 of efficiencies which we will look to capture in  
9 fiscal year '13.

10 CHAIRPERSON JACKSON: Okay. I  
11 think that the fiscal year is long enough and the  
12 contracts so large enough that that's a realistic  
13 goal, but not very conservative, if you ask me.

14 But I want to go back to,  
15 Chancellor, you talked about in your statement on  
16 page two about the DC 37 layoffs, and my  
17 understanding, it's really when it comes to the  
18 schools, is there one local, I think that's Local  
19 372, is that correct?

20 DENNIS WALCOTT: I think that's  
21 the--

22 CHAIRPERSON JACKSON: That's the  
23 school--

24 DENNIS WALCOTT: --major local, but  
25 it's part of DC 37--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON JACKSON: Okay.

DENNIS WALCOTT: --itself.

CHAIRPERSON JACKSON: Well I was a little surprised at, I guess, your statements about the number of, I believe, DC 37 workers, a majority of them school aides, or either parent coordinators or--what is the other title? The--

DENNIS WALCOTT: [Interposing]  
Community coordinators?

CHAIRPERSON JACKSON: Community coordinators and people that are going to the homes and finding out why children are absent, but I was surprised to hear that the DOE is carrying 225 of these employees and that the cost factor is basically being borne by the department because this is the first time that I, as the Chair of the Education Committee, that we're hearing this. It was my opinion, based on everything that I heard in the news and especially after we left the executive budget last year, that approximately 650 employees were laid off and I didn't know that the department was carrying--were you carrying all of those employees or did they find other jobs? Were they actually laid off? Were they getting

1  
2 unemployment? And the reason why I ask this, so  
3 since you mentioned this, I think that we--not  
4 only me--would like to get a more comprehensive  
5 understanding so that--

6 DENNIS WALCOTT: Sure.

7 CHAIRPERSON JACKSON: --you know,  
8 we know exactly where things are.

9 DENNIS WALCOTT: So I'm glad you  
10 asked the question and so--

11 CHAIRPERSON JACKSON: Yeah.

12 DENNIS WALCOTT: --I want to be  
13 very open and clear because, obviously, last year  
14 we had a major gap in communication, and I  
15 apologize for that if I wasn't clear last year.  
16 And so when we're talking about the issue of  
17 layoffs, we've been able to avoid layoffs when  
18 we're talking about last year's budget around  
19 teachers and then, you know, as a result of the  
20 budget process, we went back and forth around the  
21 impact with DC 37. And so every year, not just  
22 last year, based on the way the DC 37 contract is  
23 structured, they do not have an ATR pool in  
24 essence, so when a line is exceeded from a school,  
25 then that person is basically laid off. So prior

1  
2 years, we have had layoffs of DC 37 workers. And  
3 this year, I didn't want to leave any gap in our  
4 communication as far as the impact to the budget  
5 and, as I indicated today, yesterday I had a  
6 webinar with our principals, we laid out their  
7 budgets, they're analyzing their budgets, and they  
8 have roughly a month to get back to us as far as  
9 the result of the analysis of their budget to  
10 their schools and how they'll be staffing their  
11 schools.

12 So say at some of the schools that  
13 either closed or other schools' decisions may be  
14 reached where they can't afford a particular  
15 worker and that worker may be a DC 37 worker, and  
16 as a result of that decision, then that person is  
17 excess and then eventually laid off, and so there  
18 may be layoffs. So that's one part of the  
19 discussion and I want to be clear about that.

20 So in my testimony, when I talk  
21 about working with DC 37, we've already started a  
22 conversation with DC 37 on how we can look at some  
23 savings and maybe do some things together to  
24 either prevent or minimize any type of layoffs  
25 within the DC 37 workforce, that is our goal, we

1  
2 look forward to accomplishing that goal. But the  
3 reality is there may be still some happening and  
4 we just don't know at this point.

5 With the workers from last year--  
6 and Mike Tragale can talk more about this--in  
7 addition to the 650 some odd that you referred to,  
8 there were an additional numbers of workers that I  
9 referred to in my testimony that we did not  
10 layoff, that we then funded centrally, the schools  
11 did not bear the cost of those workers, and then  
12 we assigned them to their original schools with  
13 the DOE centrally absorbing the expense for those  
14 workers.

15 Michael, you want to go into more  
16 detail?

17 MICHAEL TRAGALE: Sure. Yes, just  
18 following up on what the Chancellor mentioned, I  
19 just wanted to indicate that, not only in 2011  
20 were there layoffs, there were also layoffs back  
21 in 2003, 2008, and 2009. In terms of the process  
22 of laying off, at one point, we had a number as  
23 high as 777 that were in jeopardy of layoffs. We  
24 worked to get them into positions and that number  
25 came down to the 650.

1  
2                   Additionally, approximately 80 E  
3 bank [phonetic] school aide titles were returned  
4 to service over the course of this year based on a  
5 right of return. An additional 19 administrative  
6 H bank staff also found jobs after being laid off.

7                   So I just wanted to share that  
8 additional information with you.

9                   CHAIRPERSON JACKSON: Let me just  
10 say that I am pleased to hear that you explained  
11 in detail what's going on in that there is clear  
12 direct communication with DC 37 its local  
13 president, I would assume, about the current  
14 situation. Because obviously, we were in  
15 communication with them last year and the absence  
16 of direct communication was loud and clear. And  
17 so I'm pleased to hear that there is direct  
18 communication to try to avoid any type of  
19 situation where there's a reduction in staff at  
20 the school level. I think that that's--

21                   DENNIS WALCOTT: Yeah.

22                   CHAIRPERSON JACKSON: --clearly  
23 what we expect of the Department of Education,  
24 you, as the Chancellor, and communicating with all  
25 parties to try to come to a consensus as to the

1 real environment of the educational system.

2 DENNIS WALCOTT: Our labor folks  
3 have been talking to various people within DC 37.

4 One other point, Mr. Chair, if I  
5 may, in that our comments to the principals  
6 yesterday, which is different than last year, we  
7 indicated to them that the high school parent  
8 coordinators cannot be touched this year as well.  
9 Whereas, last year, you know, we know made an  
10 exception to the high school versus the elementary  
11 and middle school; this year, that exception is  
12 not there, so they have those instructions as  
13 well.  
14

15 CHAIRPERSON JACKSON: Okay. Well I  
16 am going to stop and turn it over to Chair Recchia  
17 and I know that our colleagues have questions, I  
18 don't want to ask all of the pertinent questions  
19 that my colleagues may ask. Chair Recchia?

20 CHAIRPERSON RECCHIA: Okay. Thank  
21 you. Good morning, Chancellor. Before I ask my  
22 questions, I'd like to--been joined by Council  
23 Member Barron and Council Member Lappin.

24 I just want to talk about in your  
25 testimony, you don't really go into the Medicaid

1  
2 billing, how we're going to do with that, and so  
3 if you want to talk about that. And especially  
4 about the bus transportation, 'cause that seems  
5 like something we could bill Medicaid for and we  
6 haven't as well as we should be doing.

7 MICHAEL TRAGALE: Sure. Just to  
8 give you an update on where we stand with  
9 Medicaid, currently, we have approximately 11,843  
10 doctor orders for services for OT, occupational  
11 therapy, and physical--students receiving  
12 occupational therapy and physical therapy--

13 CHAIRPERSON RECCHIA: [Interposing]  
14 So we've been getting those doctor's orders.

15 MICHAEL TRAGALE: We are working on  
16 the doctors, we are also working closely with  
17 DOHMH to increase the number of doctors so that we  
18 could capture the whole eligible student  
19 population there, and we are on target to doing  
20 that in terms of this coming year. So--

21 CHAIRPERSON RECCHIA: So in order  
22 for us to bill every child that gets OT and PT--

23 MICHAEL TRAGALE: Correct.

24 CHAIRPERSON RECCHIA: --we need to  
25 get a prescription from a doctor.

1  
2                   MICHAEL TRAGALE: For OT/PT, you  
3 need a prescription.

4                   CHAIRPERSON RECCHIA: Now do we  
5 have to pay for those services or those are--

6                   MICHAEL TRAGALE: [Interposing]  
7 Yes, we do have to pay for those services.

8                   CHAIRPERSON RECCHIA: So we have to  
9 pay the doctors.

10                  MICHAEL TRAGALE: Correct.

11                  CHAIRPERSON RECCHIA: And how much  
12 is that costing us a year?

13                  MICHAEL TRAGALE: Currently, it was  
14 about 300,000, and that number is going to  
15 probably triple in terms of--

16                               [Crosstalk]

17                  MICHAEL TRAGALE: --in terms of the  
18 increase in doctors we need to hire to make our  
19 target.

20                  DENNIS WALCOTT: And part of the  
21 challenge this past year leading up to now has  
22 been us ramping up to hire those doctors, so it's  
23 been a constant--

24                  CHAIRPERSON RECCHIA: Right.

25                  DENNIS WALCOTT: --hiring based on,

1  
2 as you may know, the new requirements by the feds  
3 and the state that we have to follow, we want to  
4 be very careful not to have any disallowances at  
5 the end of the day, and so we've been really  
6 working very hard and working with Department of  
7 Health Mental Health around that particular area.

8           MICHAEL TRAGALE: Yes, and just to  
9 add to that, in terms of, there's also an NPI,  
10 national provider identification, number that's  
11 required for those occupational therapists and  
12 physical therapists, and we reached out and  
13 requested that information which is needed in  
14 order to bill for Medicaid and to date, we have  
15 95% of those numbers in. So in terms of  
16 occupational therapy, physical therapy, we're on  
17 target for next year.

18           One of the issues that is still  
19 pending is the issue around speech, Medicaid  
20 speech reimbursement as a result of the speech  
21 language pathology license, and we've been working  
22 with the UFT, we still have not finalized that  
23 process yet, and, you know, that's another chunk  
24 of Medicaid revenue that we'd be looking at.

25           Another big area is transportation,

1  
2 and we have a number of solutions in terms of how  
3 we're going to go after that transportation, going  
4 to be very aggressive about that next year.

5 Another target group in terms of  
6 Medicaid is our state contract schools, and that's  
7 an area where, once again, we're working in an  
8 area that the department never claimed services  
9 for, and, as you know, we pay for tuition which  
10 has a lot of those related services baked in. So  
11 we've been meeting with them, our Executive  
12 Director Matt Berlin has been meeting with those  
13 groups trying to develop a system where we can  
14 claim for those services as well.

15 So we're excited, we're  
16 aggressively pursuing all fronts around Medicaid  
17 reimbursement.

18 CHAIRPERSON RECCHIA: So how much  
19 money do you think and, you know, the  
20 transportation is going to bring in and the OT to  
21 PT is going to--

22 MICHAEL TRAGALE: [Interposing]  
23 Well I mean, everything together is that 167  
24 million target. That's like a best case scenario  
25 in terms of we're going to get parent consent for

1  
2 all billing, it means we're going to have  
3 prescriptions for every child that is receiving  
4 those services. It's a best case scenario. Will  
5 we fall a little bit short? Possibly, but we are  
6 pursuing to make that number and we're doing  
7 everything in our power to address that situation.

8 CHAIRPERSON RECCHIA: And are you  
9 increasing the people who do the--the coders, you  
10 know, the inputting so we can bill?

11 MICHAEL TRAGALE: In terms of the  
12 CESIS? I mean, the CESIS entry requirements are  
13 really in terms of the provider, they have to  
14 document their session. It's really a minimal  
15 amount of information that we're asking our  
16 service providers to provide and, you know, it's  
17 basic information that an employer should expect  
18 of their employee in terms of what are you doing  
19 for this child in these sessions, tracking the  
20 progress of that child. These children are  
21 receiving related services, so to improve their  
22 educational outcomes.

23 CHAIRPERSON RECCHIA: Yeah.

24 MICHAEL TRAGALE: And the CESIS  
25 process is part of that and that data will be used

1  
2 for our Medicaid billing.

3 CHAIRPERSON RECCHIA: The problem  
4 that we're having with the CESIS, since you  
5 brought it up, is that the--in the schools today,  
6 the OTs, the PTs have to share a computer with the  
7 school psychologist--major problem. All these  
8 OTs, PTS are bringing the work home with them and  
9 at night, the system is getting crashed, okay? We  
10 are constantly getting complaints about that. And  
11 at our hearing on this issue, Ms. Conforme  
12 testified that they will be getting more  
13 computers. So is there in--

14 MICHAEL TRAGALE: Yes.

15 CHAIRPERSON RECCHIA: --the budget,  
16 in the capital budget for more computers  
17 throughout these schools?

18 MICHAEL TRAGALE: There is a plan  
19 to both provide wireless cards to schools that  
20 have had some Internet access issues, so that is  
21 underway already and those machines are going out  
22 with the wireless capability. We're also continue  
23 our training efforts with staff.

24 You mention a point of one laptop  
25 being used by three service providers. The

1 principal is responsible to ensure that their  
2 staff have access to computers. Schools have  
3 computer labs, they have administrative computers,  
4 that's one of the things we're also working on to  
5 ensure that these service providers have equal  
6 access to the available computers.  
7

8 DENNIS WALCOTT: But we've made a  
9 commitment though in working with you and also the  
10 UFT in increasing the number of computers  
11 available for these individuals so that way it  
12 isn't an issue of not having something to input  
13 the information. And so we met with the UFT, I  
14 guess, around, I guess, three months ago now I was  
15 down there meeting with the UFT and a number of  
16 the service providers and the staff around some of  
17 their needs and as a result of that, we sent out a  
18 very detailed letter as far as what the steps  
19 would be in trying to address some of those  
20 questions.

21 CHAIRPERSON RECCHIA: Yeah, you  
22 know, what you said about the principal buying for  
23 the staff the computers, I have to tell you, it  
24 doesn't happen, it's a big problem. We are  
25 constantly hearing it from OTs and PTS. You know,

1 principals are very conservative with their  
2 budgets, they spend it on other things, and I'm  
3 telling you, this is a problem throughout New York  
4 City, okay? And we would like to work with you on  
5 it, but--

6  
7 DENNIS WALCOTT: Sure.

8 CHAIRPERSON RECCHIA: --we need  
9 more computers for them.

10 Okay. We're going to start going  
11 to Council Members. Council Member Weprin,  
12 followed by Council Member Chin, followed by  
13 Council Member James. And we've been joined by  
14 Council Member Brewer. So, Council Member Weprin,  
15 five minutes.

16 COUNCIL MEMBER WEPRIN: Thank you,  
17 Mr. Chair. Before I get started, I just wanted to  
18 let you know, Chancellor, something else that we  
19 had once discussed before. You know, my son, for  
20 his English language arts class in seventh grade,  
21 is required to read a certain amount of books and  
22 I showed you this once before, while I was sitting  
23 here I got an e-mail from his school that his  
24 accelerated reader, which is a test of ten  
25 questions they take to show that they actually

1  
2 read the book, he passed and I'm very happy about  
3 that. But this is a great thing that we've talked  
4 about on before which I'd like to see expanded  
5 where parents do have more of an interactive  
6 relationship with their school where they're kept  
7 abreast. This is the only contact I get with the  
8 school via e-mail and I'd like to see more of  
9 that.

10 On my questions, I wanted to bring  
11 up a topic that surprised this year even a jaded  
12 cynical parent like myself. You're aware, I know,  
13 that this year the week of April 16 and the week  
14 of April 23rd there was standardized tests, three  
15 days of ELA the week of April 16th, 17th, 18th,  
16 and 19th; and then three days of math the  
17 following week, Wednesday, Thursday, Friday the  
18 25th, 26th, 27th, you're aware of that. Would it  
19 surprise you that in my son's school and in every  
20 school in District 26 and for all I know, every  
21 school in the city of New York, there was no  
22 homework given at all either one of those weeks?

23 DENNIS WALCOTT: I'm not surprised,  
24 one thing or--I mean we're a large system, but,  
25 you know, I'm waiting for the point, I mean, yeah.

1  
2 COUNCIL MEMBER WEPRIN: Well the  
3 point--well, okay, that's the first part. Well  
4 and then maybe I'll just state it as a fact, there  
5 was no homework given at all those two weeks, and  
6 the homework, I believe, is a part of learning.  
7 Would it surprise you further that there was  
8 actually no class work done in any of those two  
9 weeks outside of those exams? The exams were  
10 taken in the morning and for the rest of the day,  
11 there was no class work done in any school in  
12 District 26 and in every school that I've checked  
13 with outside of District 26. Granted, that's only  
14 a handful.

15 SHAEL SURANSKY: Yeah, I think  
16 you're raising an important question, which is  
17 what is the balance when schools are organized  
18 around the requirements that the state has for the  
19 testing, and as you probably know, there are kids  
20 who take the test in the standard amount of time  
21 and there are also many students, because of their  
22 IEPs or as English language learners, who have  
23 extended time, which pulls many teachers into the  
24 testing process beyond the time of their own class

25 And so we don't have a centralized

1  
2 policy that governs the exact amount of time for  
3 either homework or class work at any given school,  
4 but I think it's a fair question and something  
5 that we can look at. I do think that schools are  
6 striving to balance a tough set of requirements  
7 the state has for executing this testing in a very  
8 short amount of time and the tests got longer over  
9 the last two years and so that makes it more  
10 complex.

11 COUNCIL MEMBER WEPRIN: Well, you  
12 know, we're always talking about, you know, trying  
13 to give our students more education time and days,  
14 I found it surprising that for two straight weeks  
15 there was no learning done in schools whatsoever.  
16 That's 10 days out of 180 gone. And then to  
17 exacerbate it, the third week my son didn't have  
18 social studies that week because his social  
19 studies teacher was out grading the tests from the  
20 week before and he had a substitute in his class  
21 and they didn't do any work in that class. So for  
22 three straight weeks, my son learned nothing in  
23 social studies--and this is a seventh grader--and  
24 that was typical in all the schools in District 26  
25 where, on average, at least three teachers were

1 sent out to grade tests. I mean, and that's in  
2 the elementary schools, I'm not even sure what  
3 they were in the middle schools.  
4

5 SHAEL SURANSKY: Yeah, I mean, this  
6 is another challenge that we've talked a lot  
7 about, this is not a new thing. It's been like  
8 this since the state testing regime came into play  
9 under NCLB in 2007. They have, unlike most other  
10 states which grade the exams as part of the state  
11 testing, New York State does not do that, and so  
12 the cost of grading the exams and the time to do  
13 it is handled by the districts in New York State.  
14 And so there's a real challenge there because  
15 we're required by law to grade these exams, we do  
16 not have any funding allocation to do it, and,  
17 thus, the only way to do it is to pull folks out.

18 We've subsidized that this year and  
19 in past years to the maximum extent possible to  
20 pay people overtime to do some of the grading  
21 outside of school hours. But this is purely a  
22 funding problem.

23 COUNCIL MEMBER WEPRIN: All right,  
24 well, you know, this is something I've complained  
25 about, about the emphasis on standardized tests

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

over and over again and maybe too much--

SHAEL SURANSKY: [Interposing] This is not our decision, though.

COUNCIL MEMBER WEPRIN: But--

SHAEL SURANSKY: I mean, this is not in our control.

COUNCIL MEMBER WEPRIN: --but what the average parent and person out there in the city I don't think realizes, and I think they'd be surprised as I am, that that's three weeks of not learning in our schools--

SHAEL SURANSKY: Well I think--

COUNCIL MEMBER WEPRIN: --that's pretty shocking, I don't care whose fault it is, it's shocking to me that's the case, and I don't understand--let me just finish this point--why can't we use retired teachers, why can't we use teachers that are assigned to other things to grade these exams so you don't add another week of not learning? 'Cause the following week, actually, my son's Spanish teacher was out because he was grading the math exams. So it's unbelievable to me that now days we're just giving away all in an effort to somehow assess somebody--

1 teachers, principals, chancellors, and mayors.

2  
3 SHAEL SURANSKY: Well we do  
4 actually use ATRs as part of the grading, we do  
5 use retired folks in the per-session portion of  
6 it, the per-session costs us money though, and so  
7 the amount of money that we're spending is  
8 proportional to the cuts that we've taken over the  
9 past five years in the central budget. So there  
10 have been reductions in the amount of overtime  
11 spending we can do on that.

12 COUNCIL MEMBER WEPRIN: Right.

13 SHAEL SURANSKY: And I do think  
14 you're overstating it a tad in terms of no  
15 instruction for three weeks, that's not my  
16 understanding of what happens. There are some  
17 teachers, you mentioned about three in each  
18 school, so that means the other 20 or 30 teachers  
19 are there and also--

20 COUNCIL MEMBER WEPRIN:

21 [Interposing] We'll stipulate on two weeks of no  
22 learning then.

23 SHAEL SURANSKY: Well I think in  
24 some schools there are activities that do go on  
25 when the testing finishes, but it is a big burden

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

operationally to execute this.

CHAIRPERSON RECCHIA: Okay. All right, Council Member. Okay? I just want to add one thing to follow up on Council Member Weprin. Is it correct if a school does not send teachers to grade the tests, they get charged? Don't they get a fine?

SHAEL SURANSKY: No, the--

CHAIRPERSON RECCHIA: The schools have--

SHAEL SURANSKY: --it's not a fine. What happens is we do give schools the option to pay for the time that their teachers would otherwise spend in the per-session costs that--

CHAIRPERSON RECCHIA: [Interposing] So that's \$1,500 per teacher?

SHAEL SURANSKY: It depends on how much they want to pay, but, yes, essentially, if you want to--if you have some extra resources in your budget and you want to send less teachers than your allocation, and essentially buy time from people working overtime after school to grade those same exams, that's what that money goes for. It's not a fine, though.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON RECCHIA: Okay.

SHAEL SURANSKY: There's no fine.

CHAIRPERSON JACKSON: I'm sorry, it's not a fine, but what we have heard--and correct me if I'm wrong--that they're assessed \$1,500 per day and to me, as a layperson, if I'm the principal, if I don't send a teacher to grade tests and I have to give up \$1,500, that's a fine.

DENNIS WALCOTT: Well no, I mean, I want to be clear, it's a pay for services, they still have to have the services rendered for those tests. So that principal is making a decision whether she or he is going to have it done by their teachers or going to use another method. And as a result of that, I think we just have a different interpretation.

SHAEL SURANSKY: [Interposing] And it happens beforehand, it's not like if, for example, something went wrong and someone forgot to go or they didn't--they were sick, there's no payment that happens as a result of that. It's something that happens beforehand, a school can say, you know what, I have an extra chunk of money that I haven't spent, I'm going to allocate it to

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

this to reduce my scorer allocation.

CHAIRPERSON JACKSON: But is it a \$1,500 a day? That's what the question that I asked you because--

DENNIS WALCOTT: [Interposing] Well I didn't hear the question.

CHAIRPERSON JACKSON: --if you're saying it's whatever they want to pay, if I'm a--

SHAEL SURANSKY: [Interposing] No, no, no, no.

CHAIRPERSON JACKSON: --principal, I don't want to pay anything, I'll pay \$200. What is the cost factor?

SHAEL SURANSKY: It's not 1,500 a day, I think it's 1,500 for a set of, like, for the maths--one math scorer, which works over a six-day period. And it's exactly equivalent to the amount of time it takes for one person to grade those tests on per-session. It's a direct correlation to what that person is not doing during the school day, someone is being paid after school to do it.

CHAIRPERSON JACKSON: So it's not an a--you're saying it's a direct correlation to

1  
2 the cost factor of having someone else go there,  
3 is that correct?

4 SHAEL SURANSKY: [Interposing]

5 Yeah, so if I have 200 tests that my teacher was  
6 going to be grading and they're not going to do it  
7 during the day, someone's going to grade that  
8 after school and it's going to be paid per-session  
9 and--

10 CHAIRPERSON JACKSON: Okay.

11 SHAEL SURANSKY: --that's the cost.

12 CHAIRPERSON RECCHIA: Okay. We'd  
13 like to work with you on that, maybe we could come  
14 up with a better solution?

15 SHAEL SURANSKY: Yeah, if there  
16 are--

17 CHAIRPERSON RECCHIA: Okay.

18 SHAEL SURANSKY: --resources that--

19 CHAIRPERSON RECCHIA: Okay.

20 SHAEL SURANSKY: --the Council  
21 wants to expend on this, that'd be great.

22 CHAIRPERSON RECCHIA: We have been  
23 joined by Council Member Vacca, Council Member  
24 Rivera, Council Member Mendez, Council Member  
25 Leroy Comrie.

1  
2 Council Member Chin, followed by  
3 Council Member James, followed by Council Member  
4 Koslowitz. Five minutes. Council Member Chin.

5 COUNCIL MEMBER CHIN: Thank you,  
6 Chair. Chancellor, it was good to hear from your  
7 testimony that Mayor Bloomberg said that education  
8 is top priority. And I think that education  
9 should include early childhood education, daycare,  
10 and also the after school program. So my first  
11 question to you is that have you had any  
12 discussion at this year's budget with the ACS  
13 commissioner and also with DYCD commissioner due  
14 to the huge amount of cuts in daycare and after  
15 school program?

16 DENNIS WALCOTT: DYCD Commissioner  
17 Jeanne Mullgrav and I talk on a constant basis and  
18 Ron Richter, the ACS Commissioner, and I talk as  
19 well. I think matter of fact, we have a meeting  
20 scheduled tomorrow to have further conversations  
21 around how we work together and collectively  
22 around the issue of early childhood. So we talk  
23 on a constant basis, and Jeanne and I are always  
24 in constant communication with--

25 [Crosstalk]

1  
2 COUNCIL MEMBER CHIN: [Interposing]

3 But I'm saying looking at this year's cut, we're  
4 talking about approximately over 47,000 students  
5 are going to lose daycare and after school  
6 program.

7 DENNIS WALCOTT: I understand, and  
8 my impression is that the executive side of the  
9 office, as well as City Council, are in  
10 conversations right now and we look forward to  
11 those discussions. And the Mayor has said, and he  
12 said it at his executive budget presentation, the  
13 importance of after school programs and so I know  
14 discussions, I imagine, are taking place with the  
15 City Council and members of the Administration.  
16 And from an agency perspective though, we're  
17 always talking about collaboration, and especially  
18 with DYCD, Jeanne and I collaborate on a number of  
19 projects together both in looking at after school  
20 as well as middle school and having summer  
21 learning programs taking place over the summer.  
22 So we are always in constant communication with  
23 each other.

24 COUNCIL MEMBER CHIN: What about  
25 the issue with the universal pre-K? Because in

1  
2 the daycare cuts, some of the cuts is going to be  
3 on the 4-year olds, so is DOE going to be able to  
4 take up the slack in terms of providing pre-K  
5 seats in the school system?

6 [Crosstalk]

7 DENNIS WALCOTT: [Interposing]

8 Taking up the slack with pre-K, again, we're  
9 working together as far as how we maximize the  
10 dollars that are available, and I think as I've  
11 talked about before with the City Council, you  
12 know, our goal is how we get to a point of having  
13 full-day universal versus half day and how we  
14 maximize that. And I think there are still slots  
15 available that, unfortunately, based on the way  
16 the funding formula works, we have not been able  
17 to take advantage of as far as full-day universal.  
18 So we're always interested in doing that, but  
19 again, as you know very well especially based on  
20 today's testimony, we don't have a bottomless pit  
21 as far as money is concerned. I mean, we have a  
22 very finite amount of money and so we have to be  
23 very conscious of that as well.

24 COUNCIL MEMBER CHIN: But the other  
25 issue is not just money, it's the overcrowding in

1  
2 our school in some of the school like in my  
3 district. I'm going to get a cut about 70% of my  
4 daycare and after school programs are going to be  
5 cut. At the same time, I have school that are so  
6 overcrowded they have waiting lists for  
7 kindergarten and the schools are contemplating  
8 eliminating pre-K to accommodate the kindergarten.

9 DENNIS WALCOTT: It is a unique  
10 challenge and I hear what you're saying. I know  
11 in a number of districts where there is severe  
12 overcrowding, difficult decisions are being made  
13 as far as expanding the number of sections of K  
14 versus pre-K ,and we try to work through Shael's  
15 team and through Mark Sternberg's team and through  
16 Veronica in trying to balance that particular need  
17 and reduce the waiting lists, while at the same  
18 time not sacrificing the pre-K programs as well.  
19 So it is a school by school and district by  
20 district type of work that we're doing with them  
21 to try to not to cut the pre-K as well. I don't  
22 know, Shael, do you--

23 [Off mic]

24 DENNIS WALCOTT: Yeah.

25 COUNCIL MEMBER CHIN: Well, I mean,

1  
2 I really urge you to really talk with the ACS  
3 commissioner and also DYCD commissioner because  
4 the amount of the cuts that's coming in the after  
5 school program and daycare program is  
6 unacceptable, and that's going to affect the kids  
7 in our school, right? If the kids go to daycare,  
8 they're more prepared and kids needs after school  
9 because they need help with their homework and the  
10 recreational that's going to make them do better  
11 in the regular school.

12 DENNIS WALCOTT: Again, we are in  
13 constant communication, I think Ron and I are  
14 meeting tomorrow, and with Jeanne we talk on a  
15 regular basis, and I think the discussions that  
16 are taking place with the members of the City  
17 Council are extremely important as far as how that  
18 resolution will hopefully benefit the system  
19 overall both for the early childhood--

20 [Crosstalk]

21 COUNCIL MEMBER CHIN: [Interposing]  
22 But, Chancellor, I mean, whatever the City Council  
23 can put back into the budget is not baselined, so  
24 I urge that you work with the other Commissioner  
25 to try to get these funding baselined so that we

1  
2 don't have to struggle with this every year. I  
3 mean, that's one of the biggest problem, right?  
4 Council puts money back to save some of the seats,  
5 and then we got to do it all over again, but we  
6 need to get these basic funding should be part of  
7 the education budget. So thank you.

8 CHAIRPERSON RECCHIA: Thank you.

9 Council Member James.

10 COUNCIL MEMBER JAMES: Thank you.

11 Good morning, Chancellor.

12 DENNIS WALCOTT: Good morning.

13 COUNCIL MEMBER JAMES: Chancellor,  
14 you know several years ago the Administration  
15 closed several dental clinics in the city of New  
16 York. The City Council, working with the  
17 Administration, we restored some of those funds  
18 and some of the dental clinics remain open. I'm  
19 happy to hear that you will be--you're proposing  
20 to create 20 new health and mental health centers  
21 at middle and high school campuses. I am  
22 proposing that you consider providing some of  
23 these mental health and health centers in grade  
24 schools in formative years where we desperately  
25 need early intervention to diagnose children with

1 vision and hearing problems as opposed to waiting  
2 later in life. Would you consider perhaps  
3 creating these health and mental health centers at  
4 grade schools from K to five?  
5

6 DENNIS WALCOTT: As I indicated in  
7 my testimony, I look forward to working with the  
8 City Council around this initiative 'cause I know  
9 the City Council has been very upfront around  
10 this as well, and so it's still, even though it's  
11 30 million, it's still a finite amount of money  
12 and I think we have to be very targeted as far as  
13 where need is. So as we take a look in working  
14 with the State Department of Health, the City  
15 Department of Health, Mental Health, and with all  
16 of you, and taking a look at different areas. I  
17 think part of what I said in my testimony, though,  
18 is that it wouldn't be specific to the school, in  
19 my ideal scenario, it would be servicing schools  
20 in that area so there would be a--

21 COUNCIL MEMBER JAMES: No.

22 DENNIS WALCOTT: --network of  
23 schools that would benefit. So, again, the  
24 capacity probably would be greater maybe at  
25 certain high schools as far as the space capacity

1  
2 is concerned. And then how we work on those  
3 surrounding schools that have a need, I think is  
4 part of the beauty of what I'm proposing, so that-  
5 -

6 COUNCIL MEMBER JAMES:

7 [Interposing] No, I understand, I was just--

8 DENNIS WALCOTT: --so that would  
9 include some of the elementary is my point.

10 COUNCIL MEMBER JAMES: Yeah, I was  
11 just taking words from your testimony when you  
12 specifically spoke of only middle and high school  
13 campuses over the next three years and I  
14 specifically urge you to reconsider that and  
15 expand that to--

16 DENNIS WALCOTT: Sure, no--

17 COUNCIL MEMBER JAMES: --K to five.

18 DENNIS WALCOTT: --duly noted.

19 COUNCIL MEMBER JAMES: Thank you.

20 DENNIS WALCOTT: Duly noted.

21 COUNCIL MEMBER JAMES: And do you  
22 have a location of the 20 new sites?

23 DENNIS WALCOTT: No, again, this is  
24 something that I'm proposing, we have to work with  
25 the Department of Health and identify the need,

1  
2 and I'm making a commitment today to set aside \$30  
3 million in capital money for the construction of  
4 these facilities and working with the--through an  
5 RFP process and working where the need is as far  
6 as those locations. And also I think I said in  
7 the testimony, where the need is, as well as where  
8 space capacity is need--is available.

9 COUNCIL MEMBER JAMES:

10 [Interposing] So you indicated where the need is,  
11 are you going to be looking at Title I schools or  
12 where there's high needs in certain communities?

13 DENNIS WALCOTT: Well I mean, we'll  
14 take a look at certain of the high need areas as  
15 far as where certain cases being identified by a  
16 state department or city Department of Health are  
17 indicated and taking a look at that and poverty,  
18 obviously, plays into it, so Title I plays into  
19 that as well.

20 So there are a variety of factors  
21 that we'll be looking at, but, again, I want to  
22 work with the people who have even more knowledge  
23 than I do in this particular area--

24 COUNCIL MEMBER JAMES:

25 [Interposing] No, I understand.

1  
2 DENNIS WALCOTT: --and so they have  
3 a better sense of on the ground needs and where we  
4 can identify particular areas that would benefit  
5 the community overall.

6 COUNCIL MEMBER JAMES: Will you be  
7 discussing the RFP with the City Council?

8 DENNIS WALCOTT: Sure. Again,  
9 that's why I'm talk about it today, because this  
10 is something that we want to work in conjunction  
11 with individuals and see how we service our  
12 students and our families, making sure they're  
13 getting the appropriate services. So this is  
14 something we look forward to talking with the City  
15 Council about.

16 COUNCIL MEMBER JAMES:  
17 [Interposing] So I just, Chancellor, would urge  
18 you, as well as this body, to make sure that we  
19 consider those locations where the dental clinics  
20 were closed and throughout the city of New York  
21 and, obviously, the health needs of children,  
22 unfortunately, have gone unaddressed.

23 Let me move on to another--

24 DENNIS WALCOTT: [Interposing] Can  
25 I just round up the point? And I notice your

1 time, so I'll be very fast.

2 I mean, again, it depends on the  
3 capacity of that service provider of being able to  
4 get the funding to provide the services--

5 COUNCIL MEMBER JAMES:

6 [Interposing] No, I understand.

7 DENNIS WALCOTT: --so I think  
8 that's part of the equation as well.

9 COUNCIL MEMBER JAMES: Teen RAPP, a  
10 school-based domestic violence prevention and  
11 anti-bullying program that services over 51,000  
12 children in 64 middle schools, is slated to end as  
13 a result of the proposal and the executive budget.  
14 Is there any proposal to provide funds for Teen  
15 RAPP?  
16

17 DENNIS WALCOTT: I'm not familiar  
18 with it, so we'll have our staff get back, and I'm  
19 not sure what line that you're referring to in the  
20 exec budget, so we'll get back to you, I'm not  
21 familiar with that specific program.

22 COUNCIL MEMBER JAMES: Do you  
23 anticipate schools will be able to hire back the  
24 school aides that were laid off last year?

25 DENNIS WALCOTT: Again, it's a

1  
2 school by school decision as far as how they'll be  
3 utilizing their budget. Compared to last year,  
4 they have their budget a month in advance so  
5 they'll have time to decide on what they're going  
6 to do. Again, as you may know and we should all  
7 talk about, there's a recall list as well and so  
8 there's a seniority recall list based on DC 37  
9 contract and so they'll have to follow the  
10 protocol, but if they have the ability to hire  
11 people back, they will make that decision. So  
12 that will not be micromanaged by me, but they will  
13 have the ability based on their priority setting  
14 with their budget.

15 COUNCIL MEMBER JAMES: So going to  
16 another subject, contracts, I am happy in your  
17 testimony you issued a system-wide freeze on all  
18 new tax levy contracts and encumbrances of 100,000  
19 or more. Any renewal over a certain amount, will  
20 that be subject to your approval--

21 DENNIS WALCOTT: Yes.

22 COUNCIL MEMBER JAMES: --or all  
23 contracts?

24 DENNIS WALCOTT: I think 100,000  
25 was the threshold and so and new--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COUNCIL MEMBER JAMES:

[Interposing] All contracts over 100,000 will be subject to your approval for renewal?

DENNIS WALCOTT: Yeah, go ahead, Mike, you can talk to--

COUNCIL MEMBER JAMES: Is that the-

-

MALE VOICE: Yes.

MICHAEL TRAGALE: Yes, it includes any new contracts would require Chancellor's approval, any renewals will be closely reviewed to determine if those services could be in-housed and/or whether they're required for the safety and wellbeing of our students.

COUNCIL MEMBER JAMES: Does that also include interagency or intra-agency contracts? Agencies with other governments? Contracts with--

MICHAEL TRAGALE: [Interposing] No.

COUNCIL MEMBER JAMES: No.

MICHAEL TRAGALE: No, it does not.

COUNCIL MEMBER JAMES: It's just tax levy.

MICHAEL TRAGALE: Correct.

1  
2 COUNCIL MEMBER JAMES: And are  
3 there any contracts as you know as of today that  
4 are over-budgeted, and if so, by how much?

5 MICHAEL TRAGALE: [Off mic] the  
6 pre-K bus.

7 DENNIS WALCOTT: Yeah, I mean,  
8 again, we don't--I mean, that's the exercise we're  
9 going through, I mean, we feel that there are  
10 potential savings in some of the bus contracts and  
11 that's why we did what we did, and we'll be  
12 announcing the results of that within another  
13 couple of weeks. And then, as I indicated, then  
14 we'll be putting out an RFB for all the other bus  
15 contracts in September with the goal of  
16 implementing that by September 2013.

17 CHAIRPERSON RECCHIA: All right,  
18 thank you, Council Member.

19 COUNCIL MEMBER JAMES: Thank you.

20 CHAIRPERSON RECCHIA: Council  
21 Member Koslowitz.

22 [Pause]

23 COUNCIL MEMBER KOSLOWITZ: Good  
24 morning, Chancellor. How much money do we spend  
25 in after school programs?

1  
2 DENNIS WALCOTT: Hold on one  
3 second, I mean, because you know, it's mainly DYCD  
4 through out of school time that provides that, but  
5 do we have that, Michael? Okay. While he looks,  
6 let me--I don't want to waste your time while he  
7 looks so--

8 COUNCIL MEMBER KOSLOWITZ: Okay.  
9 Let me go to another question. In the closures--

10 DENNIS WALCOTT: [Interposing]  
11 We'll have to get back to you on that 'cause we  
12 don't have that 'cause it's mainly through DYCD,  
13 and so we provide the facilities and then the  
14 services are provided through Department of Youth  
15 and Community Development. So we can try to get  
16 that before the testimony is over.

17 COUNCIL MEMBER KOSLOWITZ: Okay.  
18 'Cause you can't see that in the budget when you  
19 look at the budget--

20 [Crosstalk]

21 DENNIS WALCOTT: [Interposing]  
22 Because it's not out of our budget, it's out of  
23 the DYCD's budget.

24 COUNCIL MEMBER KOSLOWITZ: In the  
25 closing of the schools that were just closed

1  
2 recently, in the new schools that are going to  
3 open up in September, what is the cost going to be  
4 in--

5 DENNIS WALCOTT: [Interposing]  
6 Cost? You said cost?

7 COUNCIL MEMBER KOSLOWITZ:  
8 [Interposing] The cost of the individual schools  
9 opening up.

10 MICHAEL TRAGALE: In terms of the  
11 new schools--

12 COUNCIL MEMBER KOSLOWITZ: Right.

13 MICHAEL TRAGALE: --it's really an  
14 incremental cost that's added on to create the  
15 foundation allocation, which basically supports  
16 the leadership principal and some administrative  
17 staff. There's a \$20 million initiative included  
18 in the executive budget and that includes--that is  
19 for our new schools.

20 Additionally, in terms of the new  
21 charter schools, there's \$49 million that was  
22 added to the charter school budgets in the  
23 executive, and that basically covers the cost of  
24 our new schools.

25 COUNCIL MEMBER KOSLOWITZ: Now the

1 schools, for instance, in Queens, is the schools--  
2 are the schools that were closed recently going to  
3 be the same scenario as to Jamaica High School  
4 where you're going to put individual schools into  
5 those schools?  
6

7 DENNIS WALCOTT: Two totally  
8 different things. With Jamaica, for example,  
9 Jamaica High School itself is being phased out and  
10 new schools are going into the building and  
11 they're being phased in to the Jamaica campus  
12 itself. As a matter of fact, I've been getting  
13 some really nice reports about the new schools on  
14 the Jamaica campus.

15 With the schools that you're  
16 referring to, the turnaround schools, on June 30th  
17 those schools will close and then we identify the  
18 new names of the schools. The new schools will  
19 open July 1st with a new leader and workforce, and  
20 we're going through the process now of  
21 interviewing. Matter of fact, over the weekend an  
22 arbitrator ruled where we can start the interviews  
23 and so the committees will start--the planning  
24 committees and the interviews of staff for these  
25 new schools, and then they'll be in position with

1  
2 the same students on July 1st and with a new  
3 vision, a new mission, new program emphasis as far  
4 as those schools are concerned.

5 So that's the difference of the  
6 two. One where one is phasing out, the Jamaica  
7 campus, new schools are phasing into the Jamaica  
8 building. With, say, Flushing High School, for  
9 example, Flushing will go out of business June  
10 30th, and then the new name of Flushing will open  
11 up July 1st with the new vision and leadership and  
12 staff and have the same group of students.

13 COUNCIL MEMBER KOSLOWITZ: Now the  
14 whole staff will be different?

15 DENNIS WALCOTT: Not the whole  
16 staff, no, part of the process that they're going  
17 through right now is identifying, they have job  
18 descriptions out, and then the planning  
19 committees, what we call the 18-D planning  
20 committees, will start the interviews for those  
21 individuals. People have up to 50% or more if  
22 they want to hire staff back and they can hire new  
23 staff as well, and that includes not just  
24 teachers, but all staff as well. And so that's  
25 the process that'll be unfolding over the next

1  
2 several weeks. And then from there we'll have  
3 people in place to start the new school with the  
4 same students come July 1.

5 COUNCIL MEMBER KOSLOWITZ: And will  
6 those schools still be considered public schools?

7 DENNIS WALCOTT: Yes, by all means.  
8 All of the schools will be public schools, none of  
9 the turnarounds will be charter schools, they'll  
10 be public schools. And, you know, we're very  
11 proud of it. I mean, there's a buzz and  
12 excitement, quite frankly, that I'm hearing from  
13 the school communities as far as the schools are  
14 concerned. And I know it's been a very difficult  
15 process, and at the same time we're excited about  
16 it, we think we have some great leaders in place,  
17 and we're excited about the staff will be there  
18 serving our students.

19 COUNCIL MEMBER KOSLOWITZ: Okay.  
20 Thank you.

21 CHAIRPERSON RECCHIA: Council  
22 Member Debbie Rose, followed by Council Member  
23 Koppell.

24 [Pause]

25 COUNCIL MEMBER ROSE: Thank you.

1  
2 Chancellor, I was very pleased to hear that you're  
3 considering opening up 20 health clinics and  
4 mental health clinics in our schools, and I'm very  
5 concerned to know is Curtis High School one of  
6 them?

7 DENNIS WALCOTT: Again, we have not  
8 identified the schools so we will be working with  
9 the various agencies and the Council and others  
10 and then putting something out to get the  
11 proposals. It would be--

12 COUNCIL MEMBER ROSE: [Interposing]  
13 I mean, Curtis has already had a proposal in, I've  
14 identified monies for it, and I just want to know  
15 how much input does the principal have in  
16 determining whether or not that school could  
17 become a--

18 [Crosstalk]

19 DENNIS WALCOTT: [Interposing]  
20 There'll be a set of criteria that we'll be  
21 issuing and it's based on a variety of need issues  
22 within that criteria, so I know--

23 COUNCIL MEMBER ROSE: Okay.

24 DENNIS WALCOTT: --Dr. Curtis at  
25 Curtis High School very well, but I know most of

1  
2 the principals represented by your respective  
3 districts. I would imagine I would have 51 very  
4 interested Council Members to have their schools  
5 identified so--

6 COUNCIL MEMBER ROSE: I'm sure.

7 DENNIS WALCOTT: --you know, we'll  
8 get the criteria out and then, you know, we'll see  
9 to how the people respond.

10 COUNCIL MEMBER ROSE: And given the  
11 enrollment projections and the executive budget's  
12 projection that school budgets will remain flat in  
13 the out years, do you expect class size to  
14 continue to increase?

15 DENNIS WALCOTT: Again, it's tough  
16 to predict around class-size, I would say that we  
17 may see a small increase in class size. But,  
18 again, it's early in the budget process for the  
19 principals, budgets are flat right now, and so as  
20 a result of that, I mean, we want to wait to see  
21 how the principals respond to their individual  
22 budgets because they will make the decisions based  
23 on their particular needs. So do we have any  
24 projection? Let me just make sure.

25 MICHAEL TRAGALE: Yeah, we're--

1  
2 DENNIS WALCOTT: You know, waiting,  
3 yeah, we'll see how it comes back to us and then  
4 we can get back to you with accurate information  
5 on that.

6 COUNCIL MEMBER ROSE: And seeing  
7 that, you know, I have a number of schools that  
8 are overenrolled and that my class size has  
9 increased about 21% between 2009 and 2012, are  
10 there any plans--and I was glad to see that we  
11 have an increase in the overall budget--are there  
12 any plans to replace any of the teachers that you  
13 lost through attrition in order to bring down  
14 class size?

15 DENNIS WALCOTT: Well, again, as  
16 indicated, you know, even with Chair Jackson's  
17 opening remarks, I mean, with special ed we expect  
18 to see hiring take place within the special ed  
19 category, but, again, it's a school by school  
20 determination as far as the utilization of their  
21 budget and how they want to staff up to meet their  
22 particular needs. And as you well know,  
23 especially, Council Member Rose, that the school  
24 then will work with the school leadership team and  
25 develop their comprehensive education plan, and

1  
2 that's all part of the process that they will go  
3 through and having the parents involved in that  
4 and then making their determinations on the  
5 utilization of that particular budget.

6 COUNCIL MEMBER ROSE: [Interposing]  
7 Will my schools that are overenrolled--like Civic  
8 Leadership, 118%; P.S. 373, 133%--be given more  
9 money in their budget to hire teachers to bring  
10 back class size to a manageable rate?

11 DENNIS WALCOTT: So I'm not sure  
12 when you--I want to be very clear in your question  
13 because are you talking about over-utilization or  
14 over-enrollment, which--

15 COUNCIL MEMBER ROSE: [Interposing]  
16 I'm talking about over-enrollment and over-  
17 utilization.

18 DENNIS WALCOTT: Well over-  
19 utilization is a space issue, so, for example,  
20 when you talked about Curtis High School, I mean,  
21 one of the things--

22 COUNCIL MEMBER ROSE: Oh, Curt.

23 DENNIS WALCOTT: --we talked about  
24 with--

25 COUNCIL MEMBER ROSE: Right.

1  
2 DENNIS WALCOTT: --Curtis, Curtis  
3 is over-utilized, it's at--

4 COUNCIL MEMBER ROSE: [Interposing]  
5 Over-enrollment.

6 DENNIS WALCOTT: Yeah, but with  
7 over-enrollment, I'm not sure, you know, how that  
8 principal at those particular schools utilized  
9 their budgets last year, and we can work with you  
10 through our staff in taking a look at a school by  
11 school analysis along that line. But, again, they  
12 had an average of 2.4% cut in their budget so I'm  
13 not sure how they carried out that cut in those  
14 particular schools.

15 COUNCIL MEMBER ROSE: But I'm  
16 really talking about the fact that they lost  
17 teachers due to attrition prior to the, you know,  
18 the 2.4--

19 DENNIS WALCOTT: [Interposing] But  
20 if the--

21 COUNCIL MEMBER ROSE: --I want to  
22 know if--

23 [Crosstalk]

24 DENNIS WALCOTT: [Interposing] I  
25 guess what I'm confused--

1  
2 COUNCIL MEMBER ROSE: --been given  
3 enough to replace--

4 DENNIS WALCOTT: Sure.

5 COUNCIL MEMBER ROSE: --teachers.

6 DENNIS WALCOTT: Here's where I'm  
7 confused because, as you know, we have fair  
8 student funding, and so if they're over-enrolled,  
9 then they should have an over-enrollment of  
10 dollars through fair student funding as well. And  
11 so that's why I asked question around if it's  
12 over-enrollment versus over-utilization because it  
13 may be a space capacity issue versus an over-  
14 enrollment because monies are driven through fair  
15 student funding and it's a per-pupil funding  
16 allocation that they receive. So I'm not sure how  
17 that is being carried out as far as those  
18 particular schools are concerned.

19 COUNCIL MEMBER ROSE: So we can get  
20 together and have some conversation--

21 DENNIS WALCOTT: [Interposing] Oh  
22 yeah, sure, I mean, we'll have folks follow up and  
23 take a look at those specific schools, that's not  
24 a problem at all.

25 COUNCIL MEMBER ROSE: Thank you.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON RECCHIA: Thank you.

Council Member Koppell, followed by Council Member Lander.

COUNCIL MEMBER KOPPELL: Thank you.

CHAIRPERSON RECCHIA: [Interposing]  
Hold on, we've been also joined by Council Member Melissa Mark-Viverito.

COUNCIL MEMBER KOPPELL: Thank you, Mr. Chairman. Good morning, Chancellor. And I want to echo what Councilman Jackson said, we're pleased to see--and several other of my colleagues--that you're putting some emphasis on expanding mental health and physical health services in the schools. It's something I've been talking about and we had a hearing, we had Deputy Chancellor Grimm testify, and I think that all of us agree that this is an important priority.

First of all, at the hearing, we heard that 12 health center--mental health centers would be closing because of the loss of something called Clinic Plus. Is that a fact that we're actually going to be closing physical health and mental health centers in the schools?

DENNIS WALCOTT: I'm not familiar

1 with that so let me get back to you on that.

2 COUNCIL MEMBER KOPPELL: But could  
3 you? I think we--

4 DENNIS WALCOTT: We'd be glad to  
5 follow up.

6 COUNCIL MEMBER KOPPELL: --I think  
7 we've posed these questions--

8 MALE VOICE: Clinic Plus? I am--  
9 [Crosstalk]

10 COUNCIL MEMBER KOPPELL: Yes, yes--

11 DENNIS WALCOTT: [Interposing]  
12 We'll check on that.

13 COUNCIL MEMBER KOPPELL: --and it's  
14 12 centers, so we'd like to know.

15 Secondly, I am very concerned that  
16 there's no provision for any expense money in  
17 connection with the centers. I know from talking  
18 to several providers who run clinics in my  
19 district, particularly Montefiore Hospital, that  
20 these some of these school-based clinics do run at  
21 a deficit, they try and get reimbursement from  
22 various sources, including Medicaid, private  
23 insurance, but they run at a deficit and I'm  
24 concerned that we're building more centers, but  
25

1  
2 that we may need to allocate some expense money to  
3 cover some of these costs.

4 DENNIS WALCOTT: Well part of what  
5 we're talking about today is the--I know it's  
6 tough to say when we have a budget as large as  
7 ours, but the limited expense dollars to do that,  
8 that's why we're saying this is basically a  
9 challenge grant to the providers to work with the  
10 State Department of Health and other sources of  
11 funding to meet the challenge of that. We will be  
12 willing to put up the capital money to construct a  
13 space but to satisfy our need to do that, you're  
14 going to have to provide the programmatic dollars  
15 to do that. And, I mean, that's the unique  
16 challenge that they will have to face.

17 COUNCIL MEMBER KOPPELL: Oh.

18 DENNIS WALCOTT: And so we want to  
19 make sure that we're getting the services, but at  
20 the same time with the expense dollars that we  
21 have, making sure those expense dollars are going  
22 for the need of special ed teachers and other  
23 things that we're talking about today. So that's  
24 a unique balancing act we're trying to--

25 [Crosstalk]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COUNCIL MEMBER KOPPELL:

[Interposing] I'm just saying that we need to be sure that we don't build a center that can't then operate.

DENNIS WALCOTT: I agree. But we would not build it without them being able to provide that background on sustaining it--

[Crosstalk]

COUNCIL MEMBER KOPPELL:

[Interposing] Well we'll talk further. What--

DENNIS WALCOTT: [Interposing] And then I got the information, it's the state Child and Family Clinic Plus program ended and funds provided by not-for-profits support these programs are drying up, so it's a state-funded initiative, I just didn't know the specifics.

COUNCIL MEMBER KOPPELL: Yeah, but, I understand, but are we saying that we're going to close these centers?

DENNIS WALCOTT: Based on my understanding, that if it's been funded by the state and those centers will have the money dry up, then they will have to close, we don't have the ability--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

[Crosstalk]

COUNCIL MEMBER KOPPELL:

[Interposing] Well I think we should look at that, we should see where--I would propose to the Chairman and to the Council that, if necessary, we should come up with the funds to keep those centers open. In fact, I'm hoping that we can increase the number of centers, not decrease the number of centers. And as part of the budget negotiations, I'm proposing to the leadership that we put more money in the budget for these mental health and physical health services. So I think we should look at that in terms of the current budget discussions. I don't want to see these-- any centers closed, in fact, I'm hoping that we can open some more centers, some new centers.

DENNIS WALCOTT: Again, I think that's a conversation to have with the--your state colleagues as far as this important program--

COUNCIL MEMBER KOPPELL:

[Interposing] No, it's not going to come from the state if it's cut off--

DENNIS WALCOTT: [Interposing] Well I mean, we don't have it from our DOE budget, and

1  
2 I guess that's a discussion for you because  
3 between DYCD, ACS, other funds that we're talking  
4 about, there's this--

5 MICHAEL TRAGALE: [Interposing]  
6 EarlyLearn.

7 DENNIS WALCOTT: --EarlyLearn, you  
8 name it, I mean, there are a number of priorities  
9 that one has to discuss and so--

10 COUNCIL MEMBER KOPPELL:  
11 [Interposing] There are many priorities, I agree,  
12 but as far as I'm concerned, we should put this on  
13 the list--

14 CHAIRPERSON RECCHIA: We will.

15 COUNCIL MEMBER KOPPELL: --whether  
16 we can get to it or not will be up to Chairman  
17 Recchia and the Speaker and--

18 [Crosstalk]

19 CHAIRPERSON RECCHIA: [Interposing]  
20 Yeah, we will definitely address this issue and we  
21 will definitely sit down with the DOE to discuss  
22 it and maybe we could save some of these centers,  
23 we have to look into it, like we said.

24 COUNCIL MEMBER KOPPELL: All right.

25 CHAIRPERSON RECCHIA: There are

1 many things we have to save, this is all part of a  
2 process, but I'm glad you brought this up, we'll  
3 definitely address this.  
4

5 COUNCIL MEMBER KOPPELL: Thank you,  
6 Mr. Chairman, and I--

7 CHAIRPERSON RECCHIA: Okay.

8 COUNCIL MEMBER KOPPELL: --if I  
9 have another minute--

10 CHAIRPERSON RECCHIA: [Interposing]  
11 You have 47 seconds.

12 COUNCIL MEMBER KOPPELL: Okay. The  
13 47 seconds, one thing I think we should have--and  
14 I speak now as Chair of the Mental Health  
15 Committee--is there shouldn't be a health center  
16 in a school that doesn't offer some level of  
17 mental health services. And what I'm trying to  
18 determine, and we're having some trouble in  
19 getting a number from you and from the Health  
20 department, is what would it cost so I can put it  
21 also on the list that the Chairman has to contend  
22 with. What would it cost for us to provide mental  
23 health services in every school that currently  
24 provides--has a clinic that provides physical  
25 health services? Many of them do provide mental

1 health services but not all of them, that came out  
2 in a hearing. I'd like you to come back to us,  
3 not right now, I know--

4 DENNIS WALCOTT: Sure.

5 COUNCIL MEMBER KOPPELL: --you  
6 can't do that instantly, come back within the next  
7 few days, because we're in the budget process,  
8 with a number, what would--

9 DENNIS WALCOTT: [Interposing] Can  
10 I just ask for one point of clarification, if I  
11 may, Council Member?

12 COUNCIL MEMBER KOPPELL:  
13 Absolutely.

14 DENNIS WALCOTT: How are you  
15 describing a physical health center? 'Cause I'm  
16 not sure what you mean by that.

17 COUNCIL MEMBER KOPPELL:  
18 [Interposing] It's one of the school-based  
19 physical health centers that you have. You have  
20 in several hundred schools, you have health  
21 centers, many of them do provide mental health--

22 DENNIS WALCOTT: [Interposing] So  
23 you mean just regular health centers, I mean,  
24 versus mental health.  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON RECCHIA: [Interposing]  
Right.

COUNCIL MEMBER KOPPELL:  
[Interposing] Yes, yes.

DENNIS WALCOTT: Okay. I just--  
[Crosstalk]

DENNIS WALCOTT: Okay. I got it.

COUNCIL MEMBER KOPPELL: Yes, many  
of the schools--

DENNIS WALCOTT: Okay.

COUNCIL MEMBER KOPPELL: --have  
mental health counseling in those centers but many  
do not and especially in middle schools and high  
schools, that's what I'm really--

[Crosstalk]

DENNIS WALCOTT: Got it,  
understood.

COUNCIL MEMBER KOPPELL: Middle  
schools and high schools. I'd love to do  
elementary schools too, but let's leave that  
aside, can't do everything. How much would it  
cost to have mental health services introduced--  
and I know you have to talk to Health department--

DENNIS WALCOTT: [Interposing]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

They're taking notes now so--

COUNCIL MEMBER KOPPELL: Okay.

Thank you.

CHAIRPERSON RECCHIA: Okay. We'll follow up. Thank you very much. Council Member Barron. Not seeing Council Member Barron, Council Member Brewer.

COUNCIL MEMBER BREWER: Thank you very much. We are very excited about your mental health proposal and we look forward to working with you on it.

The BTOP is going to end, I know today's Times has a big story around the country who kids getting technology and not using it appropriately, but thanks to DOE and to Computers for Youth and Others, BTOP has been, I think, a very successful program. Obviously, it helped with the divide between home and school. I'm just wondering if you have any suggestions working with DoITT or others to figure out how to continue that concept of school and home technology.

SHAEL SURANSKY: We agree that it has been successful and, you know, we're open to looking at it with you, we don't have a plan at

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

this point.

COUNCIL MEMBER BREWER: Okay. I think DoITT does so you might want to talk to the wonderful new commissioner.

SHAEL SURANSKY: Okay.

COUNCIL MEMBER BREWER: GED, are you dealing with Pearson and GED or is that a different agency?

DENNIS WALCOTT: No, we are working collectively with City Hall, with DYCD, and our staff at DOE around Pearson and the issue of charging and all the new proposals that are on the table around the GED. So it is a collective effort on the part of the City, including the Department of Education in this initiative.

COUNCIL MEMBER BREWER: Okay. So the hope would be to have a maybe a different scenario than what we've heard so far.

DENNIS WALCOTT: We are working closely to try to address that, and so we started-

-

COUNCIL MEMBER BREWER: Okay.

DENNIS WALCOTT: --this process when I was Deputy Mayor, it carried over to my

1  
2 now-role as Chancellor, and so we are working very  
3 focused on this particular issue.

4 COUNCIL MEMBER BREWER: Okay.

5 Pearson sounds like a problem, but I know that you  
6 realize that also. On the charter--I call it the  
7 charter equal dollars, I'm sure that's the wrong  
8 term--but when a charter school goes in, the state  
9 mandated that the dollars that go in, go into the  
10 other schools also. My question is--

11 DENNIS WALCOTT: [Interposing] On  
12 the capital side.

13 COUNCIL MEMBER BREWER: Yes.

14 DENNIS WALCOTT: Capital side.

15 COUNCIL MEMBER BREWER: Can we get  
16 an update on all of those schools--

17 DENNIS WALCOTT: Sure.

18 COUNCIL MEMBER BREWER: --that have  
19 received, you know, and where they are? My  
20 understanding, you know how I feel about this so  
21 I'm not going to get into one particular school,  
22 but my understanding is that the--it's very slow  
23 in the capital projects, it's just a fact, so I  
24 wanted to know how much is going in on the capital  
25 side and where we are vis-à-vis when the charter

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

school went in--

DENNIS WALCOTT: Sure.

COUNCIL MEMBER BREWER: --and when the dollars go in for the schools that are in the building that are not charter so that--

DENNIS WALCOTT: That's a great question and we'll be glad to follow up with you on that--

[Crosstalk]

COUNCIL MEMBER BREWER:

[Interposing] Okay. 'Cause I think it's very--

DENNIS WALCOTT: I look forward to seeing it, yeah, I can--

COUNCIL MEMBER BREWER: --slow--

DENNIS WALCOTT: --give that to you, sure.

COUNCIL MEMBER BREWER: Textbooks, I know that it's up to every principal to work on acquiring textbooks for teachers, do you do oversight? A Spanish teacher protested to me the other day that she has Spanish textbooks from 1972. Now I don't know if it's right or wrong, you know, but the issue is, do you do oversight? In other words, I know you're going to tell me

1  
2 every principal is supposed to buy the books, I  
3 can give that answer I think, but do you oversee  
4 that? Do you have some discussions about that  
5 issue?

6 SHAEEL SURANSKY: There is  
7 oversight, but you're right that the ultimate  
8 decision is at the school level and where we hear  
9 complaints from parents or teachers that they  
10 don't have the resources that they need, we  
11 intervene, so please forward me that information--

12 COUNCIL MEMBER BREWER:

13 [Interposing] I will e-mail you that information.

14 SHAEEL SURANSKY: --and we'd be  
15 happy to follow up.

16 And in addition, we also do provide  
17 a structured set of options for schools to select  
18 from. So, for example, one of the things that's  
19 changing right now is the state standards is  
20 shifting, their assessments are going to shift  
21 which requires principals to make new decisions  
22 about what curriculum resources that they use, and  
23 so we're issuing guidance to principals about what  
24 their options are. For example, a lot of textbook  
25 companies right now are telling schools around the

1  
2 country, oh, we have the new Common Core aligned,  
3 they're putting pretty stickers on it and it's not  
4 true, that work hasn't been done in many cases.  
5 And so we provide a lot of guidance around making  
6 those decisions so people make smart use of those  
7 funds.

8 COUNCIL MEMBER BREWER: Okay. I  
9 mean, I just think sometimes with textbooks and  
10 you might want to do oversight, not just  
11 complaint-driven 'cause I think some people are  
12 afraid to complain, that's just how they are.

13 The issue of recycling--

14 DENNIS WALCOTT: [Interposing] I  
15 hear it all the time.

16 COUNCIL MEMBER BREWER: Excuse me?

17 DENNIS WALCOTT: I said I hear  
18 complaints all the time.

19 COUNCIL MEMBER BREWER: I know, I  
20 do too, I hear as many as you do, but we're not in  
21 a school and there's no that, that friction thing  
22 that goes on between the--you know what goes on.

23 DENNIS WALCOTT: They're never shy  
24 with--

25 [Crosstalk]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COUNCIL MEMBER BREWER:

[Interposing] Yes, you do. Recycling, there's an amazing new Department of Sanitation Deputy Commissioner for Recycling, he is fantastic and he's working with John Shea, I think they are going to make a difference. Are you looking at any savings as a result of recycling going on in the schools?

DENNIS WALCOTT: So one of the things we've been doing through John Shea under the deputy--

COUNCIL MEMBER BREWER:

[Interposing] He's fabulous, by the way.

DENNIS WALCOTT: I agree with you. And that Deputy Chancellor Grimm is taking a look at energy efficiency, environmental issues, and--

[Crosstalk]

COUNCIL MEMBER BREWER:

[Interposing] And throwing away the stuff in the kitchen, that's--

[Crosstalk]

DENNIS WALCOTT: And also, I mean, something as simple--and we talked about this, I'm not sure before the Council, but we talked about

2 this during school holidays, turning off the  
3 electricity, unplugging the freezers, and how that  
4 saves money. That goes basically to DCAS more  
5 than DOE itself, but we have a competition as well  
6 and we've awarded prizes with that competition.  
7 So we look at a number of energy conserving things  
8 to save money that benefits the taxpayers and the  
9 system overall.

10 COUNCIL MEMBER BREWER: You have a  
11 number attached to that in this year's budget?

12 DENNIS WALCOTT: Since it doesn't  
13 come to us, it's a savings 'cause the building's--

14 COUNCIL MEMBER BREWER:  
15 [Interposing] Goes to DCAS.

16 DENNIS WALCOTT: --are DCAS more  
17 than us.

18 CHAIRPERSON RECCHIA: Can--

19 COUNCIL MEMBER BREWER: How about  
20 in--okay.

21 CHAIRPERSON RECCHIA: You can ask  
22 DCAS later.

23 COUNCIL MEMBER BREWER: We have  
24 other--all right, thank you.

25 DENNIS WALCOTT: Saw [off mic]

2 beforehand--

3 CHAIRPERSON RECCHIA: Okay.

4 Council Member Lander.

5 COUNCIL MEMBER LANDER: Thank you,  
6 Mr. Chairman. Chancellor and Deputy Chancellors,  
7 it's good to see you. There is much definitely  
8 relative to the preliminary budget to be  
9 enthusiastic about so I do want to thank you for  
10 working with the Speaker and the Council and  
11 restoring funding so that we could end general ed  
12 teacher attrition, which I know is going to make a  
13 big difference in the schools in my district and  
14 across the city. And I appreciate Deputy  
15 Chancellor's Suransky's follow up with me on some  
16 of the questions about what's happening in those  
17 large classes of 30 plus. I still would like to  
18 see a plan to get rid of in, especially grades one  
19 to three in all the elementary schools any classes  
20 of 30 or more, but I am appreciative of the  
21 funding that got restored. I'm enthusiastic about  
22 the health and mental health clinics and certainly  
23 will be, you know, waiting for those results. And  
24 I was actually happy to see modest decreases  
25 projected in the Carter cases in contract schools

2 as well, which are things that the Council has  
3 really pushed on in the past.

4 Couple things that I'm, you know,  
5 less enthusiastic about, it's not--this is a  
6 budget hearing, so I'm not going to go on about  
7 the testing but I do want to be part of Mark  
8 Weprin's amen chorus here as the father of a  
9 third-grader and a seventh grader. The amount of  
10 time spent, I know we're supposed to be moving in  
11 the right direction on Common Core toward better  
12 alignment, my experience this year was really the-  
13 -the amount of time spent off task as a result of  
14 testing, from my point of view was dramatically  
15 increased.

16 But on the budget, one thing I know  
17 this continues to be an issue between the Council  
18 and in many ways OMB as much or more than you, but  
19 it's hard to tell most of the things I care about  
20 in the Education budget as a result of the way  
21 that the units of appropriation are presented. So  
22 I couldn't look at the budget and actually figure  
23 out that general education teachers would be flat,  
24 it looks to me like there's still a \$72 million  
25 cut on the unit of appropriation lines, and

1  
2 similarly, you know, on the website for the DOE's  
3 webpage you say there's a \$19.7 billion operating  
4 budget that covers after school programs,  
5 principals, teachers, textbooks, standardized  
6 tests, and I can't find any of those things in the  
7 budget. And this is an old complaint I don't  
8 really expect you to have an answer for it, but  
9 the way the units of appropriation are grouped  
10 and, in particular, the fact that so much of them  
11 is in the 1, 5 billion line really makes it  
12 difficult for us to do our jobs and having a  
13 dialogue with you about what we're spending money  
14 on. And I would ask you, as we've asked you  
15 before, to find ways to work with OMB to break  
16 those units of appropriation down so we can have  
17 more dialogue.

18 MICHAEL TRAGALE: Yes, I'd like to  
19 address the questions, and I did read the Council  
20 package in terms of the transparency issues, and I  
21 just wanted to be clear in reference to the budget  
22 transparency. First of all, there's not another  
23 school district in this country that is more  
24 transparent with their budget info than we are.  
25 For example, every school budget, every SAM

2 [phonetic] is posted online, we're always open to  
3 ways we can do more. Last hearing, Councilman  
4 Recchia asked for UOAs by elementary school,  
5 middle school, and high school which we provided  
6 that snapshot of the budget yesterday.  
7 Additionally, we offered information, a pie chart  
8 on the 4.8 billion in contract cost which  
9 demonstrates that approximately 50% of those costs  
10 are for our public schools and charter schools.  
11 We offered to discuss the matter with the Council  
12 and we did have some discussions as well with OMB.  
13 We've answered all the Council's questions that  
14 were submitted prior to this hearing. Staff had a  
15 pre-hearing meeting as well. Throughout the year,  
16 we've had regular scheduled financial status  
17 report meetings with the City Council and our  
18 fiscal monitors, as well as other meetings just  
19 with the Council. The Council has access to the  
20 City's financial management accounting system  
21 which allows the Council to view all data on all  
22 types of reports. OMB provided a 30-page briefing  
23 package for the DOE's budget.

24 Additionally, in terms of the DOE's  
25 budget as we mentioned, we are very transparent.

2 We have a school budget and expenditure report  
3 which slices and dices expenditure information at  
4 the school, district, borough, and citywide  
5 levels. FY '10 is currently available and FY '11  
6 will be available shortly. There is also a school  
7 budget view where you can actually look at  
8 individual school budgets.

9 Additionally, with the rollout of  
10 the fiscal year '13 budgets yesterday, there is,  
11 under the homepage of budgets fair student  
12 funding, you could go in and you could plop in the  
13 school number and you could see specific details  
14 on the fiscal year '13 methodology, as well as how  
15 the budget was constructed off of the baselined  
16 fiscal year '12 budget.

17 So I just wanted to be clear, we're  
18 doing all we can and we will continue to work with  
19 you to meet those needs.

20 DENNIS WALCOTT: If I may for one  
21 second also, just--I don't want to cut in your  
22 time, I think he answered the core of your  
23 question.

24 COUNCIL MEMBER LANDER: Mr.  
25 Chairman, can I ask one more question after

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

they're--

DENNIS WALCOTT: So, you know--

COUNCIL MEMBER LANDER: --done

here?

CHAIRPERSON RECCHIA: Yeah, we'll give you some more time, Council Member Lander.

COUNCIL MEMBER LANDER: Thank you.

DENNIS WALCOTT: I always like to try to solve problems and be a problem solver and listen to what you have to say. In times when we agree, disagree, you know, always try to find some resolution along that line. And so what Mike just indicated, you know, some of the things that we've done, but if there always ways to improve in trying to address it, I think part of my testimony was addressing issues that may have popped up before, you know, being very upfront about those issues and around the budget process indicated by Mike, you know, we try to be extremely transparent. If there are ways we can refine that and working with OMB and you, we'd be interested in talking about that.

COUNCIL MEMBER LANDER: So I appreciate that spirit, I appreciate all that

1  
2 you've done. I think the Chairman will likely  
3 follow up, and he's been a great leader on this.  
4 I do think that the core problem of having one \$5  
5 billion U of A that's essentially a 12th of the  
6 entire City's budget makes it difficult for us to  
7 do our job since we can't really dig down deeper  
8 than the U of A level in budget hearings and  
9 accountability. But I agree that it's worth  
10 continuing to follow up and I'll--

11 DENNIS WALCOTT: Okay.

12 COUNCIL MEMBER LANDER: But I do  
13 want to ask about one other area at a much, much  
14 smaller level than \$5 billion that I'm  
15 enthusiastic about but would like to get a little  
16 more data and that's around some of the universal  
17 school meals. I know we've got a very good--and I  
18 want to say congratulations to you and thanks for  
19 pushing for the community eligibility so that a  
20 significant number of schools will be able to use  
21 community eligibility to achieve more free lunch,  
22 that's a great step forward. And I know it comes  
23 on top of the earlier USDA announcement around  
24 Medicaid direct certification, so more families  
25 that are on Medicaid will also be able, and I

2 guess that's 353 schools, to participate in a  
3 pilot. But that also comes after we've lost a  
4 bunch of schools, a couple hundred schools, off of  
5 provision two, off of universal free school meals  
6 in the past two years. And I just would like to  
7 get more information that help me understand, sort  
8 of, how many schools in each of the pilots, what  
9 the criteria were, are some of those ones that  
10 were in provision two but then lost provision two?  
11 This has real impact as you guys probably saw on  
12 the school book story on Murrow [phonetic], the  
13 loss of provision two meant half as many kids were  
14 getting free lunch there. And so it seems to me  
15 these are really good steps forward, but I think  
16 if we could get more information on in both the  
17 pilots which schools--

18 DENNIS WALCOTT: Sure.

19 COUNCIL MEMBER LANDER: --were any  
20 of them in provision two; what are the cost  
21 implications, are we going to save some money; and  
22 then, you know, most important to me, what are the  
23 implications in terms of how many more students  
24 are going to be able to get that free--

25 [Crosstalk]

2 DENNIS WALCOTT: [Interposing] What  
3 I would like to do is set up a meeting with  
4 Kathleen Grimm, Eric Goldstein, and our folks in  
5 food services, and the appropriate members of the  
6 Council to go into details about that because they  
7 can really go through step-by-step.

8 I think one of the things they've  
9 been doing is leading the way, I think, in the  
10 country as far as the universality of the meals  
11 and how we're moving forward in making sure we  
12 provide healthy meals to our students. And as you  
13 didn't--it wasn't part of your question, but also  
14 increasing the number of salad bars and other  
15 options available to our students.

16 So I would love to set up a meeting  
17 so that way we can get into the weeds of the  
18 particular question that you asked.

19 COUNCIL MEMBER LANDER: But now  
20 you're forcing me to point out that a couple of  
21 schools from my daughter's schools, School Garden,  
22 were on with the First Lady on Good Morning  
23 America yesterday, and that's--you guys have been  
24 very supportive and leaders [pause] on salad bars  
25 and I appreciate the steps.

2 There's always more to do and we'll  
3 keep pushing--

4 DENNIS WALCOTT: [Interposing] I  
5 had to be very careful yesterday, I went to a  
6 school last night and they gave me some zucchini  
7 and summer squash from their garden, I had to make  
8 sure it was under the \$50 limit so I didn't have  
9 to declare it. And so I mean, a lot of schools  
10 are taking this very seriously as far as their own  
11 gardening and vegetables and all the other things  
12 that they're growing there and how they  
13 incorporate--this particular school incorporates  
14 it in their lunch meals, and so we are encouraging  
15 that throughout the entire system.

16 COUNCIL MEMBER LANDER: I think we  
17 could do a good fundraiser with you trying to eat  
18 \$50 worth of zucchini and squash.

19 DENNIS WALCOTT: Always got to be  
20 careful, I don't want to read about it.

21 CHAIRPERSON RECCHIA: We'll have  
22 the zucchini--

23 COUNCIL MEMBER LANDER: Thank you--  
24 [Crosstalk]

25 CHAIRPERSON RECCHIA: --eating

1 contest. All funds for the school.

2 I just want to go back to the  
3 comment you made about the U of A. While I  
4 appreciate what you did, it is an improvement from  
5 the preliminary budget, I think basically what you  
6 gave us was a snapshot, not a real U of A, what we  
7 really need broken down the way we thought we were  
8 going to get it. Number one. And number two,  
9 this is for FY '12, this is--

10 MICHAEL TRAGALE: Correct.

11 CHAIRPERSON RECCHIA: --this the  
12 budget for FY '13.

13 MICHAEL TRAGALE: Yes, that's how  
14 schools ended the fiscal year in terms of their  
15 budgeting. They're--

16 CHAIRPERSON RECCHIA: Yeah, but  
17 what about--

18 MICHAEL TRAGALE: --just beginning  
19 to schedule their budget for fiscal year '13.

20 CHAIRPERSON RECCHIA: So this is  
21 why we didn't get it for '13, but we need '13. If  
22 you gave the--

23 MICHAEL TRAGALE: Yeah.

24 CHAIRPERSON RECCHIA: --budgets out  
25

1  
2 yesterday, we could have had it.

3 MICHAEL TRAGALE: And just to be  
4 clear, we've shared a similar version of that with  
5 Council Finance staff last year where we showed  
6 how the cuts were being absorbed, the PEG from  
7 fiscal year '12. So that's a snapshot they're  
8 familiar with, but it does incorporate all of  
9 those units of appropriation.

10 And, you know, when we talk about  
11 the units of appropriation with schools, we have  
12 to be very careful. The school governance  
13 legislation of 1996 which created the school-based  
14 management shared decision-making process, that  
15 changed school budgeting, not only in this city,  
16 throughout the state and country. And basically  
17 schools, and as the Chancellor indicated before,  
18 schools and working with their school leadership  
19 team developed their CEPs, they develop the  
20 budgets, therefore, it's very difficult to have a  
21 process where every school would be reviewed in  
22 terms of the overall budget. Schools are a  
23 living, breathing organism, there are countless  
24 changes and we should just keep that in mind in  
25 terms of as we're considering changes to a more

1 transparent view of the school budgets.

2  
3 CHAIRPERSON RECCHIA: Well, you  
4 know what, [off mic] just what you said is that  
5 when I was president of my school district in the  
6 late 1980s and '90s, every school had its own  
7 budget and we had a hearing where every school at  
8 the hearing, every person who came could see every  
9 school's budget, okay? It's very difficult to get  
10 that today, all right? The CECs do not get to see  
11 every school budget--

12 MICHAEL TRAGALE: [Interposing] And  
13 just to be clear, I was around back in the  
14 district days as well, and remember, back then,  
15 budgets were not school-based, typically, they  
16 were contractually built based on the student and  
17 position requirements--

18 CHAIRPERSON RECCHIA: Right, but  
19 parents--

20 MICHAEL TRAGALE: --and, therefore,  
21 you could get one page which defined all of the  
22 school budget. So it was a little different time.

23 CHAIRPERSON RECCHIA: But it was  
24 laid out exactly how much money was for teachers,  
25 how much--and that's what we're trying to get at

2 is to be more transparent and open, see how much  
3 each school is getting and where. Especially  
4 today, it's very important to see how principals  
5 are spending their money and this is what we're  
6 trying to address.

7 DENNIS WALCOTT: Sure. I mean, one  
8 of things, and I mean, I don't think we have a  
9 disagreement, I think it's just how we get it done  
10 if it's not being done. I mean, every school  
11 budget is online and, I mean, so it should be  
12 extremely transparent to individuals. As far as  
13 the CEC, if there are ways for us to improve it,  
14 we're always interested in improving it.

15 CHAIRPERSON RECCHIA: Right, so  
16 what I would like to do is after we do this  
17 budget, when we get through this one, I would like  
18 to have a meeting with you and Ms. Conforme to sit  
19 down so--to see how we can make this better.  
20 Thank you.

21 MICHAEL TRAGALE: Sure.

22 CHAIRPERSON RECCHIA: Okay.

23 [Pause] Council Member Levin and then Council  
24 Member Leroy Comrie.

25 [Pause]

2 COUNCIL MEMBER LEVIN: Thank you,  
3 Mr. Chairman. Chancellor, thank you very much;  
4 Deputy Chancellors, I thank you for testifying  
5 today. So I have several questions so I'll try to  
6 get them through them kind of quickly. I'm going  
7 to start off with a question about special ed pre-  
8 K, that's unit of appropriation 470. Special ed  
9 pre-K is increasing in the executive budget by \$64  
10 million this year's a 5.5% increase. That's down  
11 from a close to \$200 million increase from FY '11,  
12 which was then revised in the November PEG down by  
13 about another \$50 million for FY '12. So my  
14 question is, you had last year a 19% increase in  
15 special ed pre-K costs, which was then revised  
16 down, this year it's 5.5%, have we--one of the  
17 reasons why that DOE has presented for why there  
18 is that decrease is due to a change in the  
19 reimbursement rate that we are asking the state  
20 for. So it used to be a 59.9% reimbursement rate,  
21 we are now legally entitled to a 69.5%  
22 reimbursement rate, which is supposed to save us  
23 \$62 million in FY '13. Are we currently getting  
24 that six--I mean, right now, are we getting the  
25 69% reimbursement rate from the state or are we

2 getting 59% right now? 'Cause we're planning on  
3 getting it in FY '13, right?

4 MICHAEL TRAGALE: Yeah, I mean,  
5 there was revenue and that was added for that. It  
6 was back to the 59.5%, I believe, in terms of the  
7 revenue.

8 COUNCIL MEMBER LEVIN: No, 59  
9 point--that's the reimbursement rate that we're  
10 getting from the state.

11 MICHAEL TRAGALE: [Interposing] And  
12 that was--there was a revenue adjustment in the  
13 November plan--

14 COUNCIL MEMBER LEVIN: Right.

15 MICHAEL TRAGALE: --where the City  
16 recalibrated the revenue based upon the  
17 expenditure, and I believe that's what you're  
18 referring to.

19 COUNCIL MEMBER LEVIN: It's  
20 recalibrating what we're going to be getting in FY  
21 '13.

22 MICHAEL TRAGALE: Correct, what we  
23 would be entitled to in terms of--

24 [Crosstalk]

25 COUNCIL MEMBER LEVIN:

2 [Interposing] So are we getting that right now  
3 from the state, 69% or 59%? Are we getting the--  
4 everything that we're entitled to or are we  
5 getting--

6 MICHAEL TRAGALE: [Interposing]  
7 Yes, yes--

8 COUNCIL MEMBER LEVIN:  
9 [Interposing] We are, we're getting 69% now.

10 MICHAEL TRAGALE: --and as we begin  
11 claiming, yes, as we begin claiming--

12 COUNCIL MEMBER LEVIN: Okay. Now  
13 there's--

14 MICHAEL TRAGALE: --we will be,  
15 sure.

16 COUNCIL MEMBER LEVIN: --so that's  
17 OMB has worked that--

18 MICHAEL TRAGALE: Yeah.

19 COUNCIL MEMBER LEVIN: --out with  
20 the state? That's happening smoothly?

21 MICHAEL TRAGALE: I mean, I will  
22 follow up on that, I mean, I'm just commenting in  
23 terms of what was in the plan.

24 COUNCIL MEMBER LEVIN: Right.

25 MICHAEL TRAGALE: And, you know,

1 special ed pre-K costs, you know, they go up, I  
2 mean, we're looking at a spike of about 1,200  
3 students in terms of the fiscal year '13  
4 projection in terms of these schools, you know,  
5 these are--they're--

6 [Crosstalk]

7 COUNCIL MEMBER LEVIN:

8 [Interposing] So 1,200 students equals 64 million?

9 MICHAEL TRAGALE: Well no, I'm just  
10 saying in terms of the overall projected register  
11 we're looking at for '13, so there have been  
12 gradual increases--

13 COUNCIL MEMBER LEVIN: Okay.

14 MICHAEL TRAGALE: --in this area--

15 COUNCIL MEMBER LEVIN:

16 [Interposing] I don't mean to cut you off, but--

17 MICHAEL TRAGALE: Yeah.

18 COUNCIL MEMBER LEVIN: --what I  
19 want to ask is have we done a formal--because it's  
20 all over the place, but it's obviously increasing  
21 at rapid rates--have we done a formal  
22 investigation or a look as to what is going on and  
23 what the City can do to control the cost? Because  
24 it's increased since 2007 from 500 million to over  
25

2 1.2 billion or \$1.1 billion. Are we really  
3 looking at this--

4 MICHAEL TRAGALE: [Interposing] We  
5 are looking at it closely--

6 COUNCIL MEMBER LEVIN: --hard?  
7 Okay.

8 MICHAEL TRAGALE: --and I mean  
9 Shael could speak more to this, I know a lot of  
10 people have been working on this.

11 SHAEL SURANSKY: Yeah, so we  
12 started training the folks who do the early  
13 childhood evaluations for special education in a  
14 different way this year that work for the DOE, as  
15 well as training folks in the centers that provide  
16 these services to make sure that their approach to  
17 making decisions around what services are required  
18 is thoughtful and aligned with the general vision  
19 that we've been working towards around special ed  
20 services. And there's some complexity here  
21 because there's a kind of a handoff that occurs  
22 between a set of providers that are nonprofits, in  
23 some cases, for-profit, providers that actually  
24 can benefit from evaluating kids and determining  
25 that they need services early in the kid's life

1  
2 and then that gets passed along as the kid gets  
3 older. And those points of where we actually make  
4 decisions about kids entering the system, our  
5 opportunities to really make sure that the  
6 services are appropriate and that's what we've  
7 been focused on.

8 COUNCIL MEMBER LEVIN: Thank you,  
9 Deputy Chancellor Suransky. I have just want to  
10 ask a question about the issue of transparency  
11 unit of appropriations, kind of following up on  
12 Council Member Lander's question. The City  
13 Council asked two things in response to the  
14 preliminary budget, one--these are specific  
15 requests--one is moving the headcount and funding  
16 for network staff back out of unit of  
17 appropriation 401 and into 415. We moved it into  
18 401 in for FY '12--this is for network staff going  
19 into general education and struction, that's where  
20 it was moved into, the Council asked as a response  
21 to preliminary budget to move it back out. That's  
22 one thing that I'm hoping you can comment on  
23 because what it's doing right now is--

24 MICHAEL TRAGALE: [Interposing]  
25 That was a response to OMB, I believe?

2 COUNCIL MEMBER LEVIN: Okay. It's  
3 in our briefing documents as a response to the  
4 preliminary budget, so I want to know what your  
5 response to that request was.

6 And secondly, talking about unit of  
7 appropriation 472, it is the--it jumps out of the  
8 page in and the preliminary budget it jumps even  
9 more out the page in the executive budget in terms  
10 of its increase, that increase is built into--it's  
11 not coming from Carters, it's coming from charters  
12 and that's where our increase--it's a \$50 million  
13 increase from the preliminary to the executive  
14 budget that's coming from charter schools. And so  
15 there's a couple of things, one, is the  
16 transportation cost for charter school kids, is  
17 that in that budget line or is that in pupil  
18 transportation?

19 MICHAEL TRAGALE: No, that would be  
20 in pupil transportation.

21 COUNCIL MEMBER LEVIN: And why is  
22 it not in charter schools?

23 MICHAEL TRAGALE: I could look into  
24 that, I--

25 MALE VOICE: It's our pupils.

2 MICHAEL TRAGALE: The public school  
3 pupils.

4 COUNCIL MEMBER LEVIN: Well except  
5 that, since charter school kids are coming from a  
6 greater geographical diversity to their schools,  
7 they're not going to be zoned schools, they're  
8 going to be from--what I would like to know then  
9 is what percentage of charter school kids are  
10 getting transported with public funds in terms of--  
11 -

12 [Crosstalk]

13 COUNCIL MEMBER LEVIN: --versus  
14 general education kids.

15 DENNIS WALCOTT: We'll get back to  
16 you on that, sure.

17 COUNCIL MEMBER LEVIN: What I would  
18 request is that the unit of appropriation 472 be  
19 broken down so that it's charters, Carters, and  
20 contracts in different unit of appropriations, and  
21 then in those unit of appropriations we could have  
22 different things such as transportation support  
23 services, the legal fees for Carters, DOE  
24 administrative support so--factored into--so we  
25 could see exactly what's going into each of those

1 budget lines. 'Cause right now, we can't see any  
2 of that, we just see a fluctuating unit of  
3 appropriation going from the preliminary budget to  
4 the executive budget, that is extraordinary going  
5 from a \$65 million increase to \$114 million  
6 increase just from preliminary to executive. We  
7 can't make heads or tails of that and so I  
8 strongly encourage you, I strongly encourage the  
9 Department of Education to break those down so  
10 that we know what's actually going on.  
11

12 CHAIRPERSON RECCHIA: Okay.

13 MICHAEL TRAGALE: We do have  
14 information at the [off mic] level, we'd be happy  
15 to share that. In the spirit of transparency, we  
16 have no problem breaking those numbers out.

17 But to address your first question,  
18 we did not receive the request that you first  
19 mentioned.

20 COUNCIL MEMBER LEVIN: Okay. And  
21 then--

22 MICHAEL TRAGALE: So, I mean--

23 CHAIRPERSON RECCHIA: Okay.

24 MICHAEL TRAGALE: --we'd be happy  
25 to follow up with you on--

2 [Crosstalk]

3 COUNCIL MEMBER LEVIN:

4 [Interposing] One more point is specifically  
5 looking at the Committee on Special Education  
6 because, from what I understand, they only  
7 evaluate children in private and charter schools,  
8 they have a personnel cost of \$54 million. And  
9 they're right now in these support services, which  
10 is again in general education. Those services are  
11 only being used by Carter kids--I mean, charter  
12 kids and private school kids, not by general  
13 education and public school kids, is that correct?

14 SHAEL SURANSKY: No, they also do  
15 evaluations. For example, on the turning five  
16 process where kids are evaluated which are going  
17 across the system, we don't always know where the  
18 kid will land, they do about 40% of the cases  
19 across the system. And so, while they do cover  
20 all of the, sort of, external schools, they aren't  
21 only serving--

22 COUNCIL MEMBER LEVIN:

23 [Interposing] So what percentage would be the  
24 external schools versus the general?

25 SHAEL SURANSKY: I can get back to

2 you on that--

3 [Crosstalk]

4 CHAIRPERSON RECCHIA: [Interposing]  
5 Council Member, I don't mean to interrupt, but we  
6 have to get on--

7 COUNCIL MEMBER LEVIN:  
8 [Interposing] Thank you, Mr. Chair. Thank you--

9 [Crosstalk]

10 CHAIRPERSON RECCHIA: --other  
11 members who want to ask questions. Council Member  
12 Leroy Comrie.

13 COUNCIL MEMBER COMRIE: Thank you.  
14 Good afternoon, Chancellor and gentlemen. I'm  
15 getting expressions of concern from parents that  
16 are concerned about the new process around on  
17 mainstreaming for special ed kids and what that  
18 process would be with writing the LEPs and the  
19 IEPs, rather, for the kids, and can you explain to  
20 me what's being done by DOE to inform parents of  
21 what that process is going to be? Sorry, I'm  
22 losing my voice all of a sudden.

23 SHAEL SURANSKY: Sure, so as we've  
24 talked about a great deal over the past couple of  
25 months in a number of forums, we are working on a

1 strategy to improve the outcomes for our students  
2 with disabilities. Right now the graduation rate  
3 hovers around 30% for these students, and for  
4 students that have been fully self-contained for  
5 their whole school career, it's under 10%  
6 consistently. And so those are unacceptable  
7 outcomes and we know we can do better.  
8

9           And part of what you see if you  
10 look around the country is, when you provide very  
11 targeted supports that are designed for the child  
12 as opposed to slotting them into a program like 12  
13 to 1 or 15 to 1, you actually get much better  
14 results. And so what we're beginning to do with  
15 our schools is creating, first, opportunities for  
16 children to attend their neighborhood school and  
17 providing the services for them at that school  
18 unless it's a very unusual high need that the  
19 child has, like autism, where they would continue  
20 to get services in specialized settings. But for  
21 many of our students with disabilities that have a  
22 learning disability or some other disability where  
23 they can be part of the general ed school, the  
24 more access they have to those programs, the  
25 better they do. And so creating a really

2 thoughtful IEP that crafts for each child how much  
3 time do they need to be pulled out and for what  
4 and how much time can they benefit from being  
5 included with their peers--

6 COUNCIL MEMBER COMRIE: My  
7 question--

8 SHAEL SURANSKY: --gets to a better  
9 outcome. Every decision is made with the parent  
10 at the table so there is no decision that will be  
11 made on any child's IEP without the parent signing  
12 off and being part of that process. And so--

13 COUNCIL MEMBER COMRIE:  
14 [Interposing] But most parents are not versed or  
15 skilled or understanding of what those options or  
16 what those reality--

17 [Crosstalk]

18 SHAEL SURANSKY: [Interposing] Well  
19 in the IEP meeting--

20 COUNCIL MEMBER COMRIE: Will there  
21 be an advocate that sits with the parent to help--

22 [Crosstalk]

23 SHAEL SURANSKY: [Interposing] Well  
24 they do have that right, but also--and some  
25 exercise that right--but in the meeting, the job

1 of the teacher who is there and the school  
2 personnel is to work through the school's  
3 evaluation of what the student needs and to get  
4 input from the family. And so that--

5 COUNCIL MEMBER COMRIE:

6 [Interposing] If the parent contested, what  
7 happens then?

8 SHAEL SURANSKY: Then there's a  
9 process for that, there are impartial hearings  
10 where parents can contest it and it goes to a  
11 hearing officer and then there's a resolution  
12 there.

13 COUNCIL MEMBER COMRIE: And does an  
14 advocate--is an advocate arranged for the parent  
15 at that stage or at what stage does a parent get  
16 to request--

17 SHAEL SURANSKY: I think--

18 COUNCIL MEMBER COMRIE: --an  
19 outside advocate to help them if they--

20 SHAEL SURANSKY: [Interposing] I  
21 think the parent can always have an advocate  
22 present in any of these settings, and I don't know  
23 exactly what the structure would be, and I don't  
24 think we provide an advocate for--  
25

2 DENNIS WALCOTT: [Interposing]

3 'Cause then it wouldn't be impartial and so we  
4 have to be very careful about that. But we'd be  
5 glad to get back to you with the exact process  
6 itself but--

7 COUNCIL MEMBER COMRIE:

8 [Interposing] Yeah, a lot of parents are concerned  
9 about it 'cause if they don't feel comfortable  
10 with the [off mic] school or especially a lot of  
11 parents are avoiding local schools because they  
12 feel that the conditions at the local schools are  
13 problematic, so I don't know that they would be  
14 satisfied with any scenario with that. But I  
15 would like to know that there is some opportunity  
16 for parents to at least know or at least have  
17 posted in their packages an opportunity to reach  
18 out to an advocate or some kind of solution where  
19 they can have a third party to take a look at it.  
20 So I would--

21 DENNIS WALCOTT: Okay.

22 COUNCIL MEMBER COMRIE: --want to  
23 see that happen for them 'cause I have a lot of  
24 parents that are, you know, not necessarily  
25 articulate or a lot of parents that actually are

2 scared to speak up 'cause they're worried about  
3 their own status and they don't want to inform  
4 anybody about the things that they don't know, you  
5 know.

6 So just to move on since I'm on the  
7 clock, school crossing guards is another concern  
8 that came up. We seem to not be doing enough  
9 outreach to recruit more school crossing guards  
10 and I would hope that DOE looks to especially for  
11 the next year--

12 [Crosstalk]

13 DENNIS WALCOTT: [Interposing] PD.

14 COUNCIL MEMBER COMRIE: --help PD  
15 with, you know, recruiting and it can, you know,  
16 since the parents are in the schools, the bodies  
17 are in the schools for potential crossing guards,  
18 PD recruitment is one thing, but--

19 DENNIS WALCOTT: [Interposing]

20 Sure, be glad to talk to the police department  
21 about it.

22 COUNCIL MEMBER COMRIE: All right,  
23 appreciate that. Also, last year there was some  
24 money to maintain and keep SAPIS [phonetic]  
25 workers, has that been talked about being able to

2 maintain them and what are we doing to avoid those  
3 additional layoffs for the SAPIS workers?

4 DENNIS WALCOTT: Unfortunately, I  
5 mean, that's something, as you know, is state  
6 driven and--excuse me--

7 COUNCIL MEMBER COMRIE: It's five  
8 minutes? Okay. And then--

9 DENNIS WALCOTT: So, right, and, I  
10 mean, so that's a unique challenge that we're  
11 facing right now is around the SAPIS workers.

12 COUNCIL MEMBER COMRIE: And just  
13 one other concern, the technology upgrades for  
14 your staff to maintain the volume of  
15 correspondence, I've gotten a few schools that  
16 have said that their computers in their schools,  
17 their broadband upgrades necessary are not coming  
18 forth and there's a need to look at the broadband  
19 upgrades in a lot of the schools, especially in  
20 the older buildings--

21 DENNIS WALCOTT: [Interposing]  
22 We're aware of that, and part of what we've been  
23 working with the providers, the companies, is to  
24 expand it, and so I had a meeting with Verizon, I  
25 guess, around six weeks ago, around six weeks ago

2 so, and so we're in always discussion around how  
3 we expand the broadband connections in the schools  
4 especially--

5 COUNCIL MEMBER COMRIE:

6 [Interposing] But it's not just the broadbanding,  
7 it's the way the schools--some or all the schools  
8 are built, you can't run the wires, there's only,  
9 like, one outlet, one electrical outlet in a whole  
10 room and there's a lot of need for both the  
11 broadband upgrade, but electrical upgrade for a  
12 lot of the older buildings and it's been--

13 DENNIS WALCOTT: [Interposing] So

14 even though this isn't a capital meeting, I mean,  
15 part of what we normally don't talk about in the  
16 capital--

17 COUNCIL MEMBER COMRIE:

18 [Interposing] Right, but--

19 [Crosstalk]

20 DENNIS WALCOTT: No, no, I'm--

21 COUNCIL MEMBER COMRIE: Right.

22 DENNIS WALCOTT: --saying just as  
23 leading up to your point--

24 COUNCIL MEMBER COMRIE: Right.

25 DENNIS WALCOTT: --in that part of

1  
2 the capital plan is our capital improvement  
3 projects as well, our CIPs, and our CIPs are  
4 dealing with a lot of the wiring issues and  
5 addressing that, so we're putting a lot of money  
6 in upgrading those older buildings to have the  
7 capacity to get the new technology and in that way  
8 the schools can handle it. So that's part of the  
9 budgeting process, that's been part of the capital  
10 plan through our capital improvement projects  
11 itself.

12 COUNCIL MEMBER COMRIE: Right.

13 Okay. And then the--I know you talked about the  
14 issues with EarlyLearn and the need to expand it,  
15 I just want to echo that because if a child is not  
16 getting the EarlyLearn opportunity, you're going  
17 to get a failing child in the first grade. So I  
18 think DOE needs to work hard with the DYCD and the  
19 Administration to try to a refund EarlyLearn. And  
20 as you know, especially since you came from that  
21 environment, the local providers that provide  
22 EarlyLearn all of the opportunities that get  
23 created a matter for local people to have self-  
24 esteem and local children to be educated by  
25 familiar people is critical to maintain. So I

2 would want to hope that you echo the need to make  
3 that happen. And especially with your background,  
4 you could be a leader in making that get turned  
5 around, Chancellor. Thank you.

6 DENNIS WALCOTT: Thank you, Council  
7 Member.

8 CHAIRPERSON RECCHIA: Okay.  
9 Council Member Al Vann.

10 COUNCIL MEMBER VANN: Thank you.  
11 Thank you, Chairman. Good afternoon, Chancellor.  
12 I don't know if you keep abreast of all of the  
13 discretionary funding that goes into the schools,  
14 but I direct a lot of the discretionary funding  
15 into technology in the schools so within my  
16 district, which means I save you guys a lot of  
17 money, so I'm wondering if you can channel the  
18 money I save in to after school programs so that  
19 we keep recreation going in my district.

20 DENNIS WALCOTT: So in response to  
21 that, again, we're part of the conversation with  
22 the Administration as far as its communication  
23 with you as far as the after school support and  
24 dollars that'll be allocated in the budget  
25 process. And so we're, you know, supportive of

2 what the Mayor said, he believes in after school,  
3 and we look forward to those discussions with the  
4 City Council on how those monies are dealt with  
5 with the final budget adoption.

6 COUNCIL MEMBER VANN: What did I  
7 ask you again?

8 DENNIS WALCOTT: About--

9 COUNCIL MEMBER VANN: Okay.

10 [Crosstalk]

11 DENNIS WALCOTT: What I thought I  
12 heard you ask about retasking dollars that you  
13 save us through your discretionary dollars and  
14 tasking that into after school--

15 COUNCIL MEMBER VANN: And your  
16 answer was--

17 DENNIS WALCOTT: --that's what I  
18 heard the question. That I think there's an  
19 overall discussion taking place around out of  
20 school--

21 COUNCIL MEMBER VANN: Okay.

22 DENNIS WALCOTT: --time services  
23 and after school and that discussion is taking  
24 place with the Administration and the City Council  
25 as far as those dollars are concerned.

2 COUNCIL MEMBER VANN: Right.

3 DENNIS WALCOTT: I mean, with our  
4 budget allocation, that's mainly through DYCD, as  
5 you know, as far as after school or out of school  
6 time support.

7 COUNCIL MEMBER VANN: All right,  
8 very good, I didn't expect a real answer.

9 DENNIS WALCOTT: Oh, well I try to  
10 answer--

11 COUNCIL MEMBER VANN: [Interposing]  
12 Yeah, yes, I did, but I wanted you to be aware of  
13 that we're very serious about that and I am--we're  
14 working together with that 'cause a lot of my  
15 money goes to those schools, I realize how--

16 DENNIS WALCOTT: [Interposing] We  
17 appreciate that.

18 COUNCIL MEMBER VANN: --important  
19 it is that our kids have access to that  
20 technology.

21 I want to thank you for coming out  
22 a few weeks ago when we celebrated Boys and Girls  
23 here in the chamber. As you know, we are putting  
24 a lot of time and energy in with your support and  
25 things are happening, a lot of progressive things

1  
2 are happening. One of their great needs though is  
3 for a health facility located in the school,  
4 particularly dealing with mental health situations  
5 as well, which you have addressed on the middle  
6 school level. So maybe not part of that overall  
7 initiative, but aside from that, we actually need  
8 your support in getting that kind of facility in  
9 Boys and Girls High School. So maybe offline, you  
10 know, we can talk about how you can help me and  
11 others to accomplish that. It could go a long way  
12 in dealing with the challenges that they have to  
13 meet.

14 DENNIS WALCOTT: Sure, I just want  
15 to be very careful in that, you know, depending on  
16 the process we undertake as far as the mental  
17 health, health proposal that maybe, you know,  
18 procurement issues that I have to be very  
19 conscious of as far as when you say offline, I  
20 don't want to--'cause I got 51 Council Members who  
21 probably feel that they have equal needs in their  
22 respective districts.

23 COUNCIL MEMBER VANN: No, no, I'm  
24 older than they are.

25 DENNIS WALCOTT: Oh, is that--if

2 that's--I will not step into that, we've had a  
3 very calm meeting so far, so I don't want to go  
4 into the age discussions, I'll leave that part--

5 [Crosstalk]

6 DENNIS WALCOTT: I'll leave that up  
7 to you guys.

8 COUNCIL MEMBER VANN: Thank you for  
9 your--

10 [Crosstalk]

11 CHAIRPERSON RECCHIA: Thank you.  
12 Council Member Ulrich.

13 COUNCIL MEMBER ULRICH: Thank you,  
14 Mr. Chairman. And, Chancellor, I apologize for  
15 being late today and not hearing your testimony.  
16 I did get a chance to read it and review it just  
17 now.

18 DENNIS WALCOTT: We will collect  
19 your late note later on, sir.

20 COUNCIL MEMBER ULRICH: Okay. I  
21 actually have a question about transportation and  
22 funding transportation for seventh and eighth  
23 graders. We've had this conversation in the past,  
24 and now that Albany has changed the law, as I  
25 understand it, the City is now in a position to

2 provide transportation for seventh and eighth  
3 graders. Has there been any change to that policy  
4 or any discussion since the state legislature  
5 passed that--

6 DENNIS WALCOTT: [Interposing] In  
7 those districts that had it before, we committed  
8 to restore in those districts that prior. It's  
9 just waiting for the governor's approval, as a  
10 note tells me.

11 COUNCIL MEMBER ULRICH: Okay.  
12 That's what I was--

13 [Crosstalk]

14 DENNIS WALCOTT: [Interposing] Oh,  
15 hold on, let me [off mic]. It's so obvious that  
16 I'm getting a note here and it says waiting for  
17 governor's approval, so--

18 COUNCIL MEMBER ULRICH:  
19 [Interposing] Okay. So we're waiting for Governor  
20 Cuomo's approval to sign those two bills into law  
21 so that we can restore our bus transportation for  
22 seven--

23 DENNIS WALCOTT: [Interposing]  
24 Yeah, to those districts that had--

25 COUNCIL MEMBER ULRICH:

1 [Interposing] To those districts--

2 DENNIS WALCOTT: To those  
3 districts.

4 [Crosstalk]

5 COUNCIL MEMBER ULRICH: --  
6 Rockaways, for instance, where we had children  
7 that had the bus service cut and scholars and in  
8 other places that'll be restored.

9 Also, I noticed that you touched on  
10 teacher evaluation system and the city's failure  
11 to reach an agreement with the UFT. What will  
12 happen if the City does not reach an agreement  
13 with the DOE by January 2013 realistically? What  
14 will happen February 1st, what is life like on  
15 February 1st?

16 DENNIS WALCOTT: Seeing, as you  
17 know, from prior testimony is I'm an eternal  
18 optimist so I think we will reach an agreement. I  
19 am confident that Mr. Mulgrew and I and our  
20 respective staffs will be able to sit down and  
21 find a resolution to any issues that we may have.  
22 And so we will have to address the loss of money  
23 that will impact the system come February 1st, and  
24 that's something internally we'll have to take a  
25

2 look at. And so we'll do a lot of soul-searching  
3 and a little painful analysis as far as how we  
4 save those dollars that we would not garner as a  
5 result of getting an evaluation deal so--

6 COUNCIL MEMBER ULRICH:

7 [Interposing] So you've already started to analyze  
8 or plan for--

9 DENNIS WALCOTT: Well part of the  
10 testimony--

11 [Crosstalk]

12 COUNCIL MEMBER ULRICH: --  
13 negotiation, I don't--

14 [Crosstalk]

15 DENNIS WALCOTT: [Interposing]  
16 Yeah, a part of the testimony was talking about--

17 COUNCIL MEMBER ULRICH:

18 [Interposing] If you addressed that, I apologize--

19 DENNIS WALCOTT: --internal--

20 COUNCIL MEMBER ULRICH: --I wasn't  
21 here.

22 DENNIS WALCOTT: --taking a look at  
23 efficiencies, taking a look at contracting, and  
24 we're going through a whole number of scenarios,  
25 not necessarily connected to evaluation, but just

2 overall as far as good management at the DOE and  
3 we're very conscious of making sure we're running  
4 it as efficiently as possible, and that's part of  
5 that discussion as far as our internal process as  
6 far as looking at, you know, how we save money  
7 down the line.

8 COUNCIL MEMBER ULRICH: You also  
9 note that you need the cooperation of DC 37, have  
10 those negotiations been--

11 DENNIS WALCOTT: [Interposing] If  
12 I'm not mistaken, we've started discussing, if not  
13 specifics, I know my Deputy Chancellor responsible  
14 for labor, I think, has reached out to DC 37. So  
15 either they've sat down or they're in the process,  
16 but as I indicated to Chair Recchia and Chair  
17 Jackson and the members, that we're open to  
18 discussions with DC 37. So--

19 COUNCIL MEMBER ULRICH:  
20 [Interposing] So you're optimistic, you're hopeful  
21 that the--

22 [Crosstalk]

23 DENNIS WALCOTT: [Interposing]  
24 That's my middle name, optimism, yeah, I mean, I  
25 think we can sit down and find the solution, we

1 don't want to lay off any workers, but at the same  
2 time we know that, especially the way the DC 37  
3 contract is structured, that that possibility  
4 exists. And as Mike Tragale indicated earlier,  
5 that this is not unique to us, it's happened  
6 before as far as layoffs, but we want to work with  
7 DC 37 to accomplish the goal of not having a  
8 layoff, and I think we may have some ideas on how  
9 to accomplish that.  
10

11 COUNCIL MEMBER ULRICH: Could you  
12 expand or just talk about briefly--and forgive me  
13 if you have already--the Mayor's announcement that  
14 he's going to seek a change in the law in the  
15 state legislature to fire teachers who are found  
16 guilty of sexual misconduct?

17 DENNIS WALCOTT: I was there  
18 yesterday myself, I'd be glad to--

19 CHAIRPERSON JACKSON: [Interposing]  
20 Sorry, sorry, you know, Council Member--

21 [Crosstalk]

22 CHAIRPERSON JACKSON: --while we--  
23 this is--I just want to focus on the--we need to  
24 focus on the executive budget, this has no impact  
25 on the \$19.7 billion budget if do it's--it's

2 minus, minus, minus one, less than one-tenth of  
3 100%. So, quite frankly, I don't want to open a  
4 door to other stuff except executive budget  
5 because that's what we're discussing, if you don't  
6 mind.

7 COUNCIL MEMBER ULRICH: I respect  
8 that, Mr. Chairman--

9 CHAIRPERSON JACKSON: Thank you.

10 COUNCIL MEMBER ULRICH: --just that  
11 it's an important issue and--

12 CHAIRPERSON JACKSON: [Interposing]  
13 It is an important issue and--

14 COUNCIL MEMBER ULRICH: --I just--

15 CHAIRPERSON JACKSON: --if  
16 necessary to have a hearing, we will.

17 COUNCIL MEMBER ULRICH: Okay. Well  
18 maybe I can ask that at another hearing, I know  
19 that some--

20 CHAIRPERSON JACKSON: I appreciate  
21 it.

22 COUNCIL MEMBER ULRICH: --of my  
23 colleagues are very good at asking questions that  
24 are not pertinent to the budget, but I figured I'd  
25 try my hand at it too. No, but the Chairman and I

1  
2 are good friends, so I will cede to the chairman.  
3 Thank you, Mr. Chair, and, Chancellor, thank you  
4 for your testimony. Thank you.

5 CHAIRPERSON RECCHIA: I just want  
6 to follow up on a comment you just made. You said  
7 to restore the busing, you said to those districts  
8 that had it before it was taken away, that's  
9 correct? That's what you said?

10 [Off mic]

11 CHAIRPERSON RECCHIA: Okay. So  
12 that means that I will get back my busing for my  
13 schools that I lost? 'Cause we had it before you  
14 took it away, just like--

15 DENNIS WALCOTT: Not seventh and  
16 eighth--

17 CHAIRPERSON RECCHIA: --the  
18 Rockaways and Staten Island.

19 DENNIS WALCOTT: --just Rockaways,  
20 College Point, I think, and Staten Island. I  
21 mean, whatever the impacted--yeah.

22 [Crosstalk]

23 DENNIS WALCOTT: I'm not sure what  
24 was taken away in your particular district, I know  
25 that Rockaways--

2 CHAIRPERSON RECCHIA: [Interposing]  
3 Mark Twain was taken away.

4 DENNIS WALCOTT: No, we just don't--  
5 -I don't think so.

6 CHAIRPERSON RECCHIA: Yes, it was  
7 on the list that was taken away, you said before--

8 DENNIS WALCOTT: [Interposing]  
9 Seventh and eighth grade? I mean--

10 CHAIRPERSON RECCHIA: Yeah, seventh  
11 and eighth grade.

12 DENNIS WALCOTT: Domenic, I mean--

13 CHAIRPERSON RECCHIA: Okay. Well--

14 DENNIS WALCOTT: --I don't know  
15 specifics, so that much--

16 CHAIRPERSON RECCHIA: --I'll follow  
17 up because Senator Golden, Senator Golden made it  
18 very clear, okay, that it was for South Brooklyn  
19 also.

20 DENNIS WALCOTT: I know there--I've  
21 been hearing that, but I know there is some  
22 interpretation--

23 [Crosstalk]

24 CHAIRPERSON RECCHIA: All right, we  
25 have to have--

2 DENNIS WALCOTT: --so instead of  
3 going back and forth--

4 CHAIRPERSON RECCHIA: --a meeting  
5 on that--

6 DENNIS WALCOTT: --here, let's  
7 discuss that.

8 CHAIRPERSON RECCHIA: --all right,  
9 I mean, Ms. Conforme--

10 [Crosstalk]

11 DENNIS WALCOTT: 'Cause I think we  
12 have some interpretation different, but I would  
13 love to sit down and discuss that.

14 CHAIRPERSON RECCHIA: Okay.

15 DENNIS WALCOTT: That's all.

16 CHAIRPERSON RECCHIA: We got to  
17 talk about it--

18 DENNIS WALCOTT: Sure.

19 CHAIRPERSON RECCHIA: --thank you.  
20 Okay. Now three Council Members would like to ask  
21 a quick question--

22 CHAIRPERSON JACKSON: On the  
23 executive budget.

24 CHAIRPERSON RECCHIA: --on the  
25 executive budget only, okay? It's going to be

1 Tish James, Mark Weprin, and Steve Levin. Does  
2 any other Council Member want to have--I'm going  
3 to give you two minutes to ask your question.  
4

5 COUNCIL MEMBER JAMES: Two minutes.

6 So--

7 CHAIRPERSON RECCHIA: Go ahead, two  
8 minutes.

9 COUNCIL MEMBER JAMES: --

10 Chancellor, if your responses could be really  
11 quick. First of all, let me echo the sentiments  
12 of Council Member Lander, the Department of  
13 Education's budget should not be like the tax  
14 code, it's complicated and confusing.

15 That being said, let me move on to  
16 charter schools. There's \$104.9 million increase  
17 in charter schools, public schools are flat, but  
18 as of March 2012, there 44,288 general education  
19 students, but only 3,932 special ed students. Why  
20 is the charter school getting an increase,  
21 notwithstanding the fact that special ed students  
22 are at a very low percentage of the general  
23 population?

24 SHAEL SURANSKY: So as you know,  
25 there is an effort that we've been engaged in with

2 the state to increase the number of special ed  
3 students enrolled in--

4 COUNCIL MEMBER JAMES:

5 [Interposing] Is there a requirement that they  
6 have to be--that that number has to be increased?

7 SHAEL SURANSKY: There's a state  
8 rule that asks charter schools to focus on this  
9 and it's accountability that the charter schools  
10 have with the state. The funding flows  
11 independent of decisions made by the City, there's  
12 a state law that defines a per pupil for each  
13 charter school and that flows through our budget.  
14 So it's not that we are deciding to increase the  
15 budget for an individual or a group of charter  
16 schools, the--

17 COUNCIL MEMBER JAMES:

18 [Interposing] Let me just say that the--

19 SHAEL SURANSKY: --money is flowing  
20 proportional to the kids.

21 COUNCIL MEMBER JAMES: Let me just  
22 say this, I think that it should be reversed.  
23 More public schools should get an increase since  
24 the vast majority--I shouldn't say the vast  
25 majority--yes, the vast majority of special ed

1 children attend public schools and not charter  
2 schools. I don't understand why that their number  
3 is remaining flat and charter schools--

4 SHAEL SURANSKY: That's not--

5 COUNCIL MEMBER JAMES: --are going  
6 up, notwithstanding--

7 SHAEL SURANSKY: --that's not true.

8 COUNCIL MEMBER JAMES: --the fact  
9 that only there's only--

10 DENNIS WALCOTT: [Interposing] We  
11 just talked about--

12 SHAEL SURANSKY: [Interposing]  
13 That's not true.

14 DENNIS WALCOTT: --the increasing  
15 in the number of special ed teachers as a result  
16 of both the increase--

17 [Crosstalk]

18 SHAEL SURANSKY: [Interposing]  
19 There's a significant increase in special ed.

20 DENNIS WALCOTT: --I mean, I prefer  
21 it not, but I mean, the reality is there's an  
22 increase there and then we're also working and  
23 making sure that charter schools take in a greater  
24 percentage of special ed--  
25

2 [Crosstalk]

3 COUNCIL MEMBER JAMES:

4 [Interposing] Chancellor, I don't want to disagree  
5 with you, but according to statistics that are  
6 being provided to me by the City Council, it says  
7 the following: As of March 2012, there's 44,000,  
8 however, as of--let me just give you this other--  
9 this statistic which is equally troubling, the DOE  
10 projects charter school enrollment to total 53,591  
11 and only 5,389 for special ed students in fiscal  
12 2013.

13 DENNIS WALCOTT: Correct.

14 COUNCIL MEMBER JAMES: And so if  
15 that is the case then, again--

16 DENNIS WALCOTT: [Interposing] And  
17 that's an increase--

18 COUNCIL MEMBER JAMES: --the  
19 special education student--

20 DENNIS WALCOTT: --in 3,901.

21 COUNCIL MEMBER JAMES: Right, but  
22 the special education population barely increases--

23 -

24 DENNIS WALCOTT: [Interposing] Well  
25 we're increasing it from 3,901 to 5,388--

2 COUNCIL MEMBER JAMES:

3 [Interposing] Yeah, but the percentage,  
4 Chancellor, doesn't increase, notwithstanding the  
5 fact that charter schools are getting a \$104.9  
6 million increase and public schools--

7 DENNIS WALCOTT: [Interposing] But  
8 let me--

9 COUNCIL MEMBER JAMES: --their  
10 budgets are remaining flat.

11 DENNIS WALCOTT: It took a while  
12 for us to get to this point so I'm glad we're here  
13 now. In that with our charter schools, our  
14 charter schools are serving public school  
15 students, these are our--

16 COUNCIL MEMBER JAMES:  
17 [Interposing] Not special ed though.

18 DENNIS WALCOTT: --and we are  
19 making sure we--

20 CHAIRPERSON RECCHIA: Okay.

21 DENNIS WALCOTT: --increase both  
22 from the L as well as a special ed population  
23 percentage in allowing them--

24 COUNCIL MEMBER JAMES:  
25 [Interposing] Chancellor--

2 DENNIS WALCOTT: --to gradually  
3 ramp up 'cause we don't want to--

4 COUNCIL MEMBER JAMES: --I thank  
5 you for this, but numbers don't lie.

6 DENNIS WALCOTT: No, no, and I  
7 agreed with the numbers so you have a slight  
8 percentage increase and we'll be making sure we--

9 COUNCIL MEMBER JAMES:  
10 [Interposing] It's relatively slight and, given  
11 the fact that they are getting a significant--

12 [Crosstalk]

13 DENNIS WALCOTT: --disagreement.

14 COUNCIL MEMBER JAMES: --increase  
15 in their budget--

16 DENNIS WALCOTT: [Interposing] But  
17 their budget, but see this is where--

18 COUNCIL MEMBER JAMES: --and public  
19 schools are remaining flat--

20 DENNIS WALCOTT: --this is where I  
21 think--

22 COUNCIL MEMBER JAMES: --it's just  
23 not fair--

24 DENNIS WALCOTT: --no, no, this is  
25 where I think we have a break--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COUNCIL MEMBER JAMES: --  
particularly to special ed children--

DENNIS WALCOTT: --and Mike can  
correct me, Shael can correct me, where you're  
seeing an increase is that the overall number of  
students in our charter schools are increasing,  
Council Member--

COUNCIL MEMBER JAMES:  
[Interposing] Chancellor, I--

DENNIS WALCOTT: --and I said we're  
growing the number of charter schools--

COUNCIL MEMBER JAMES: --I believe  
that charter schools--and I support charter  
schools, but they need to increase their  
enrollment of special ed children. In addition to  
special ed, Chancellor, based on my research,  
they're not enrolling a significant number of  
children who are homeless. The schools in my  
district and throughout this city that are  
failing, a disproportionate number of those  
students are homeless--

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER JAMES: --and that's  
why--

2 DENNIS WALCOTT: [Interposing] But  
3 as you know, it's--

4 [Crosstalk]

5 COUNCIL MEMBER JAMES: --a lot of  
6 these schools have challenges.

7 CHAIRPERSON RECCHIA: [Interposing]  
8 Okay. I have to-

9 [Crosstalk]

10 COUNCIL MEMBER JAMES: It's just  
11 not fair.

12 CHAIRPERSON RECCHIA: All right.  
13 Thank you, Council Member. Council Member Weprin,  
14 two minutes.

15 COUNCIL MEMBER WEPRIN: Thank you  
16 very much. I apologize for harping on this  
17 subject, but I feel like part of my responsibility  
18 is to if you know--if you're not a teacher or a  
19 parent of a third to eighth-grader, that often you  
20 don't know what's going on as far as testing goes  
21 in the school, and I just want to ask specifically  
22 about, I believe, starting next week, schools  
23 across this city are being ordered to administer  
24 what's called field tests and these are tests that  
25 were designed by Pearson, the test company that

1 we're paying \$32 million to, in order to test  
2 future questions on other standardized tests and  
3 the students are being asked to take them. I was  
4 curious to know how many schools throughout the  
5 city are being forced to give these tests and how  
6 much time out of the classroom--further time are  
7 we losing because of this test and what is the  
8 cost of this or is this included in our 32  
9 million?  
10

11 SHael SURANSKY: So we don't have  
12 any contract with Pearson, we do not pay 32  
13 million, the state has a contract for 32 million  
14 with Pearson. The state is responsible for  
15 developing those tests, the state has a mandate  
16 for every school in the state to do field testing  
17 in June, including schools in New York City, and  
18 so all K eight schools in New York City will be  
19 participating in that. And the test,  
20 approximately one period for each subject.

21 COUNCIL MEMBER WEPRIN: What would  
22 happen to a parent or a child whose parent asks  
23 that their kid not take the test since it has no  
24 effect on their school--

25 SHael SURANSKY: [Interposing] They

1 would let the principal know and the principal  
2 would work with them to arrange for a different  
3 activity during that time.  
4

5 COUNCIL MEMBER WEPRIN: I'm sorry,  
6 arrange for what?

7 SHAEL SURANSKY: A different  
8 activity during that time.

9 COUNCIL MEMBER WEPRIN: Really,  
10 okay.

11 SHAEL SURANSKY: Yes.

12 COUNCIL MEMBER WEPRIN: So any  
13 parent who wanted not to have their--

14 [Crosstalk]

15 SHAEL SURANSKY: --that's correct.

16 COUNCIL MEMBER WEPRIN: --child not  
17 take the test--

18 SHAEL SURANSKY: That's correct.

19 COUNCIL MEMBER WEPRIN: --would be  
20 allowed for their child not to take--

21 SHAEL SURANSKY: That's correct.

22 COUNCIL MEMBER WEPRIN: --the test.

23 CHAIRPERSON RECCHIA: Okay.

24 SHAEL SURANSKY: That's correct.

25 COUNCIL MEMBER WEPRIN: Oh, wow.

1 Okay. Thank you.

2 CHAIRPERSON RECCHIA: All right.  
3 Making progress.

4 SHAEL SURANSKY: Okay.

5 CHAIRPERSON RECCHIA: This is the  
6 year of the pineapple.

7 SHAEL SURANSKY: Just to clarify,  
8 that's for the field test that we were just  
9 discussing.

10 CHAIRPERSON RECCHIA: Shael, you  
11 should quit while you were ahead.

12 SHAEL SURANSKY: No, that's just  
13 want to be very clear on that.

14 CHAIRPERSON RECCHIA: Okay.  
15 Council Member Levin, then Council Member Brewer,  
16 then Council Member Jackson will close it down.

17 DENNIS WALCOTT: Okay.

18 COUNCIL MEMBER LEVIN: Thank you,  
19 Mr. Chairman.

20 CHAIRPERSON RECCHIA: Two minutes.

21 COUNCIL MEMBER LEVIN: So just  
22 following up on my previous question about the  
23 Council's response to the preliminary budget, that  
24 was in the Council's official response to the  
25

2 Mayor's preliminary budget this year, those  
3 requests about the unit of appropriation for  
4 network staff and for 472. So that means the DOE  
5 didn't read the Council's response to the Mayor's  
6 preliminary budget, is that right? The Department  
7 of Education didn't read that response? Because  
8 that was in the response.

9 MICHAEL TRAGALE: Correct.

10 COUNCIL MEMBER LEVIN: Okay. I  
11 would hope in the future that you would read the  
12 response that the Council does as part of its  
13 charter mandated responsibility. That's part of  
14 [off mic] government here in New York City, so  
15 from now on I hope you guys read those responses.

16 I wanted to talk for a second about  
17 OST. I know that you are not DYCD, but,  
18 Chancellor, you are still Deputy Mayor that  
19 oversees OST and that is where there is a serious  
20 budget problem this year. I would hope that the  
21 Department of Education with its resources--I know  
22 that its expense budget has its own constraints,  
23 but in the grand scheme of things, the amount of  
24 money that could go to save countless OST programs  
25 could be found in the DOE budget. I think that

1 there is monies available if we think creatively.  
2 I sincerely hope that in the next month DOE comes  
3 to DYCD's rescue. And I view after school  
4 programming as an essential part of a child's  
5 education, I t is part of a well-rounded  
6 education, it is very meaningful, and I would  
7 sincerely hope that those discussions are  
8 currently taking place.

9  
10 And then lastly on ATR, I wanted to  
11 ask, does DOE have a--in terms of the teachers  
12 that are currently in the ATR pool, are we  
13 retraining them or is there a program in which  
14 we're retraining them? I mean, I know that there  
15 is a discussion of the buyout, but aside from  
16 that, I mean, are we working with teachers to do  
17 professional development, getting them back into  
18 the system?

19 MICHAEL TRAGALE: Division of Human  
20 Resources does reach out and work with the ATRs to  
21 offer them support in terms of improving their  
22 resumes and basically interview strategies. As  
23 you know, ATRs are being rotated based on an  
24 agreement with the UFT last year, they get rotated  
25 into vacancies within their license areas where

2 they have an opportunity to take a try out, and  
3 then the principal has the option of hiring them.  
4 I mean, based on that mechanism, we were able to  
5 reduce the ATRs to the lowest level ever. Last  
6 year, we ended at 1,139, we're about 800 in terms  
7 of the number of ATRs currently.

8 COUNCIL MEMBER LEVIN: Okay. But  
9 back to this issue of reading our response, I  
10 mean, I'm quite shocked, to be frank, and very  
11 disappointed so--

12 CHAIRPERSON RECCHIA: Okay.

13 COUNCIL MEMBER LEVIN: Thank you--

14 [Crosstalk]

15 CHAIRPERSON RECCHIA: Council  
16 Member Gale Brewer, two minutes.

17 COUNCIL MEMBER BREWER: Thank you.  
18 I'm just asking about arts education. I know each  
19 principal is supposed to have a certain mandate  
20 and I know that sometimes it is supposedly  
21 fulfilled with an arts teacher. So my question  
22 is, I have some high schools that have no arts--  
23 they don't have music, and they don't have art--my  
24 question is how many schools do you monitor, we  
25 want to know if schools fail to meet the art class

1  
2 mandates--and I know there are state instructional  
3 requirements, obviously, the same is true of gym,  
4 but I wanted to focus on the arts. I do think  
5 that there is a great deal lacking in this area.

6 SHAEL SURANSKY: Yeah, well we do  
7 an annual survey, as you know, the arts count  
8 survey which documents what the service level is  
9 in each school, and then our arts department  
10 targets schools that are out of compliance for  
11 additional support and resources. And there are  
12 mandates under the graduation requirements for  
13 high schools, so please let me know the specific  
14 schools that you're concerned with that--

15 [Crosstalk]

16 COUNCIL MEMBER BREWER:

17 [Interposing] But what are they supposed--

18 SHAEL SURANSKY: --on those  
19 services.

20 COUNCIL MEMBER BREWER: --to do if  
21 they're out of compliance? Do they have to spend  
22 money? Do they what--

23 SHAEL SURANSKY: [Interposing] Well  
24 we work with them to figure out how they provide  
25 those services that are required under the law.

2 COUNCIL MEMBER BREWER: And do you  
3 ever look to see if maybe this is an area that  
4 needs enhancement? Because having a teacher  
5 doesn't, in my opinion, solve the problem with all  
6 of the outside support needed to supplement that.  
7 Thanks to Council Member Recchia, we have the  
8 after school program, but is there some--I know  
9 Paul King does the best he can, I understand that,  
10 but are there other--is this something that is a  
11 focus of DOE for funding in the future?

12 DENNIS WALCOTT: So let me just  
13 take that for a second in that, I mean, we take  
14 arts very seriously and we talk about it and we  
15 actually do it, we have model programs throughout  
16 the entire city. And if there is a school that is  
17 not providing it, as Shael indicated, we will work  
18 closely with that school to take a look at whether  
19 through in-school based programs or contracting  
20 out and working with that school and taking a look  
21 at their budget and how they get art supports  
22 within those schools. So let us know those  
23 specific examples, but through--

24 COUNCIL MEMBER BREWER: Okay.

25 DENNIS WALCOTT: --Paul King and

2 the excellent staff who are there, we take our  
3 arts very seriously and try to showcase it in a  
4 variety of different--

5 [Crosstalk]

6 COUNCIL MEMBER BREWER:

7 [Interposing] Okay. I appreciate that, one of the  
8 problems is, as you know, with a small school,  
9 sometimes that's where the problem evolves. Thank  
10 you.

11 CHAIRPERSON RECCHIA: Okay.

12 Chancellor, just we're going to wrap it up,  
13 Jackson is going to--Council Member Jackson is  
14 going to ask some questions and then we'll...

15 DENNIS WALCOTT: All right.

16 CHAIRPERSON JACKSON: Well thank  
17 you. Chancellor, with respects to I know we are  
18 going to have a hearing on the special education  
19 reform, but what impacts do you anticipate special  
20 education reform will have on the department's  
21 budget in fiscal year 2013 and in the long term?

22 DENNIS WALCOTT: Our goal--and I'll  
23 defer to Shael on this as well, but our goal is  
24 not necessarily looking at the budget impact, our  
25 goal is, as Shael indicated in earlier comments,

1  
2 is to take a look at how we improve the quality of  
3 education for those students who are special ed  
4 students and via the mainstreaming, by going into  
5 Phase 2 and looking at the funding formula changes  
6 that we've proposed, that will help us integrate  
7 the system and have greater outcomes for our  
8 students. And that's why we are approaching it  
9 the way we are.

10 So from a budgetary point of view,  
11 Chairman, it's not our concern as far as what that  
12 budget implication means, it really is more the  
13 quality of education that these students are  
14 receiving.

15 CHAIRPERSON JACKSON: So do you  
16 anticipate that as a result of your special  
17 education reform, special education is going to  
18 cost another 300 million? Is it going to be flat  
19 or do you anticipate a reduction in the cost  
20 factor in as a result of your special education  
21 reform?

22 MICHAEL TRAGALE: In terms of the  
23 actual cost of the FSF changes in the formula,  
24 where it actually costs us slightly more this  
25 year, it's approximately 29, 30 million, as

2 opposed to 28 million last year. And this is just  
3 based on the cycle of an increase in special ed  
4 year over year.

5 CHAIRPERSON JACKSON: It clearly  
6 has been going up, but, I guess, Council, City  
7 Council staff has indicated that the concern that  
8 they have based on the information that they're  
9 receiving is that the word that is going out to  
10 the principals and to those involved is to do what  
11 you can to make sure that all of the children are  
12 being taken care of within the general education--  
13 which from an ideal point of view is great--but  
14 what I'm hearing is that do what you can to make  
15 sure that even if you have to tell parents, well  
16 you may need X, but Y may be okay, and Y is not  
17 okay because it's not in their IEPs, and the  
18 educational--individualized educational plans is  
19 what the schools need to abide by and not what  
20 someone that is not part of the team that is  
21 evaluating the students are recommending to  
22 parents. And in essence, I received a copy of  
23 this issued by UFT reasons for concern over  
24 special education reform, and so I would love to  
25 hear your response to some of the allegations that

2 they make, not specifically now, but during the  
3 hearing and that's why I raised the issue of--

4 DENNIS WALCOTT: Sure.

5 CHAIRPERSON JACKSON: --of what is  
6 the impact on the executive budget, are you doing  
7 this because of what you said, Chancellor, in  
8 order to ensure that the special education reform  
9 is moving forward to ensure that the children get  
10 what they need, or is it a budget-driven matter  
11 where you're going to reduce the cost by X amount  
12 of dollars? That's the reason why I ask this, so  
13 if someone could respond to--

14 [Crosstalk]

15 DENNIS WALCOTT: [Interposing] By  
16 all means.

17 SHAEL SURANSKY: Let me just say as  
18 strongly as I possibly can, and I would hope that  
19 you communicate this to anyone you're talking with  
20 in the parent community or within schools, this is  
21 absolutely not designed to save money, what Mike  
22 just shared, is it's likely to actually increase  
23 the costs and the point here is to customize a  
24 service for each child. There will never be a  
25 situation where a parent is not involved in that

1 conversation. And the point of getting to a  
2 different IEP where that's necessary is because it  
3 is actually best for the child to have a different  
4 set of services, not ever because it's going to  
5 save money. And if you look at the funding  
6 weights within this plan, what you see here is  
7 that actually the programs that where we see kids  
8 be included in the general education classes tend  
9 to cost more because you have a general ed teacher  
10 and a special ed teacher working together. And so  
11 that is not the goal and I think that it's very  
12 cynical where folks are spreading that because  
13 there's nothing that's been said at any point by  
14 us and, in fact, we've been very clear with every  
15 principal--we did 60 feedback sessions--

17 MALE VOICE: Yeah.

18 SHAEL SURANSKY: --we just had our  
19 Deputy Chancellor Lori Rodriguez at the UFT  
20 yesterday with 500 teachers talking to them about  
21 this. We've been very, very, very clear, you  
22 start with the IEP and you follow that IEP and you  
23 do not violate that, that's a legal document.

24 CHAIRPERSON JACKSON: Okay. And--

25 SHAEL SURANSKY: However, you do

2 need to figure out the problem here is that 70% of  
3 our kids are not graduating and that is  
4 unacceptable and so we do need to figure out a  
5 better way to serve the kids and that's the whole-  
6 -

7 CHAIRPERSON JACKSON: [Interposing]  
8 I think that everyone agrees with that and,  
9 clearly, you know, if an IEP is put together by a  
10 team and the--

11 SHAEL SURANSKY: [Interposing] And  
12 that is always how it's done.

13 CHAIRPERSON JACKSON: --the  
14 expectation is the department and those  
15 implementing the IEP to ensure that the children's  
16 IEPs are being met.

17 SHAEL SURANSKY: Absolutely.

18 DENNIS WALCOTT: And just to  
19 reinforce what Shael just said, I mean, whether  
20 it's from Shael, whether it's from me, whether  
21 it's from Laura, for any of our--from any of our  
22 staff, you will never hear any of us saying this  
23 is a budget exercise.

24 CHAIRPERSON JACKSON: Okay. So and  
25 that's why--

2 [Crosstalk]

3 DENNIS WALCOTT: --so any  
4 propaganda that's out there is just propaganda--

5 CHAIRPERSON JACKSON: --and, you  
6 know--

7 DENNIS WALCOTT: --for whatever  
8 purpose.

9 CHAIRPERSON JACKSON: --and that's  
10 why I asked the question from an executive budget  
11 point of view because I wanted clarity, now you've  
12 cleared that up--

13 DENNIS WALCOTT: Yep.

14 CHAIRPERSON JACKSON: --and if we  
15 have information to the contrary--

16 DENNIS WALCOTT: [Interposing] Let  
17 us know.

18 CHAIRPERSON JACKSON: --we will  
19 clearly let you know.

20 DENNIS WALCOTT: By all means.

21 CHAIRPERSON JACKSON: But I do know  
22 and as per the Carter cases with evaluating that,  
23 how much are we expected to save off the situation  
24 by looking at the legal cases on that, how much  
25 are we expected to save in the executive budget

for fiscal year 2013?

DENNIS WALCOTT: Hold on.

MICHAEL TRAGALE: In terms of the Carter payments--

CHAIRPERSON JACKSON: Yes.

MICHAEL TRAGALE: --for fiscal year '12, we were at 129 million for this fiscal year and we are seeing a drop, a slight drop in terms of '13 based on the cases that have been received to date. And I know we shared, I believe we shared this information in our talking points, but I will find that information and share it again.

CHAIRPERSON JACKSON: So you anticipate some savings maybe 5, 10, 15, \$20 million?

MICHAEL TRAGALE: I don't want to-- I want to actually check for the number and provide that exact information.

CHAIRPERSON JACKSON: But you do expect a savings based on--

MICHAEL TRAGALE: Yeah.

CHAIRPERSON JACKSON: --what you're doing.

MICHAEL TRAGALE: [Interposing]

2 There seemed to be a decline in the number of  
3 cases, and that happens with Carter cases because  
4 it's based on when it's filed and these cases do  
5 come in sometimes after the fiscal year and they  
6 sometimes actually refer to other fiscal years.

7 CHAIRPERSON JACKSON: And I guess  
8 the reason why I ask that is because you--the DOE--  
9 -

10 MICHAEL TRAGALE: Okay.

11 CHAIRPERSON JACKSON: --had said  
12 within the past year that you hired more attorneys  
13 in order to challenge and you, I think you  
14 indicated about 80% of those cases that you  
15 challenge are resolved and settled and that the  
16 resulting factor is a cost savings as far as to  
17 the department.

18 MICHAEL TRAGALE: Correct. In  
19 terms of one of the responses we provided, in '11,  
20 the DOE paid 5.2 million in legal fees for all  
21 impartial hearings, the projection for '12  
22 expenses is 5.6, although the year to date  
23 expenses are 4.9, so there may be savings there  
24 that we're seeing actually within fiscal year '12.

25 CHAIRPERSON JACKSON: Okay. I was

2 curious as to since we've raised the issue of  
3 Medicaid reimbursement on a continuous basis based  
4 on your projected, I guess, reimbursement rate  
5 versus the actuality, in essence, I don't really  
6 know how much we've received back. One thing is  
7 submitting your claims and let's say I think you  
8 submitted maybe 25, I think 25 million or 27  
9 million--

10 [Crosstalk]

11 MICHAEL TRAGALE: [Interposing]

12 Thirty seven million for fiscal year '12.

13 CHAIRPERSON JACKSON: How much did  
14 you actually get paid back of the 37 million?

15 MICHAEL TRAGALE: Well actually to  
16 get the 37 million, we're actually claiming  
17 typically double that because the State takes a  
18 share of that revenue. So we claim, you know,  
19 over 70 million.

20 CHAIRPERSON JACKSON: You put in  
21 claims--

22 MICHAEL TRAGALE: [Interposing]  
23 Yeah, we actually--

24 CHAIRPERSON JACKSON: --over 70  
25 million.

2 MICHAEL TRAGALE: --for services of  
3 over 70--

4 [Crosstalk]

5 CHAIRPERSON JACKSON: [Interposing]  
6 And you already received back--

7 MICHAEL TRAGALE: [Interposing]  
8 Thirty seven.

9 CHAIRPERSON JACKSON: --you already  
10 received back 37.

11 MICHAEL TRAGALE: Correct, for '12.

12 CHAIRPERSON JACKSON: So what  
13 percentage of the claims have you submitted--so  
14 how does that impact as far as the executive  
15 budget when you projected X and you only receive  
16 Y, so you haven't reached your goal?

17 MICHAEL TRAGALE: Well--

18 CHAIRPERSON JACKSON: Do you expect  
19 next year in fiscal 2013 with a goal of 100 and I  
20 think 67 million?

21 MICHAEL TRAGALE: That's correct.

22 CHAIRPERSON JACKSON: So that means  
23 that you're submitting approximately twice as much  
24 in reimbursement?

25 MICHAEL TRAGALE: Correct, that's

1 correct.

2  
3 CHAIRPERSON JACKSON: Okay.

4 MICHAEL TRAGALE: And remember, as  
5 I mentioned before, there are certain  
6 uncontrollable factors like the parents' consent  
7 to bill, like the parents' consent to have our  
8 doctor see their child and provide a prescription,  
9 those are uncontrollable factors, and that  
10 certainly will impact 167 million estimate next  
11 year as well, although, as I mentioned, we're  
12 doing all we can to maximize that revenue.

13 CHAIRPERSON JACKSON: Okay. With  
14 respects to the UPK, I mean, you've heard the  
15 protests about the cuts in youth services as far  
16 as, you know, daycare, after school programs,  
17 summer youth employment jobs, all of that. How  
18 many seats, if anything, the UPK situation and  
19 daycare, how is that going to impact DOE and what  
20 impact is that going to have on the budget? In  
21 essence, are you going to have to be spending more  
22 money now because ACS is cutting out and other  
23 programs are being cut where parents are going to  
24 need more services to be provided, what type of  
25 impact that's going to have on the Department of

2 Education.

3 MICHAEL TRAGALE: We do have some  
4 room within our state UPK allocation from the  
5 state and I believe that some of those vendors  
6 actually have the ability to apply through the UPK  
7 RFP, the community-based organization RFP, that we  
8 put out customarily every year. So--

9 CHAIRPERSON JACKSON: [Interposing]  
10 But that's only for half day.

11 MICHAEL TRAGALE: --they will have  
12 an opportunity. Correct, that's only for half day  
13 because the state requirements--

14 CHAIRPERSON JACKSON: [Interposing]  
15 Only pays the half day.

16 MICHAEL TRAGALE: --prohibit us  
17 from mixing funding.

18 CHAIRPERSON JACKSON: So do you  
19 anticipate that the Department of Education in  
20 this executive budget is going to have to spend  
21 more money to deal with the cuts in other agencies  
22 where you're going to have to pick up students at  
23 either kindergarten level or pre-K or anything  
24 like that?

25 MICHAEL TRAGALE: We do not expect

2 to pay with tax levy resources, but it may help us  
3 maximize state revenue.

4 CHAIRPERSON RECCHIA: Okay. I just  
5 want to just--

6 CHAIRPERSON JACKSON: Go.

7 CHAIRPERSON RECCHIA: --jump in.  
8 You know, with this EarlyLearn RFP that was out  
9 there, basically they're sending all the 4-year  
10 olds to the DOE, and my question is, how are you  
11 handling with the increased number of pre-K  
12 people, children registering for pre-K, how are  
13 you handling that? 'Cause we're hearing that  
14 there's waiting list all over and how are you  
15 putting them into community-based organizations?

16 DENNIS WALCOTT: So with that  
17 expansion, I mean, we're budgeting basically to  
18 accommodate some of that expansion and we'll see  
19 where the flow is. I mean, there is capacity in  
20 certain CBO providers, but again, our challenge is  
21 the matching up of where both the need is, people,  
22 how they respond, and then the capacity there. So  
23 both, whether it's in the schools or through CBO  
24 providers, we've taken a look at that and have  
25 been trying to work with ACS to accommodate that.

2 CHAIRPERSON JACKSON: And let me  
3 just ask this question, like last year, we  
4 finalized the budget and then we subsequently  
5 heard during the summer the number of reductions  
6 by DC 37 workers. One of the factors was because  
7 of all of the teachers that were expected to be  
8 laid off and subsequently a resolution was made on  
9 that particular matter and I think that that was a  
10 factor in schools getting their budgets late last  
11 year. Schools received their budgets yesterday,  
12 when are they back and do we anticipate that there  
13 will be no layoffs of any employees this year as a  
14 result of the executive budget? What's the game  
15 plan?

16 DENNIS WALCOTT: So the game plan,  
17 I think I referred to this earlier in the  
18 testimony response to questions, I think we're  
19 looking at roughly a month for the schools to  
20 June--

21 MALE VOICE: Twenty-nine.

22 DENNIS WALCOTT: --yeah, June 29th  
23 to get the budgets back and, again, as I indicated  
24 earlier, to be totally open so we don't have any  
25 gaps, we can't predict right now whether there

2 will be no layoffs at DC 37, that's why I talked  
3 about making sure we're in communication with DC  
4 37 because, again, depending on how a school  
5 decides to use their budget, the contract for DC  
6 37 is different than the contract with the UFT,  
7 and so any type of excessing, therefore, may turn  
8 into a layoff. And so the possibility does exist  
9 and that's why I was being upfront both in my  
10 testimony and response to the question. Our goal  
11 is to work with DC 37 to try to prevent that, I do  
12 not want to layoff any individual, but at the same  
13 time, I cannot guarantee you that at this--

14 CHAIRPERSON JACKSON: Right.

15 DENNIS WALCOTT: --moment in time.

16 CHAIRPERSON JACKSON: I understand  
17 that, but what I say to you, my advice to you,  
18 Chancellor, is that you and your staff to reach  
19 out directly to the leadership, obviously, I know  
20 you've said in conversations with the UFT  
21 regarding the whole issue of licensed individuals  
22 and trying to reach agreement on that, it's  
23 imperative that the parties come together in order  
24 to try to reach consensus on matters of questions  
25 and concerns, and obviously, this is a question

1 and concerns that we have.

2  
3 And one of the things that I will  
4 raise with the Office of Management and Budget on  
5 June 6th, Domenic and myself, is that last year, I  
6 remember very vividly listening to the testimony  
7 of workers that were scheduled to be laid off and  
8 I asked them to raise their hand if, in fact,  
9 they're going to--if they're laid off, they would  
10 have to depend on other city services to survive,  
11 and four out of the five people that were at the  
12 table raised their hand. And in essence, I think  
13 from a citywide perspective, we have to look at,  
14 you know, what will be the negative impact if  
15 these employees hit the street and then will we  
16 have to pay more from other agencies, and I think  
17 that that's where we, as legislators and the  
18 people of New York City, expect for us to make  
19 those decisions that best positively impact the  
20 individuals, constituents that we serve, and the  
21 City as a whole, and that's where a coordination  
22 of making sure that our dollars are well spent and  
23 that people that are earning--as you know, school  
24 aides don't earn a whole lot of money, they're  
25 some of the lowest paid employees in the city of

2 New York, we don't want them to then fall into  
3 social services and Medicaid and other stuff where  
4 we're paying more in the long run.

5 So with that, I thank you for  
6 coming here today and responding to all the  
7 questions that we have.

8 DENNIS WALCOTT: Thank you to you  
9 and your colleagues and both chairs.

10 CHAIRPERSON RECCHIA: Thank you,  
11 Chancellor, we will follow up, and I look forward-  
12 -

13 DENNIS WALCOTT: [Interposing] We  
14 look forward to--

15 CHAIRPERSON RECCHIA: --to working  
16 with your wonderful staff.

17 DENNIS WALCOTT: Same here, we look  
18 forward to working with you. Thank you very much.

19 CHAIRPERSON RECCHIA: Okay. We are  
20 now we're going to take a five-minute recess and  
21 then we'll have DCAS next.

22 [Long pause]

23 CHAIRPERSON RECCHIA: Could  
24 everyone kindly find their seats, we're about to  
25 begin?

2 SERGEANT-AT-ARMS: Quiet, please.

3 CHAIRPERSON RECCHIA: Okay. We  
4 will now resume the City Council hearing on the  
5 Mayor's Executive Budget for Fiscal Year 2013, the  
6 Finance Committee and the Committee on Government  
7 Operations, chaired by my colleague, Council  
8 Member Gale Brewer from the Upper West Side, and  
9 we will now hear from the Department of Citywide  
10 Administrative Services. Today will be a very  
11 long day so in the interests of time, I'll forego  
12 an opening statement and turn the microphone over  
13 to my co-chair, Gale Brewer.

14 CHAIRPERSON BREWER: Thank you very  
15 much. It's always an honor to co-chair with  
16 Council Member Domenic M. Recchia Jr., and I want  
17 to thank him, I want to thank the staff John  
18 Russell, Latonia McKinney from the Finance  
19 Division, certainly Seth Grossman, counsel to the  
20 committee, and Tim Matusov, policy analyst to the  
21 Committee, and I'm sure there are many others.

22 We look forward to hearing from the  
23 commissioner and the staff of DCAS. We'll  
24 certainly ask about heat, light, and power bills,  
25 and the 21st Century Civic Plan, which is the plan

2 for this area around City Hall.

3 Later, we'll hear from the Board of  
4 Elections and we'll ask about the many upcoming  
5 elections, as well as the board's efforts to  
6 improve its reporting of election results on  
7 election night.

8 I think for the first time, we'll  
9 hear from the Office of Administrative Trials and  
10 Hearings, also known as OATH, and we'll ask about  
11 some of their consolidation plans that have been  
12 implemented.

13 We'll hear from the Law Department  
14 talking about judgment and claims budgets.

15 And also from the Campaign Finance  
16 Board, known well to all of us, we'll ask about  
17 the plans for a public matching funds in the  
18 upcoming 2013 elections, as well as the issue of a  
19 new law, independent expenditures regarding that.

20 So I thank you all for joining us,  
21 those of you in the audience. And without further  
22 ado, we hope the Commissioner will proceed. Thank  
23 you, Co-chair.

24 CHAIRPERSON RECCHIA: Before you  
25 go, Commissioner, I would just like to recognize

2 those members that have joined us, Council Member  
3 Darlene Mealy, Council Member Ruben Wills, Council  
4 Member Fernando Cabrera.

5 Okay. Commissioner?

6 EDNA WELLS HANDY: Okay. Good  
7 afternoon. Thank you for this opportunity. My  
8 name is Edna Wells Handy, and I'm the Commissioner  
9 of the Department of Citywide Administrative  
10 Services. To Chairman Recchia, to Chair Brewer,  
11 to members of the Finance and Governmental  
12 Operations Committee, other Council Members, and  
13 staff, I am joined at the table by our general  
14 counsel, Russell Ann Nobles, and our Chief  
15 Financial Officer Richard Badillo. I'm also  
16 joined by a number of other of our DCAS  
17 colleagues, our subject matter experts, who will  
18 answer certain of those questions that you  
19 mentioned earlier, Chair Brewer, and who will  
20 discuss the planned expenditures and revenues for  
21 FY '13, as well as highlights of the DCAS capital  
22 plan.

23 I'd like to first start with an  
24 overview. As you know, DCAS ensures that city  
25 agencies have the critical resources and support

2 needed to provide the best possible services to  
3 the public in five key areas: Asset Management.  
4 We provide overall facilities management,  
5 including maintenance and construction services  
6 for 55 City-owned buildings. We also purchase,  
7 sell, and lease real property.

8 Human Capital and EEO. We  
9 administer the civil service system, oversee HR  
10 policy for city agencies, and conduct professional  
11 development. In addition, we establish and  
12 administer citywide EEO policies, procedures, and  
13 training.

14 Our third area, purchasing. We  
15 purchase citywide goods and services, inspect and  
16 distribute supplies and equipment, and assist in  
17 the disposal of surplus goods.

18 Our fourth area: Fleet. We  
19 monitor City agency fleets and the City's overall  
20 compliance with fleet purchasing laws and  
21 environmental goals.

22 Our fifth area: Energy Management.  
23 We coordinate the annual heat, light, and power  
24 budget for City agencies, as well as make  
25 purchases for City agencies and others. We also

2 manage efforts to reduce energy consumption and  
3 greenhouse gas emissions from City government  
4 operations.

5 Now to our budget. DCAS  
6 expenditures. DCAS's expense budget reflects  
7 funding of \$1.2 billion in FY '13, including a  
8 headcount of 2,034. With the exception of a  
9 modification in anticipated energy costs, the DCAS  
10 expense budget has remained largely unchanged  
11 since the release of the FY '13 preliminary  
12 budget. This stability results from the agency  
13 reorganization and efficiencies we have achieved  
14 to date.

15 Of our planned expenditures, the  
16 largest amount is allocated for citywide energy  
17 expenses. DCAS worked with the Office of  
18 Management and Budget to develop the FY '13 Energy  
19 Budget, factoring in rate and usage adjustments.  
20 The FY '13 energy budget is \$870.4 million, an  
21 increase of \$61.1 million from the FY '13  
22 preliminary budget amount of \$808.8 million. The  
23 net rate increases and agency needs largely  
24 account for this difference. DCAS Energy  
25 Management works closely with agencies citywide to

2 enhance the energy performance of their facilities  
3 through a range of programs. These programs  
4 include retrofitting equipment, improving  
5 operations and maintenance, training, and outreach  
6 to reduce the City's energy costs.

7 Now as to our revenues. The total  
8 DCAS revenue budget for FY '13 is \$83.4 million.  
9 Our largest source of revenue, projected to be \$65  
10 million in FY '13, is through DCAS Asset  
11 Management. Most of this revenue derives from  
12 commercial rentals of City-owned property, the  
13 largest of which is the \$22.5 million annual  
14 income from a long-term ground lease with the  
15 Marriott Marquis. In addition, on May 10th of  
16 this year, DCAS Asset Management conducted the  
17 first auction to sell surplus City property in  
18 nearly six years. Out of the 29 parcels offered  
19 at the auction, 19 were successfully bid, yielding  
20 \$5.6 million and exceeding our \$2 million revenue  
21 projection. We expect to receive all payments by  
22 June 25th, 2012.

23 Another significant revenue source  
24 is the sale of surplus goods by DCAS Purchasing  
25 via online public auction and other competitive

1 sales offerings. The Executive Budget assumes  
2 sales of \$7.7 million in FY '13, 5.5 million of  
3 which is attributed to the auction of vehicles  
4 relinquished by City agencies. In April of 2012,  
5 DCAS began conducting the auto auction online in  
6 partnership with Property Room, a private vendor.  
7 Our customers are no longer required to bid on  
8 salvage vehicles in person, although they still  
9 have the option to do so. This partnership  
10 provides access to a much broader network of  
11 potential buyers for fleet unit nationwide.  
12 Conducting the auto auction online also enables  
13 the Brooklyn Navy Yard Development Corporation to  
14 redevelop the six-acre auction site. DCAS  
15 continues to oversee the online auto auction in  
16 cooperation with the City agencies that currently  
17 operate vehicles. In addition, DCAS will begin  
18 selling all non-automotive surplus goods online  
19 through another vendor, The Public Group.

21 DCAS also receives revenue from  
22 applicant filing fees for civil service  
23 examinations, resulting in an expected \$3.2  
24 million in FY '13. In order to meet the mandate  
25 to reduce the number of provisional employees and

2 to fill critical vacancies throughout City  
3 government, we anticipate administering over 100  
4 civil service exams in FY '13. In December 2007,  
5 DCAS opened the Manhattan Computerized Testing  
6 Center, or CTC, followed by the Brooklyn CTC in  
7 June 2010, and you may recall that the  
8 Governmental Operations Committee toured that  
9 venue. Plans are also underway for establishing a  
10 third CTC. Since 2007, we have tested over  
11 120,300 candidates at the two CTC sites. DCAS  
12 expects to expand the number of civil service  
13 exams administered at our CTC locations to meet  
14 the hiring needs of agencies and to facilitate  
15 exam administration for applicants.

16 Now as to our new needs. Our new  
17 needs for FY '13 for which we received funding and  
18 positions for three DCAS cost-saving initiatives.  
19 Those initiatives, as the Chair has mentioned, one  
20 is the Civic Center Plan; two, the Strategic  
21 Sourcing and Spend Analysis Program; and three,  
22 the City Fleet Service Consolidation Plan. In  
23 addition, DCAS received funding and positions for  
24 the maintenance of a new criminal courthouse in  
25 Staten Island.

2 The goal of the Civic Center Plan  
3 is to consolidate city government operations into  
4 modern, efficient office space, thus, allowing the  
5 disposition of three City-owned, inefficient  
6 office buildings located here in Lower Manhattan:  
7 22 Reade Street; 49-51 Chambers Street, the former  
8 Emigrant Savings Bank; and 346 Broadway. For this  
9 project, DCAS received \$1.2 million and four  
10 positions. We are hiring four staff members who  
11 will oversee aspects of the plan, such as  
12 administering contracts, managing the construction  
13 schedule, and coordinating the relocation of  
14 affected city agencies.

15 The Strategic Sourcing and Spend  
16 Analysis Program is an effort to transform  
17 citywide procurement and to leverage the City's  
18 significant purchasing power to yield savings.  
19 DCAS received four positions for this initiative.  
20 The new hires will be responsible for managing  
21 this program. They will identify contract  
22 consolidation opportunities and utilize contracts  
23 issued by the state and other jurisdictions with  
24 lower per unit cost. In addition, the staffers  
25 will work on benchmarking contract pricing with

2 other large public and private entities, and  
3 revising specifications that will result in lower-  
4 cost vendor proposals. They will finally be  
5 responsible for introducing technology to bring  
6 greater spend visibility to decision-makers, and  
7 researching and developing best practices in  
8 procurement.

9 Pursuant to Executive Order 161  
10 issued by the Mayor on April 23rd of 2012, DCAS is  
11 leading the City Fleet Service Consolidation Plan.  
12 This plan provides for the sharing of fleet  
13 repair, maintenance, garage, and fueling  
14 resources. We received nine positions to assist  
15 with this plan. The hires will help coordinate a  
16 series of fleet initiatives. The initiatives  
17 include the deployment of the City's first  
18 comprehensive system to track and measure vehicle  
19 fuel use, which is known as the Enterprise Fuel  
20 Management System, and the upgrade of the 15-year-  
21 old fleet management--I'm sorry, fleet Maintenance  
22 Control Management System, MCMS. In addition, we  
23 are working on consolidating parts and auto  
24 procurement citywide and developing common truck  
25 and equipment specifications for use by all City

2 agencies. This plan to leverage citywide fleet  
3 resources and reduce redundant services is  
4 projected to yield \$120 million in savings for the  
5 City over three years.

6 Last, DCAS received 11 positions  
7 and \$900,000 in funding to maintain a new criminal  
8 courthouse located at 26 Central Avenue in Staten  
9 Island. These positions will be used to hire  
10 elevator mechanics and engineering staff at these  
11 locations. DCAS will also submit a request to the  
12 New York State Office of Court Administration to  
13 hire 14 custodial staff, all of whom will be fully  
14 funded by the state.

15 I will now turn to the DCAS capital  
16 plan for FY '13. Focusing on health and life  
17 safety issues in relation to the maintenance and  
18 preservation of our buildings is always a DCAS  
19 priority. We are also undertaking a number of new  
20 initiatives and energy conservation projects. I  
21 will start with some of our major initiatives,  
22 followed by our building improvements,  
23 construction projects, and energy conservation  
24 efforts.

25 As I described earlier and in

2 previous testimony at the preliminary budget in  
3 March, the Civic Center Plan involves the  
4 consolidation of city government into modern,  
5 efficient office space that better serves the  
6 operational needs of city government. This will  
7 allow the disposition of three inefficient office  
8 buildings and the avoidance of significant capital  
9 expenditures. In support of the Civic Center  
10 Plan, DCAS is planning to commit \$84 million  
11 towards the renovation of 270,000 square feet of  
12 office space at 1 Centre Street, 253 Broadway, and  
13 80 Centre Street. We are also allocating \$27  
14 million towards the renovation of leased space to  
15 relocate agencies from 22 Reade, 49-51 Chambers  
16 Street, and 346 Broadway. The plan shrinks the  
17 City's overall office space footprint through the  
18 consolidation and reorganization of space within  
19 DCAS-managed buildings and leased facilities.  
20 This will result in average annual savings of \$4.8  
21 million.

22 DCAS has pursued a multi-pronged  
23 approach to reducing real estate costs in addition  
24 to the Civic Center Plan. One major initiative is  
25 the renovation of DCAS-managed space to allow for

2 the reduction of leased facilities. The  
3 Commission on Human Rights, the Office of Labor  
4 Relations, the Deferred Compensation Board, the  
5 Office of Collective Bargaining, and the Board of  
6 Standards and Appeals are relocating from leased  
7 space at 40 Rector Street. We are consolidating  
8 office space at two DCAS buildings--100 Gold  
9 Street and 1 Centre Street--to allow for this  
10 move. DCAS has allocated \$33 million for this  
11 initiative. This space consolidation will result  
12 in cost savings of \$4.3 million in annual rent.

13 In Brooklyn, DCAS has two major  
14 initiatives, one in Downtown Brooklyn and the  
15 other in Brownsville. In collaboration with the  
16 Economic Development Corporation, DCAS sold a  
17 retail condominium at 210 Joralemon Street in  
18 Downtown Brooklyn for \$10 million in April of  
19 2012. The space was the former Department of  
20 Finance Business Center, which will be relocated  
21 on the ground floor of that building. The project  
22 was made possible due to more efficient use of  
23 space by the Department of Finance. The  
24 conversion of this space to prime retail use will  
25 help invigorate this commercial corridor and

2 create retail jobs.

3 In Brownsville, we are  
4 collaborating with the Office of the Criminal  
5 Justice Coordinator to convert portions of a  
6 building located at 444 Thomas Boyland Street to a  
7 Community Court. This renovation project has been  
8 allocated \$8 million in FY '13.

9 As I referenced above, we are  
10 launching a major vehicle fuel savings initiative:  
11 The Enterprise Fuel Maintenance Management  
12 program. This system, an extension of what is  
13 already in the police department and the  
14 Department of Parks & Recreation, will be  
15 implemented citywide by DCAS. The Enterprise Fuel  
16 Management System is expected to save the City  
17 substantial fuel costs by analyzing usage on a  
18 vehicle-by-vehicle basis. At the Department of  
19 Parks & Recreation alone, fuel costs were reduced  
20 by approximately \$1 million over the past two  
21 years. We expect similar citywide savings. DCAS  
22 has allocated \$4.7 million for this program.

23 As mentioned earlier, an upgrade of  
24 the City's fleet Maintenance Control Management  
25 System is planned in FY '13. First installed in

2 city agencies in the mid-90s, the current MCMS  
3 mainframe system will be upgraded to an internet-  
4 based menu system. The new system will enable all  
5 agencies to share fleet services. DCAS has  
6 allocated \$6.9 million for this initiative.

7           Regarding building improvements and  
8 construction projects, DCAS remains focused on  
9 maintaining and preserving our buildings, paying  
10 particular attention to health and life safety  
11 issues and adhering to legal obligations. In the  
12 DCAS portion of the City's capital commitment  
13 plan, \$328 million is allocated for DCAS-managed  
14 facilities in FY '12 and FY '13. Accordingly, we  
15 are undertaking many improvements in our  
16 facilities. These improvements include the  
17 rehabilitations of elevators, upgrades to fire  
18 safety systems, and work associated with Local Law  
19 11 of 1998 in relation to building facades,  
20 inspections, and repairs. A total of \$49 million  
21 in FY '12 and FY '13 is set aside for work related  
22 to life safety improvements. Major projects  
23 include a \$3 million fire alarm upgrade at Queens  
24 Criminal Court at 125-01 Queens Boulevard, a \$2.6  
25 million elevator modernization at 253 Broadway in

2 Manhattan, and a \$1.2 million roof rehabilitation  
3 at Bronx Family/Criminal Court at 215 East 161st  
4 Street. Other essential projects include major  
5 electrical upgrades at the Brooklyn Municipal  
6 Building at 210 Joralemon Street for \$16.8  
7 million, at 80 Centre Street in Manhattan for  
8 \$15.9 million, and at Staten Island Borough Hall  
9 at 10 Richmond Terrace for \$4.8 million.

10 DCAS will also manage various  
11 projects in the City's leased spaces for FY '13.  
12 One project is the \$10.8 million renovation of  
13 leased office space at 100 Church Street for other  
14 tenants relocating from 40 Rector Street in  
15 Manhattan, the Civilian Complaint Review Board,  
16 the Office of Administrative Trials and Hearings,  
17 and the Campaign Finance Board. Other projects  
18 include the consolidation of two police department  
19 Traffic Enforcement Unit offices in the East  
20 Tremont section of the Bronx for \$3.6 million, and  
21 improvements to office space and the licensing  
22 customer service area for the Department of  
23 Consumer Affairs in Lower Manhattan for \$7.6  
24 million.

25 As to energy conservation projects,

2 there is \$165 million in capital funding set aside  
3 for citywide energy conservation projects managed  
4 by DCAS in FY '12 and FY '13. DCAS Energy  
5 Management uses benchmarking data to prioritize  
6 buildings for efficiency upgrades. Projects are  
7 then developed based on comprehensive energy  
8 audits that identify all of the cost-effective  
9 efficiency opportunities within a given building.  
10 Measures may include lighting upgrades, occupancy  
11 sensor installations, high efficiency motor  
12 installations for mechanical and plumbing systems,  
13 building envelope upgrades, building controls,  
14 cool roof coatings, and clean energy  
15 installations.

16 In conclusion, I'd like to thank  
17 you for this opportunity to testify about the  
18 Department of Citywide Administrative Services'  
19 planned expenditures and revenues for FY '13 and  
20 our capital commitment plan. DCAS continues to  
21 grow in leadership of the efficient delivery of  
22 quality administrative services. We have in place  
23 a superb team with the talent and capacity to  
24 provide our agencies and the public with world-  
25 class service that is better, faster, cheaper, and

2 greener. I am pleased now to answer any questions  
3 you may have, and if I can't answer them, members  
4 of my superb team will be able to do so. Thank  
5 you.

6 CHAIRPERSON RECCHIA: Commissioner,  
7 thank you, and I have some questions. First, I  
8 want to start off in your testimony on page two,  
9 you talked about that you sold 29 parcels offered  
10 at an auction, you sold 19 out of the 29?

11 EDNA WELLS HANDY: Correct.

12 CHAIRPERSON RECCHIA: When was that  
13 auction? Did you notify the City Council? Did we  
14 get in writing, who did you send it to you?

15 EDNA WELLS HANDY: Yes, we did. If  
16 you may recall from previous testimony, we  
17 indicated that we would send to the Governmental  
18 Operations Committee the bulletin with the parcels  
19 listed. We gave notice, it was in our City Record  
20 online, other periodicals, and that auction was  
21 held on May 10, 2012.

22 [Long pause]

23 CHAIRPERSON RECCHIA: Okay. So out  
24 of those 19, did you close on those 19 properties?

25 EDNA WELLS HANDY: Not yet, all

1 payments are due June 25th.

2  
3 CHAIRPERSON RECCHIA: So you're  
4 hoping to close on those properties.

5 EDNA WELLS HANDY: Yes.

6 CHAIRPERSON RECCHIA: The city-  
7 owned buildings, okay, office buildings in Lower  
8 Manhattan, you want to sell those three buildings,  
9 where are you right now with those sale of those  
10 three buildings?

11 EDNA WELLS HANDY: We are in the  
12 ULURP process, they have gone through the planning  
13 committee, they're now before Community Board 1,  
14 and they're moving apace.

15 CHAIRPERSON RECCHIA: And in your  
16 testimony, you put that the Brooklyn Municipal  
17 Building, the Department of Finance used to have  
18 that building there, used to have their office,  
19 okay?

20 EDNA WELLS HANDY: Yes.

21 CHAIRPERSON RECCHIA: And so that  
22 office is now closed because of when they sold it,  
23 all right? And Brooklyn is the only one without a  
24 Department of Finance office out of the five  
25 boroughs. So--

2 EDNA WELLS HANDY: Well the--

3 CHAIRPERSON RECCHIA: --I want to  
4 know why, when you guys sold this, why a new  
5 location, you know, wasn't located, why we just  
6 closed that up.

7 EDNA WELLS HANDY: Well as I  
8 indicated in the testimony, part of the Finance  
9 operations will be on the ground floor as part of  
10 the consolidation and relocation.

11 CHAIRPERSON RECCHIA: I understand  
12 that, but for the last past year, year and a half,  
13 Brooklyn had no Department of Finance Business  
14 Center, when every other borough did. We want to  
15 know why.

16 EDNA WELLS HANDY: Okay. We'll get  
17 back to you on that.

18 CHAIRPERSON RECCHIA: There's  
19 nothing to get back, I mean, we don't have one,  
20 it's not fair, every borough did, you know? And  
21 [pause] should be addressed. We will take this up  
22 with the Department of Finance. You just can't  
23 close a business office without putting it back.  
24 It's a problem.

25 The other thing I want to go into

2 is in this year's budget, the Department of  
3 Cultural Affairs had an increase in their energy,  
4 \$8.4 million, and commissioner testified that it  
5 was DCAS that made it, so we want to know why.

6 EDNA WELLS HANDY: I'm going to  
7 refer to our subject matter expert on that one,  
8 Ariella Maron, she can give the details of that.

9 ARIELLA MARON: Good afternoon, I'm  
10 Ariella Maron, Deputy Commissioner for Energy  
11 Management.

12 The way we make our heat, light,  
13 and power budget is we take the previous year's  
14 budget, we weather-normalize it, so FY '12 was a  
15 relatively mild year so we assume it's going to be  
16 a normal year, we incorporate changes in rates  
17 that are expected or may have already been put in  
18 place, and the rates affect different buildings  
19 and different commodities differently, we put that  
20 in and then we take into account agencies' new  
21 needs. So the increases in the heat, light, and  
22 power budget in general, which affect different  
23 agencies differently, takes all that into effect.  
24 It's based on expected rates, it's based on  
25 expected energy needs, and normal weather

1 situations.

2  
3 What happens during the year,  
4 obviously, some things go up, some things go down,  
5 it tends to we go up here, we go down there, but  
6 that's how we create the budget and manage it.

7 CHAIRPERSON RECCHIA: I understand  
8 that, but the CIGs, the 33 CIGs got an increase of  
9 \$8.4 million, okay? Out of the 33 of them, only  
10 five had an increase, shows an increase, so we  
11 want to know why you increase it \$8.4 million.

12 ARIELLA MARON: Sure. So, again,  
13 it's not that we increase it, it's the expectation  
14 of rates. Those culturals likely are the big  
15 steam users. Steam rates are different than gas  
16 rates or different than electricity rates, so  
17 what's driving that is steam rates, and different  
18 size buildings get different rates, it's based on  
19 your load, your steam load, so they're impacted  
20 differently. And many things go into the steam  
21 rates: There's the cost of the commodity to  
22 create the steam, but there's also distribution  
23 charges, demand charges, et cetera. So what's in  
24 there was based on the expectation of what's  
25 happening with those rates and those rates impact

2 buildings differently.

3 CHAIRPERSON RECCHIA: Well those  
4 buildings, other buildings that have steam show  
5 the rate going down.

6 ARIELLA MARON: Mm-hmm.

7 CHAIRPERSON RECCHIA: Right,  
8 because of these five buildings, you put it up 8.4  
9 million, and our Finance staff looked at steam  
10 rates and so we're trying to figure out where you  
11 got--

12 ARIELLA MARON: Sure.

13 CHAIRPERSON RECCHIA: --8.4 million  
14 increase.

15 ARIELLA MARON: Sure, and--

16 CHAIRPERSON RECCHIA: We can't  
17 figure it out.

18 ARIELLA MARON: Right, as I  
19 mentioned, every--there's different rate classes  
20 within the steam customer, they don't all get the  
21 same rates, it's based on their size and their  
22 demand, and the way rates change from year to year  
23 is dependent on which rate class they're in. So  
24 for some steam customers, rates go down; for some  
25 of them, rates are showing expectations of

1  
2 increase; and then what happens during the year is  
3 we find out what happens in actuality, but it's  
4 based on best--

5 CHAIRPERSON RECCHIA: [Interposing]  
6 Well why is steam down for some and not for  
7 others?

8 ARIELLA MARON: That's a utility  
9 question, this is coming straight from the steam  
10 utility which is Con Ed.

11 CHAIRPERSON RECCHIA: [Interposing]  
12 Don't you get the steam from the same people?

13 ARIELLA MARON: We all get it from  
14 Con Ed, but they have different rates for  
15 different classes, just like the same thing for  
16 electricity, different buildings have different  
17 rates, depending on their size, the way they use  
18 the information, and their load.

19 CHAIRPERSON RECCHIA: Okay. We  
20 just think that's very high, [pause] million  
21 dollars and we will take that up with Mark Page.  
22 Gale Brewer.

23 CHAIRPERSON BREWER: I just want to  
24 follow up on the heat, light, and power. We just  
25 had the Department of Education here and just the

1  
2 same issue with when we asked if the schools save  
3 money on heat, light, and power because they're  
4 more efficient, does that help them in any way and  
5 the answer is no, it's up to DCAS. So when we ask  
6 that question of the American Museum, or meaning  
7 DCA, we get the same answer. So I guess my  
8 question is help us to understand this because, I  
9 know it's the same question we get every time, but  
10 we are trying so hard with our students and our  
11 teachers and, certainly, the institutions are to  
12 be efficient, but there's no incentive. And I  
13 have to tell you, they don't understand the same  
14 question that my co-chair asked, they ask of us.  
15 So can you help to explain, is there some other  
16 way we could look at this issue? Go ahead.

17 ARIELLA MARON: Sure. It's  
18 actually a huge priority for us to make sure  
19 incentives are in line to save energy, and for  
20 that reason, in September 2011, so in this current  
21 fiscal year, we kicked off something called the  
22 Energy Incentive Alignment program, starting with  
23 the seven largest city-funded agencies. And the  
24 idea here is if they have lower energy costs than  
25 what is in the adopted budget, they get to keep

2 that energy savings 'cause it's based on their  
3 efforts; if their energy costs are above what's in  
4 the adopted budget, they actually owe the City  
5 money. So the first period of that program was  
6 September to December and--

7 CHAIRPERSON BREWER: [Interposing]  
8 Of '11 or '12?

9 ARIELLA MARON: Of this past  
10 fiscal--this--

11 CHAIRPERSON BREWER: Past--

12 ARIELLA MARON: --so it was  
13 September--sorry, September to December 2011, so  
14 it was--

15 CHAIRPERSON BREWER: Okay.

16 ARIELLA MARON: --fiscal year '12,  
17 and of the seven agencies, some were successful in  
18 reducing energy costs and some not. All together,  
19 there were \$900,000 worth of incentive payments to  
20 agencies that reduced their costs and the other  
21 agencies had to find money from their expense  
22 budgets to reimburse the City. So we're starting  
23 with these seven agencies 'cause they account for  
24 over 60% of our heat, light, and power budget of  
25 which is City-funded, and to make sure we get all

2 the administrative and reporting and other aspects  
3 correct, and the hope is in the future to  
4 eventually expand the program.

5 CHAIRPERSON BREWER: And does these  
6 agencies include Cultural Affairs or the  
7 Department of Education?

8 ARIELLA MARON: Includes Department  
9 of Education.

10 CHAIRPERSON BREWER: Okay. And so  
11 will you be able to give us a breakdown after  
12 you've done that analysis of who did what?

13 ARIELLA MARON: Sure. We have the  
14 analysis for September to December that we could  
15 send you, and the next period January through June  
16 is still going on.

17 CHAIRPERSON BREWER: But it appears  
18 to me that the chancellor did not know about this  
19 program. What they did do was a green award  
20 system for certain schools, is that part of the  
21 same program or you don't know?

22 ARIELLA MARON: It's they're  
23 related, but they're separate. So we support the  
24 agencies in doing increased outreach and we  
25 actually supported the Green Cup Challenge and the

1 awards that Department of Education came out, and  
2 we're encouraging the agencies to do more of that  
3 outreach effort 'cause then the end of the day, it  
4 helps them either make more money or owe less  
5 money.  
6

7 CHAIRPERSON BREWER: Okay. I mean,  
8 the issue is I don't think that there's as much  
9 information about this seven agency program as you  
10 might think 'cause I meet with my schools all the  
11 time and I'm not clear they're aware of that.

12 The other question I have is about  
13 the fleet. You talked about the money that will  
14 be saved based on hiring new people and looking at  
15 the City's fleet. How large is the City's fleet  
16 and what percentage of this will--this program--or  
17 what percentage of the fleet will be under the  
18 fleet consolidation plan? Is it all of the fleet?  
19 The reason I also ask is the other day at  
20 Sanitation, since I seem to go all the hearings,  
21 the commissioner indicated that Department of  
22 Sanitation is going to be doing the maintenance  
23 for some of the larger fleet trucks and whatnot.  
24 I didn't know if that was under your purview  
25 'cause you didn't mention it. So I'm just want to

2 know what percentage we're looking at and answer  
3 the question about what part is being consolidated  
4 under this proposal.

5 EDNA WELLS HANDY: Okay. So I'm  
6 going to let our new chief fleet officer for the  
7 City answer that, Keith Kerman.

8 KEITH KERMAN: Hi, Keith Kerman,  
9 Chief Fleet Officer.

10 So there are 27,000 city vehicles.

11 CHAIRPERSON BREWER: That includes  
12 all the heavy maintenance and so on, that includes  
13 everything?

14 KEITH KERMAN: That's correct, it's  
15 all city agencies. Currently, the police  
16 department and the Sanitation department account  
17 for 55% of the fleet. It's about 14,000 of the  
18 vehicles. They are going to be the destinations  
19 for--and they have the majority of garages, the  
20 majority of mechanics, the majority of repair  
21 expertise. So the consolidation plan will build  
22 upon what they have and bring other agency  
23 maintenance into those shops. There are 5,500  
24 vehicles that we expect, so it's about 20% of the  
25 rest of the fleet, from Education, Parks, DOT,

2 DEP, Health, Fire, that will move in in the next  
3 year into Sanitation garages or police department  
4 garages.

5 CHAIRPERSON BREWER: Where are they  
6 now? They're in something that's going to be sold  
7 or something that's going to be consolidated or  
8 they're on the street?

9 KEITH KERMAN: No, they're in--so  
10 to give you an example, the Health department had  
11 a leased garage in Woodside, Queens, right nearby,  
12 a half a mile away, Sanitation has its main, you  
13 know, repair center. So we ended that lease and  
14 the Health department moved in with Sanitation and  
15 now Sanitation maintains those services, we saved  
16 a half a million dollars on the lease, Sanitation  
17 with a much bigger operation, provides much more  
18 vast services. So we expect to consolidate--  
19 close, effectively, or transfer, there'll be two  
20 transferred facilities and 13 closed facilities,  
21 but 15 facilities will close or change hands.

22 CHAIRPERSON BREWER: And that'll  
23 save money, the 15 closing or changing hands?

24 KEITH KERMAN: Oh, absolutely, I  
25 mean, you know, it's--

2 CHAIRPERSON BREWER: Meanwhile,  
3 David Yassky needs places to put all of the taxis  
4 he seems to be towing. What is he going to do  
5 with all his taxis? Are you in charge of his  
6 taxis?

7 KEITH KERMAN: No, that's a  
8 separate issue and we're talking about indoor  
9 garage space and their need is for outdoor, kind  
10 of--

11 [Crosstalk]

12 CHAIRPERSON BREWER: [Interposing]  
13 Okay. So the 15 indoor will close or be  
14 transferred and you'll save money in this year's  
15 budget?

16 KEITH KERMAN: And especially in  
17 next year's budget, sure.

18 CHAIRPERSON BREWER: Okay. Another  
19 question has to do with why was the strategic  
20 sourcing spend analysis program deemed necessary  
21 and how much money and over what period of time do  
22 you save money?

23 EDNA WELLS HANDY: So I'll just  
24 frame that while Sergio Paneque, our chief  
25 procurement--

2 CHAIRPERSON BREWER: [Interposing]  
3 We love Sergio, we know Sergio.

4 EDNA WELLS HANDY: I thought that's  
5 why--

6 CHAIRPERSON BREWER: I have a lot  
7 of more questions for Sergio.

8 EDNA WELLS HANDY: Well maybe I  
9 won't even frame it, I'll just let him go talk.

10 SERGIO PANEQUE: Thank you, Chair,  
11 Chairperson. Sergio Paneque, Chief Acquisition  
12 Officer with DCAS.

13 The principal purpose of the four--

14 CHAIRPERSON BREWER: [Interposing]  
15 You got to talk more into the mic more, Sergio.

16 SERGIO PANEQUE: I apologize. The  
17 principal purpose of the four individuals is to do  
18 strategic sourcing, as you know. That is a  
19 function that has not occurred in the past with  
20 the city. In the current fiscal year, we now  
21 currently have access to the FMS data at a  
22 reasonable level to start doing analysis on the  
23 categories of spend that the City does. So as the  
24 analysts start to look at those particular  
25 categories, the first step is to look at state

2 contracts and other jurisdictions contracts to see  
3 exactly what the per unit rates are for the  
4 services or goods that we're procuring and then  
5 make a determination on whether, expediently  
6 speaking, enter into either cost negotiations with  
7 our existing vendors, choose to exercise rights  
8 with those other collaborative jurisdictions and  
9 then enter into those agreements, or go out to bid  
10 and realize savings to the City.

11 From a time standpoint, the  
12 portfolio is pretty expansive, at current rate,  
13 it's 1,100 contracts so savings is a matter of  
14 cycle time and the amount of times that it takes  
15 to procure it. At the current rate, the time to  
16 procure can go anywhere from four months to eight  
17 months to a year, depending on the complexity of  
18 the solicitation.

19 CHAIRPERSON BREWER: Okay. And, of  
20 course, the issue that I am always interested in,  
21 do you know of how many 1,100 contracts, how many  
22 are food and where are you in terms of some local  
23 sourcing?

24 SERGIO PANEQUE: We currently hold  
25 about 40 some odd contracts in food and, as you

2 well aware, our largest contractor--or our just  
3 largest client is the Department of Corrections.  
4 Just yesterday, taking your lead from last year, I  
5 had a planning session up in Orange County to do a  
6 large farm tour and DOC, as well as some other  
7 agencies, will be principal in seeing the  
8 capabilities that we have up in the Black Dirt  
9 region. If you remember Frank, you know, his  
10 capabilities continue to grow.

11 CHAIRPERSON BREWER: I love Frank,  
12 yeah, we love Frank, okay--

13 SERGIO PANEQUE: And he's--

14 CHAIRPERSON BREWER: --that's  
15 great.

16 SERGIO PANEQUE: --he's even moving  
17 towards indoor operations so be able to go, you  
18 know, beyond the five-year growth--or five-month  
19 growth cycle and then we also visited a secondary  
20 packing facility for greens, which its capability  
21 has exceeded the one that we all toured last year.

22 CHAIRPERSON BREWER: Okay. And  
23 what's the timing on all of that? I understand  
24 that takes time and the contracts sometimes are  
25 ongoing, but what would be the timing on it? You

2 mentioned 1,100 and you mentioned some months, but  
3 just in general, if you're looking to improve the  
4 contract or to, obviously, save money, you have to  
5 figure out what you said is some of the state  
6 contracts, you have to figure out which contracts  
7 to end, and, obviously, in terms of the local  
8 sourcing, what makes sense in terms of the largess  
9 of them all. So that's what these four people are  
10 going to do or have you already done them and done  
11 that and they're going to be implementing?

12 SERGIO PANEQUE: We've done a lot  
13 of--obviously, we're not waiting for these  
14 positions, we've done a significant amount of work  
15 under the commissioner's direction over the course  
16 of the last 14 months and realized significant  
17 savings. Now it's that next step, you know, we've  
18 gone through the low hanging fruit, now we're  
19 looking at that next cycle.

20 Realistically, to go through the  
21 whole portfolio and all of the required processes,  
22 it will likely the better part of 18 months in its  
23 totality.

24 CHAIRPERSON BREWER: So how much do  
25 you think that you have saved already from looking

2 at the low hanging fruit?

3 SERGIO PANEQUE: To date, over the  
4 average life cycle of a five-year contract, we've  
5 saved \$36 million.

6 CHAIRPERSON BREWER: Thirty-six  
7 million, okay.

8 SERGIO PANEQUE: And annually  
9 speaking, just shy of 7 million a year.

10 CHAIRPERSON BREWER: Council Member  
11 Mealy, I think you had a question.

12 COUNCIL MEMBER MEALY: Good  
13 afternoon. I have to go back with the Chair, page  
14 two, you say that the City public auctions of  
15 property, you have 29 parcel offered at the  
16 auction, 19 were successfully bid and it only  
17 yield only 5.6 million. Could you explain to me,  
18 was that a fire sale or for those 19 properties,  
19 where were these properties that we only got 5.6  
20 million for them? I know [pause] have to be at  
21 strategic locations that one or two of those  
22 properties at least could have been 3 million or 5  
23 million by itself, at least one of those buildings  
24 was worth 5 million I know. Could you explain to  
25 me why it was so low?

2 EDNA WELLS HANDY: Well--

3 COUNCIL MEMBER MEALY: How we only  
4 made 5.6 million--

5 EDNA WELLS HANDY: Okay.

6 COUNCIL MEMBER MEALY: --for 19  
7 proprieties, city-owned properties.

8 EDNA WELLS HANDY: Okay. First, we  
9 look at the quality of the properties that we had  
10 for sale. These are--

11 COUNCIL MEMBER MEALY:

12 [Interposing] Were they in Manhattan, Brooklyn,  
13 East New York?

14 EDNA WELLS HANDY: They were around  
15 the city, but they were properties--

16 COUNCIL MEMBER MEALY:

17 [Interposing] Majority in Manhattan.

18 EDNA WELLS HANDY: No, not  
19 majority.

20 COUNCIL MEMBER MEALY:

21 [Interposing] Well that's why I asked, could you--

22 EDNA WELLS HANDY: [Interposing]  
23 You want to know the kind of--

24 COUNCIL MEMBER MEALY: --please  
25 tell me where--

2 EDNA WELLS HANDY: --the details,  
3 okay.

4 COUNCIL MEMBER MEALY: --the  
5 majority--

6 EDNA WELLS HANDY: Okay.

7 COUNCIL MEMBER MEALY: --where they  
8 were?

9 EDNA WELLS HANDY: Okay. So while  
10 Theresa Ward, our Chief Asset Management Officer  
11 is coming, I think part of what is important to  
12 note is that we are no longer in the property  
13 holding business and--

14 COUNCIL MEMBER MEALY:  
15 [Interposing] Yes, but it is--

16 EDNA WELLS HANDY: --those  
17 properties--

18 COUNCIL MEMBER MEALY: --our due  
19 diligence.

20 EDNA WELLS HANDY: Oh, surely.  
21 Those properties that we still have are the  
22 properties which are the least desirable, there's  
23 a process that we go through where we offer the  
24 properties to agencies for their use, and if there  
25 is no use for them by the agencies, they become

2 part of our portfolio and they've been part of our  
3 portfolio for years because they didn't have the  
4 utility that we would think they would have. But  
5 given that, I would ask that Theresa explain to  
6 you exactly where they were and what the values  
7 were so that hopefully you'll be impressed that  
8 the amount that we did receive was an impressive  
9 amount.

10 COUNCIL MEMBER MEALY: Nineteen  
11 properties, thank you.

12 THERESA WARD: Theresa Ward, the  
13 Chief Asset Management Officer at DCAS.

14 Of the 29 properties, 28 were  
15 vacant lots, one was a small building in the  
16 Bronx, that was 5,000 square feet, so there were--  
17 and there were no properties in Manhattan. These  
18 were all properties that were--fell into the  
19 City's hands through tax arrears in the seventies,  
20 early eighties and they were just vacant lots, the  
21 vast majority, actually 28 of the 29 were vacant  
22 lots.

23 [Pause]

24 COUNCIL MEMBER MEALY: --That's  
25 different--

2 THERESA WARD: Okay.

3 COUNCIL MEMBER MEALY: --to hear  
4 that it was some vacant lots at the--

5 THERESA WARD: [Interposing] And we  
6 can send you the--the auction brochure showed the  
7 starting bid prices on all of them and those were  
8 developed through an appraisal done by our staff  
9 at DCAS. Okay.

10 COUNCIL MEMBER MEALY: Thank you so  
11 much. And I was wondering, the auction auto  
12 auction vendors--

13 [Crosstalk]

14 EDNA WELLS HANDY: Oh, I'm sorry.

15 COUNCIL MEMBER MEALY: Something  
16 else?

17 EDNA WELLS HANDY: No, no, just  
18 that they were appraised for \$2 million, which is  
19 where we came up with the upset [phonetic] price  
20 and so to have gotten the amount that we did was a  
21 significant increase over that.

22 COUNCIL MEMBER MEALY: Five point  
23 six million, yes, you did well [pause] you, I  
24 needed to know. The auto auction vendor fees,  
25 could you explain to me in regards to in 2012

2 selling of the City vehicles was generated 10.1  
3 million in fiscal 2012 and in fiscal 2013, we're  
4 going to do 7.7 million. Are we going to stop  
5 selling off cars that we tow or why the  
6 significant drop?

7 RICHARD BADILLO: The large portion  
8 of that increase at FY '12 was from heavy  
9 equipment relinquished by the Department of  
10 Sanitation. We're not expecting those type of--  
11 we're not expecting from the Department of  
12 Sanitation to relinquish that level of vehicles to  
13 us in terms of heavy equipment.

14 COUNCIL MEMBER MEALY: Oh, that's  
15 why.

16 MALE VOICE: Mm-hmm.

17 COUNCIL MEMBER MEALY: Okay. Then  
18 I have about two other questions. Can you talk  
19 about some of the major contracts that comprise  
20 DCAS capital budget--no, contract budget in  
21 regards to selecting vendors? How many of the  
22 vendors are W/MBEs? Could you give me that?

23 EDNA WELLS HANDY: Okay. So we'll  
24 have Christine Norman, who is out of our M/WBE--

25 COUNCIL MEMBER MEALY:

1 [Interposing] Out of 315 contracts you have, how  
2 many of them are minority contractors?  
3

4 EDNA WELLS HANDY: Okay. Again,  
5 just to frame this as she comes up, DCAS has  
6 renovated, for want of a better term, its M/WBE  
7 process and, I guess, the word is thought. We put  
8 together our EEO and our M/WBE components together  
9 in the Office of Diversity and Inclusion so that  
10 we will start looking at how people who had been  
11 previously denied access to city contracting and  
12 to city jobs, what are the barriers to that on the  
13 commercial side, as well as on the employment  
14 side. And because there's similarities in looking  
15 at the levels of utilization, we thought that by  
16 bringing those two offices together in one, that  
17 we'll be able to then identify the barriers,  
18 understand the opportunities, and then to provide  
19 those opportunities to groups that had been  
20 previously excluded.

21 The second thing I would like to  
22 alert you to is the fact that we have just hired,  
23 and we're hoping that he starts next week, a new  
24 chief diversity and EEO officer for the city, and  
25 we believe that under his leadership, that we will

2 again we'll be moving in diversity in ways that  
3 had not been contemplated before in M/WBE as well  
4 as EEO.

5 COUNCIL MEMBER MEALY: Could I ask  
6 you there was no--that was someone that came from  
7 the outside?

8 EDNA WELLS HANDY: Yes.

9 COUNCIL MEMBER MEALY: There were  
10 no way we can, in this economic downturn, we could  
11 have maybe hired someone inside the agency instead  
12 of sourcing this job?

13 EDNA WELLS HANDY: I wouldn't  
14 exactly call you outsourcing, it was posted, which  
15 is what we're required to do to ensure that  
16 there's equal opportunity, and people responded to  
17 the postings, they went through the same kind of  
18 process of--

19 COUNCIL MEMBER MEALY:  
20 [Interposing] See, I understand that, like,  
21 Transit, when it's an economic downturn or if it's  
22 a job freeze, they post a posting but only someone  
23 inside the agency can get the job. And at this  
24 time, where they're laying off people, I was just  
25 wondering, did you put anything in place that you

1  
2 can save, you know, from getting a job outside,  
3 someone inside the job, can they get a promotion  
4 who can do the job within inside the agency? Have  
5 you ever thought of that?

6 CHAIRPERSON BREWER: [Interposing]  
7 Hold on one second, Council Member. Is this for  
8 the whole city, the officer, not just for DCAS?

9 EDNA WELLS HANDY: Exactly.

10 CHAIRPERSON BREWER: I think you  
11 should just make that clear so.

12 EDNA WELLS HANDY: Right, it's the  
13 citywide EEO and diversity officer, it's not just  
14 DCAS. DCAS has an internal EEO office, but though  
15 everyone in DCAS, as well as within the city, had  
16 the opportunity to apply and become part of the  
17 pool from which this person was selected and,  
18 based on the criteria, he was the one that was  
19 chosen. And I would think that that opportunity  
20 to provide access citywide would be something that  
21 would be applauded in terms of our efforts to  
22 increase EEO and diversity opportunities.

23 CHAIRPERSON BREWER: Council  
24 Member, your next question, do you have one more?

25 COUNCIL MEMBER MEALY: Yes, what

1 percentage? She never answered that question.

2 EDNA WELLS HANDY: Okay. As I  
3 said, Christine Norman will--

4 [Crosstalk]

5 COUNCIL MEMBER MEALY:

6 [Interposing] She was just setting it up. Right?

7 EDNA WELLS HANDY: Yes.

8 COUNCIL MEMBER MEALY: Thank you.

9 Now she--

10 CHRISTINE NORMAN: All right, good  
11 afternoon everyone, my name is Christine Norman,  
12 I'm the M/WBE officer for DCAS.

13 Okay. So I provided an aggregate  
14 of dollar values for our purchases on various  
15 levels, you know, that the City has different  
16 goals for different levels of purchases. So for  
17 our micro-purchases, DCAS is at 59% awards to  
18 M/WBEs for FY '12, but we spent a little over \$1  
19 million in that category and over 500,000 was  
20 awarded to M/WBEs. Okay? Then you know that  
21 under the law there is a small purchase category  
22 for contracts up to 100,000, and in that category,  
23 DCAS has awarded 36% of our dollars to M/WBEs in  
24 that category. The City's goal is 40%, and we  
25

1  
2 believe by the end of the fiscal year, we will  
3 have met or exceeded that 40% goal.

4 COUNCIL MEMBER MEALY: Okay. It's  
5 a good number--

6 CHRISTINE NORMAN: Yes.

7 COUNCIL MEMBER MEALY: --I must  
8 say. The misappropriation of contract funding,  
9 have you got anything--could you explain one  
10 contract that you saw that you can do it maybe in-  
11 source and save the City any funds?

12 EDNA WELLS HANDY: So I'm not sure  
13 I understand your question--

14 CHAIRPERSON BREWER: [Interposing]  
15 She's asking of can--

16 EDNA WELLS HANDY: --'cause you  
17 started out with misappropriation so--

18 CHAIRPERSON BREWER: She's--

19 COUNCIL MEMBER MEALY: Right.

20 CHAIRPERSON BREWER: --I think  
21 she's asking we have a lot of situations where,  
22 understandably, agencies outsource in order to  
23 complete a task, she's asking are there some  
24 situations where you can do the task in-house.

25 EDNA WELLS HANDY: Well I'll give

1  
2 an example of where we engaged what we believe to  
3 be a new process with respect to the auto auction,  
4 for example. While it was a RFP, members of DCAS  
5 staff and fleet--under fleet management, came  
6 together and responded to the RFP as if they were  
7 outside vendors. We didn't win, but we gave it a  
8 really good try, and that now forms the basis of a  
9 process that we can use going forward where there  
10 are--where we believe that there's we have the  
11 talent and the wherewithal to do the type of jobs  
12 that might otherwise be outsourced, we're going to  
13 proceed as if we're outside vendors and also  
14 either bid and/or respond to an RFP.

15 COUNCIL MEMBER MEALY: Thank you.

16 And that was a great example. At least we're  
17 trying in this economic downturn. Thank you--

18 [Crosstalk]

19 CHAIRPERSON BREWER: Council Member  
20 Reyna.

21 COUNCIL MEMBER REYNA: Thank you,  
22 Madam Chair.

23 Commissioner Handy, I'm so thrilled  
24 to hear the numbers you've expressed here in your  
25 department and my congratulations to the staff

2 that has made such an amazing progress. Your  
3 agency, perhaps, has the highest figures I've  
4 heard throughout these hearings and I wanted to  
5 know--and I know she just sat down--if Christine  
6 just share with us the dollar value. I don't  
7 think she mentioned the dollar value.

8 EDNA WELLS HANDY: Okay.

9 Christine.

10 COUNCIL MEMBER REYNA: Of the M/WBE  
11 to be exact. And you need the mic, Christine,  
12 just to make sure.

13 CHRISTINE NORMAN: Okay. For our  
14 small purchases, up to 100,000, we're at  
15 \$2,133,453, okay? And that's out of a total of  
16 \$5,856,000, so that is 36%.

17 COUNCIL MEMBER REYNA: Can you just  
18 repeat the contracting dollars one more time--

19 CHRISTINE NORMAN: Sure.

20 COUNCIL MEMBER REYNA: --out of the  
21 5.8?

22 CHRISTINE NORMAN: So for FY '12  
23 through quarter three, we have expended  
24 \$2,000,133--\$453, I'm sorry, with M/WBES.

25 COUNCIL MEMBER REYNA: Very much.

2 CHRISTINE NORMAN: Okay.

3 COUNCIL MEMBER REYNA: And the  
4 matters as far as the chief diversity officer,  
5 Commissioner, I wanted to understand whether or  
6 not this particular chief diversity officer will,  
7 I thought I heard you say will be a citywide chief  
8 diversity officer.

9 EDNA WELLS HANDY: Correct.

10 COUNCIL MEMBER REYNA: And their  
11 role will be exactly what?

12 EDNA WELLS HANDY: To guide EEO and  
13 diversity policies for the City, to provide  
14 training citywide, to leverage that which is in  
15 existence now. So for example, we are rolling out  
16 under our Acting Chief Officer Lisa Nakanishi  
17 [phonetic], who is here, we're rolling out a  
18 computer-based training program for the city  
19 agencies and that person will come in and look at  
20 and leverage those kinds of computer-based  
21 training opportunities.

22 COUNCIL MEMBER REYNA: And,  
23 Commissioner, is there any agency in the city of  
24 New York that will be exempt from this chief  
25 diversity officer and their duties?

2 EDNA WELLS HANDY: Well this person  
3 will be responsible for the mayoral agencies,  
4 which is the jurisdiction of the Mayor.

5 COUNCIL MEMBER REYNA: Including  
6 the Department of Education?

7 EDNA WELLS HANDY: The Department  
8 of Education is special so I will have to get back  
9 to you on that.

10 COUNCIL MEMBER REYNA: Okay. I  
11 would appreciate a clear answer as to whether or  
12 not the chief diversity officer will in fact have  
13 jurisdiction over the Department of Education. I  
14 will also ask corporations such as Health and  
15 Hospital Corporation--the answer is--

16 EDNA WELLS HANDY: [Interposing]  
17 No, I can give you those answers now.

18 COUNCIL MEMBER REYNA: Fantastic.

19 EDNA WELLS HANDY: Going to the  
20 DOE, if you're aware, DOE used to be the Board of  
21 Education which had no jurisdiction under the law  
22 that gave the mayoral control over the Board of  
23 Education now that became the Department of  
24 Education does not include its EEO purview. With  
25 the Public Benefit Corporations, HHC, for example,

2 or the authorities, those are not under the  
3 Mayor's jurisdiction so they are not under the  
4 purview of the incoming chief diversity officer.  
5 But I can provide you with a total list of who's  
6 in and who's out.

7 COUNCIL MEMBER REYNA: And let's  
8 say, the Department of Information and Technology,  
9 would they be--

10 EDNA WELLS HANDY: DoITT.

11 COUNCIL MEMBER REYNA: --part of  
12 the mayoral--

13 EDNA WELLS HANDY: [Interposing]  
14 Yes, they would.

15 COUNCIL MEMBER REYNA: --agency?  
16 And the Economic Development Corporation would not  
17 be.

18 EDNA WELLS HANDY: Would not.

19 COUNCIL MEMBER REYNA: Despite the  
20 fact that they are contracted with or through the  
21 Department of Small Business Services.

22 EDNA WELLS HANDY: Well, yeah,  
23 again, like the Public Benefit Corporation, the  
24 authorities, they have separate and distinct  
25 corporate entities which are not under the Mayor's

1 jurisdiction in that way.

2  
3 COUNCIL MEMBER REYNA: So there is  
4 no connection between the City tax levy dollars  
5 spent in relationship to the fiduciary duties of  
6 chief diversity officer. Is there a connection  
7 between the chief diversity officer and expelling  
8 their particular duties for which they're being  
9 hired to oversee any particular agency that  
10 receives in one shape or another City tax levy  
11 dollars? The City tax Levy dollars does not link  
12 anyone as a mayoral agency, it would have to be a  
13 direct...

14 EDNA WELLS HANDY: Well there's  
15 direct jurisdiction and then there is the power to  
16 influence and to cooperate, so there is mayoral  
17 jurisdiction over the mayoral agencies and then  
18 this person would come in with the talent and the  
19 capability and the access to influence, to  
20 partner, to collaborate with those agencies that  
21 are not under the Mayor's jurisdiction. So, for  
22 example, we hold training sessions, we hold a  
23 number of workshops. We just had one recently  
24 with the Human Rights Commission on cyber bullying  
25 to which we've invited others who are not directly

2 under the Mayor's purview and so under the new  
3 person coming in, he or she will be able to  
4 exercise that kind of influence.

5 COUNCIL MEMBER REYNA: And will the  
6 chief diversity officer also take a look at and  
7 review documents of audits performed by the Equal  
8 Employment Practice Commission?

9 EDNA WELLS HANDY: Yes.

10 COUNCIL MEMBER REYNA: And I just  
11 wanted to change my line of questioning just to  
12 ask you regarding a specific local matter, there  
13 is a Community Board 4 in Bushwick office that has  
14 been struggling with what would be enormous  
15 violations to the building and they have  
16 communicated that they are in need of moving out  
17 of that office and have found what were an  
18 opportunity to have a new lease at a new building  
19 in the neighborhood and perhaps contributing a  
20 cost savings because the lease would perhaps be  
21 less expensive. And having asked that, I want to  
22 understand if whether or not your office is taking  
23 a look at other leases of other Community Boards  
24 and opportunities to find cost savings amongst--

25 CHAIRPERSON BREWER: [Interposing]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

My Community Board has a free office.

COUNCIL MEMBER REYNA: Gale, you have everything.

CHAIRPERSON BREWER: Go ahead. Answer.

EDNA WELLS HANDY: Yeah, typically when we're asked, but we are looking across the board at our portfolio, leased as well as owned properties, for savings. So with respect to the Community Board that you're referring to, perhaps we can talk afterwards and get the details.

COUNCIL MEMBER REYNA: I would love that, thank you so much, I appreciate--

EDNA WELLS HANDY: Sure.

COUNCIL MEMBER REYNA: --that. And thank you, Madam Chair, you're always letting me know that you can do something and that means that I--

[Crosstalk]

CHAIRPERSON BREWER: [Interposing] We'll find you a free space.

COUNCIL MEMBER REYNA: --achieve it as well.

CHAIRPERSON BREWER: We'll find you

2 a free space. Council Member Inez Dickens.

3 COUNCIL MEMBER DICKENS: Thank you  
4 so much, Madam Chair, and good afternoon. And  
5 Commissioner Handy, I want to say thank you  
6 because actually your M/WBE program has increased,  
7 quadrupled, and so I commend you for that. I  
8 thank you very, very much. What you have done to  
9 change--

10 [Crosstalk]

11 EDNA WELLS HANDY: [Interposing]  
12 Thank you. Well so much goes to Christine Norman  
13 and Sergio Paneque, who has come in with a view of  
14 embedding M/WBE in the business processes and,  
15 between Christine and Sergio, we're moving forward  
16 on it.

17 COUNCIL MEMBER DICKENS: Now I have  
18 a question about 22 Reade, 49 Chambers, and 346  
19 Broadway. Are those three locations going to be  
20 sold, and if--

21 [Pause]

22 THERESA WARD: Sure, hi, Theresa  
23 Ward, Chief Asset Management Officer.

24 COUNCIL MEMBER DICKENS: Sorry, can  
25 you speak into the mic a little bit--

2 [Crosstalk]

3 THERESA WARD: Sure, Theresa Ward,  
4 Chief Asset Management Officer at DCAS. Yes, two  
5 of the buildings are in the ULURP process, 22  
6 Reade Street and Emigrant Savings Bank, which is  
7 49-51 Chambers. And 346 was previously approved  
8 through ULURP, but that is also anticipated to be  
9 sold.

10 COUNCIL MEMBER DICKENS: And what  
11 is the anticipated net that you're going to get  
12 from the sales?

13 THERESA WARD: Well we don't really  
14 want to speculate, the proposals are due at the  
15 end of July. We've done our preliminary estimates  
16 but it's really not something that we--we don't  
17 want to influence the proposals that come back in  
18 July.

19 COUNCIL MEMBER DICKENS: All right.  
20 And so, but you do have an assessment of the  
21 properties that would at least put it in your mind  
22 what you're kind of--

23 THERESA WARD: Yes.

24 COUNCIL MEMBER DICKENS: --looking  
25 at. All right. And it's going to be done at the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

end of July you said?

THERESA WARD: The proposals from developers are due July 31st, I think is the date.

COUNCIL MEMBER DICKENS: All right, and then the other thing is that--I'm sorry the other young lady--

FEMALE VOICE: Christine?

COUNCIL MEMBER DICKENS: Christine? Can you come back to the mic 'cause I have a question for you, please? Thank you. I know you're jumping up and down.

CHRISTINE NORMAN: It's okay.

COUNCIL MEMBER DICKENS: And I commend you also on the numbers that you gave on procurement and services, is that right? Was that the numbers on procurement and services?

CHRISTINE NORMAN: It was procurement.

COUNCIL MEMBER DICKENS: All right, with the major initiatives that the Commissioner has set forth, do you have the numbers available for construction renovation?

CHRISTINE NORMAN: Okay. I do have some figures of large contract awards, and that

2 would be for construction and professional  
3 services.

4 COUNCIL MEMBER DICKENS: Is that  
5 separated? Because I'd be very interested in the  
6 professional services and the construction being  
7 separated and getting those numbers.

8 CHRISTINE NORMAN: Yes. Okay.

9 COUNCIL MEMBER DICKENS: Do you  
10 have them to share with us?

11 CHRISTINE NORMAN: Actually, I can  
12 do the math here if we need to, I can get back to  
13 you though, but--

14 COUNCIL MEMBER DICKENS:  
15 [Interposing] Would you please see that my Chair  
16 gets the numbers on that? Because I'd like to  
17 know how DCAS did because you did very well with  
18 procurement and services, but now I'd like to know  
19 about the initiatives, the major initiatives that  
20 the Commissioner set forth as far as construction,  
21 subcontracting, and professional services.

22 CHRISTINE NORMAN: Okay. All  
23 right, so we'll get back to you on that.

24 COUNCIL MEMBER DICKENS: When do  
25 you think we could get it? I just want to be

1 focused on if I don't get it, I can call.

2 CHRISTINE NORMAN: Can I have it  
3 for you early next week?

4 COUNCIL MEMBER DICKENS: That's  
5 great, that's fine.

6 CHRISTINE NORMAN: Okay.

7 CHAIRPERSON BREWER: That's fine.

8 CHRISTINE NORMAN: All right.

9 COUNCIL MEMBER DICKENS: That's  
10 fine, all right.

11 CHRISTINE NORMAN: I can tell you  
12 though--

13 COUNCIL MEMBER DICKENS: Go ahead.

14 CHRISTINE NORMAN: --if I'm not  
15 being presumptuous, that we have increased our  
16 awards of M/WBE contracts over the \$100,000 mark.  
17 So for our for quarter three of FY '12, we've  
18 awarded over \$24 million to M/WBEs.

19 COUNCIL MEMBER DICKENS: Out of a  
20 total of?

21 CHRISTINE NORMAN: I don't have the  
22 total of all purchases, but I have our M/WBE  
23 tally.

24 [Crosstalk]

2 COUNCIL MEMBER DICKENS: 'Cause you  
3 know I look up report cards.

4 CHRISTINE NORMAN: Yeah, I knew you  
5 would say that.

6 COUNCIL MEMBER DICKENS: All right,  
7 now will the--

8 CHRISTINE NORMAN: Okay.

9 COUNCIL MEMBER DICKENS: --chief  
10 diversity officer be overseeing the M/WBE work for  
11 all agencies? I'm talking about the one that's  
12 citywide.

13 EDNA WELLS HANDY: No, no. What  
14 we've done at DCAS is to put the M/WBE and EEO  
15 together, that's a DCAS specific initiative. The  
16 chief diversity EEO officer will be primarily  
17 looking at employment. But, you know, you never  
18 know what kind of creativity might come down the  
19 pike--

20 [Crosstalk]

21 COUNCIL MEMBER DICKENS:  
22 [Interposing] That's interesting because it sounds  
23 something like what MTA did some years ago, which  
24 was significant versus some of the other agencies  
25 that did very poorly.

1  
2 EDNA WELLS HANDY: Well we're  
3 hoping the person comes in with that kind of  
4 knowledge and opportunity to look at it more  
5 holistically than we've looked at it in the past.

6 COUNCIL MEMBER DICKENS: All right,  
7 thank you.

8 EDNA WELLS HANDY: You're welcome.

9 CHAIRPERSON BREWER: Thank you.

10 Been joined by Council Member Vallone, Council  
11 Member Dilan.

12 I have a question still on the  
13 heat, light issue, which is that what led the  
14 Department of Environmental Protection to a \$41  
15 million increase in their heat, light, and power  
16 budget?

17 EDNA WELLS HANDY: Yeah, well our  
18 understanding was it was a matter that is now  
19 being looked at with OMB because of the over-  
20 estimation of the UV aspects of their operation so  
21 that, while we don't have the specifics of it, we  
22 know that they're still in review with OMB so that  
23 they can come up with a more realistic number.

24 CHAIRPERSON BREWER: And that'll be  
25 done in time for this year's budget?

2 EDNA WELLS HANDY: We would presume  
3 so, but I can't answer for that.

4 CHAIRPERSON BREWER: Do you know  
5 also along the same lines--obviously, you have a  
6 certain amount, I think it's 165 million for  
7 energy conservation projects, do you know how long  
8 it will take, how many years to recover that  
9 amount?

10 ARIELLA MARON: So we look at our  
11 buildings one by one where you prioritize them,  
12 where we're starting with the worst energy  
13 performers first so we know we get the most energy  
14 savings from them and we do all possible energy  
15 conservation measures within a building that  
16 combined have a 15-year payback or better, which  
17 means the longest it would take to recover the  
18 funds from any building would be 15 years, most of  
19 the time they come in a little bit lower.

20 CHAIRPERSON BREWER: Thank you.  
21 Just back to the Civic Center that, I guess, is  
22 what we're in now, my question is for buildings  
23 like Rector Street where OATH exists, they already  
24 have essentially courtroom so you're going to have  
25 to build courtrooms in another leased space. I

2 just want to understand something like that  
3 because it does seem to me, maybe there's a  
4 difference in the square footage, but when we go  
5 to OATH, it seems quite built out, are we moving  
6 to a space that's similarly built out or why would  
7 we be moving something like that?

8 THERESA WARD: So we have to move  
9 out of 40 Rector because the building is being  
10 sold as office condos floor by floor, so we have  
11 to move them.

12 CHAIRPERSON BREWER: Thank you,  
13 that wasn't clear from the testimony. Okay.

14 THERESA WARD: Okay.

15 CHAIRPERSON BREWER: So that, in  
16 other words, so you will have to build out in  
17 another space.

18 THERESA WARD: Yes.

19 CHAIRPERSON BREWER: And then the  
20 other question I have is when we go from agency to  
21 agency, it does seem sometime that there's a lot  
22 of vacant cubicles, understandably there have been  
23 layoffs. And also are all of those types of  
24 situations taken into account? Because, I must  
25 admit, when I go from place to place, there does

2 seem to be a lot of extra empty office.

3 THERESA WARD: Yeah, we have since  
4 I came to DCAS, we've implemented a policy where  
5 we go and we're working on a space program for an  
6 agency where we go and literally count the vacant  
7 desks and count that against headcount and we  
8 really make sure that they get the space that they  
9 need, plus we also have these baseline space  
10 programming guidelines where we're always looking  
11 at an average square footage per employee as well  
12 and it can't be out of line either so--

13 CHAIRPERSON BREWER: [Interposing]  
14 So are there offices that are being consolidated  
15 in some of the ones where you have to move out,  
16 like because a building is been sold?

17 THERESA WARD: Yes, and so often  
18 where if they moved in a long time ago, in many  
19 cases it could be 20 years ago they moved in, as  
20 we're renovating space and moving them into new  
21 space, there's less--it's the open plan  
22 workstation and there's less individual space,  
23 more collaborative space, but overall a lower  
24 square footage per employee.

25 CHAIRPERSON BREWER: When is City

2 Planning Commission supposed to be in-house at 1  
3 Centre Street?

4 THERESA WARD: Their final move is-  
5 -well it's one move and it would be March 2015 is  
6 the schedule.

7 CHAIRPERSON BREWER: The federal  
8 stimulus funding, I think that you have about 40  
9 million from an energy efficiency block grant as  
10 part of the federal stimulus funding. Can you  
11 talk about how it's being used and are you  
12 eligible for any other additional federal funding?

13 ARIELLA MARON: There's actually  
14 three federal stimulus grants that come through  
15 DCAS. The largest is the direct formula grant of  
16 the energy efficiency and conservation block  
17 grant, we received \$80.8 million, and we're  
18 putting that towards nine different activities  
19 which support our overall energy management and  
20 management efforts and efforts to reduce  
21 greenhouse gas emissions, that includes energy  
22 audits, retro commissioning, comprehensive  
23 retrofit projects, improvements to boilers at  
24 Department of Buildings, and energy code study,  
25 and it also included about \$16 million of that,

2 which was 20%, the maximum that we could, is going  
3 into a revolving loan fund to the New York City  
4 Energy Efficiency Corporation to help with energy  
5 efficiency projects in the private sector.

6 CHAIRPERSON BREWER: All right, and  
7 so it does seem of all of that that we would  
8 actually be saving energy in the future and that's  
9 what you're hoping for?

10 ARIELLA MARON: We're already  
11 saving over \$6 million a year since PlaNYC came  
12 out. And in the pipeline of projects right now we  
13 have--so we have 149 projects completed, so  
14 between those completed projects and the pipeline--  
15 -when I say pipeline, I mean either in energy  
16 audit, design, and construction--is \$42 million in  
17 annual energy savings. And every year we're  
18 launching at least 85 additional energy audits,  
19 which become construction projects, which will  
20 lead to additional energy savings.

21 CHAIRPERSON BREWER: Okay. But you  
22 have to figure out how to add more agencies so  
23 that agency can keep the money if they are  
24 efficient.

25 ARIELLA MARON: That's our goal.

2 CHAIRPERSON BREWER: 'Cause right  
3 now, none of my institutions want to help you  
4 'cause they say they can't keep the money.

5 ARIELLA MARON: We've given--

6 [Crosstalk]

7 CHAIRPERSON BREWER: [Interposing]  
8 So you better find a way.

9 ARIELLA MARON: --millions of  
10 dollars to do energy retrofit programs--

11 CHAIRPERSON BREWER: [Interposing]  
12 They don't--

13 ARIELLA MARON: --every single one  
14 of them.

15 CHAIRPERSON BREWER: Well you  
16 better have further conversations with them.

17 Council Member Mealy, another quick  
18 question?

19 COUNCIL MEMBER MEALY: Thank you.  
20 I just want to piggyback on the Chair in regards  
21 to you said that the businesses--Department of  
22 Finance, the two buildings Downtown Brooklyn, 210  
23 Joralemon, you sold it off as condominiums and  
24 then the next building, you put them on the first  
25 floor, Finance, right? Economize. Could you

1  
2 explain to me why that you're going to have to  
3 build another court system in Brownsville at 44  
4 Thomas Boyland, why couldn't we just put them on  
5 the second floor be cost effective? Did you ever  
6 think about doing that since you're trying to save  
7 money?

8 EDNA WELLS HANDY: Okay. Well  
9 there are different interests operating. So when  
10 you're looking at the community court, which is  
11 what is proposed for Boyland Avenue, you want  
12 space that's within the community that is you're  
13 seeking to serve, and similar to other community  
14 courts, it's found that, when those courts are  
15 embedded in areas, underserved areas, or areas of  
16 other kinds of high indicators, that they are more  
17 effective. So as opposed to putting them in a  
18 retail corridor, as Downtown Brooklyn is, with the  
19 work of the Criminal Justice Coordinator and the  
20 interest of Members of the Council, those areas  
21 are identified for community courts. So there are  
22 different interests at play that would result in  
23 different locations.

24 COUNCIL MEMBER MEALY: No, I just  
25 feel that that we already have a probation center

2 there, so a court system and a police department  
3 and a correction facility for juveniles all in one  
4 specific location is not helpful to any community.  
5 That's like insaturating just criminal justice.  
6 We are telling our young people that the only  
7 thing you have to look forward to in Brownsville  
8 is a probation center, a court system. I gave  
9 them, Criminal Justice Coordinator and the  
10 Department of Probation, I gave them a whole  
11 'nother place where they can have a court system  
12 that is already set, you don't need to do  
13 anything, you just walk in. And we as a agency  
14 still felt that it was imperative to just put it  
15 there just to insaturate one area, I'm still feel  
16 sad that it is going there--

17 CHAIRPERSON BREWER: [Interposing]  
18 Council Member, can we continue this conversation  
19 offline just 'cause I got--

20 COUNCIL MEMBER MEALY:  
21 [Interposing] Yes, we will.

22 CHAIRPERSON BREWER: --we got  
23 budget--

24 COUNCIL MEMBER MEALY: Thank you so  
25 much but--

2 CHAIRPERSON BREWER: [Interposing]

3 Thank you very much.

4 COUNCIL MEMBER MEALY: --we will

5 talk.

6 CHAIRPERSON BREWER: One other

7 question would be around the court system. I know

8 that you get reimbursed, I know--couple questions,

9 are there any ways to increase the receipt of

10 reimbursements from the state with regard to the

11 operating costs associated with the courts? And

12 the other reason I ask this, I think we all know

13 judges who are challenged by the state's financial

14 situations and have to leave their courtroom by

15 4:30 in the afternoon and so there's always a case

16 backlog because they can't complete the work that

17 they need to do. So I'm wondering if you are

18 finding if there's any change in the

19 reimbursement, either plus or minus. And also, is

20 there any change in which in the way you do your

21 work because of this, in my opinion, horrible

22 curtailment of hours for the court to be in

23 session?

24 EDNA WELLS HANDY: Okay. I'll ask

25 our Chief Financial Officer, Mr. Badillo, to

2 answer.

3 RICHARD BADILLO: Hi. With regards  
4 to the reimbursement, at one time, and we're  
5 governed by New York State in terms of the  
6 reimbursement formula, all counties throughout New  
7 York State are reimbursed in the same way. At one  
8 time, the City and all the counties used to get  
9 reimbursed about 13% of every dollar they spent.  
10 Now all the counties, including us, are reimbursed  
11 100% for all custodial costs, 100% for supplies to  
12 clean the courts, and 25% for all the engineering  
13 staff. What amounts to an annual payment of  
14 approximately \$45 million per year for all of the  
15 courthouses that we have jurisdiction over, not  
16 including the appellates, the appellate courts,  
17 we're reimbursed 100%. So we've been very  
18 fortunate with the change of the law. Obviously,  
19 every county, including us, would like that  
20 percentage to increase and that's, you know, dealt  
21 with separately through lobbying, et cetera. But,  
22 obviously, the state has their own restrictions  
23 and their own fiscal problems so we don't foresee  
24 that formula being changed anytime soon.

25 CHAIRPERSON BREWER: All right, I

1 want to thank you, Commissioner. We have many  
2 more questions, but we have the Board of Elections  
3 waiting, as you can see, and we appreciate all of  
4 your answers and we look forward to continuing to  
5 work with you. And thank you very much.

7 EDNA WELLS HANDY: And we thank you  
8 for this opportunity.

9 CHAIRPERSON BREWER: Next the New  
10 York City Board of Elections.

11 [Long pause]

12 CHAIRPERSON BREWER: Whenever  
13 you're ready, we are ready to hear you. Welcome.

14 [Pause]

15 DAWN SANDOW: Chairs Recchia,  
16 Brewer, and--

17 CHAIRPERSON BREWER: Got to push  
18 the button. And--

19 DAWN SANDOW: Excuse me.

20 CHAIRPERSON BREWER: --Council  
21 Member Recchia was called to a budget meeting  
22 downstairs but he will return soon, so go ahead.  
23 Thank you.

24 DAWN SANDOW: Chair Brewer and  
25 members of the City Council's Committees on

2 Finance and Governmental Operations, I want to  
3 acknowledge the assistance your Committees have  
4 given to the Board of Elections in the city of New  
5 York.

6 Thank you for giving us the  
7 opportunity to appear before you this afternoon on  
8 behalf of the Board of Elections. For the record,  
9 my name is Dawn Sandow and I am the Deputy  
10 Executive Director of the Board. With us today  
11 are Commissioner Julie Dent of Brooklyn,  
12 Commissioner Jose Araujo of Queens, and  
13 Commissioner Stupp of Queens. Joining me here at  
14 the table are the Board's Administrative Manager,  
15 Pamela Perkins; General Counsel, Steven H.  
16 Richman; Finance Officer, John Ward. Also present  
17 at today's hearings, Director of Management  
18 Information Systems, Steve Ferguson; Director of  
19 Communications and Public Affairs, Valerie  
20 Vazquez-Rivera; Director of Electronic Voting  
21 Systems, John Naudus; Director of Campaign  
22 Financial Reporting Enforcement, Raphael Savino;  
23 Agency Chief Contracting Officer, John Luisi;  
24 Chief Voting Machine Technician, John P. O'Grady;  
25 Coordinator of Language Assistance, Rachel Knipel;

2 HAVA Training Specialist, Stephen Thompson; and  
3 Ballot Coordinator, Thomas Sattie.

4 I would like to thank you for  
5 passing the two citywide Modified Needs that  
6 contained funding for the Board of Elections for  
7 FY '12. In addition, the executive budget  
8 released May 3rd contained 5 million additional  
9 dollars for the Personal Services allocation.  
10 This \$5 million, along with unspent poll worker  
11 funding due to the Commissioner and Executive  
12 Management cost saving measures, will, in all  
13 likelihood, eliminate the PS deficit for FY '12.

14 While having a citywide election in  
15 the last week of the fiscal year does complicate  
16 things, we are on track to return over \$12 million  
17 in Other Than Personal Services, funding well in  
18 excess of the current OTPS Program to Eliminate  
19 the Gap balance. In addition, we will return \$4.3  
20 million dollars in unused reimbursable grant  
21 funding.

22 In FY '12, the Board of Elections  
23 has been careful and conservative with spending  
24 while performing our legally-mandated  
25 responsibilities. However, the news for FY '13 is

2 bleak, none of our new needs were included in the  
3 executive budget. We are again submitting a list  
4 of needs, not a wish list, that are essential to  
5 ensure a smooth process in a presidential election  
6 year that will, in all likelihood, have the  
7 potential for record turnout.

8 To meet our legal obligations under  
9 the Voting Rights Act, the board must include  
10 Bengali in the mandated voter information notice.  
11 Beginning in 2010, the notice had included basic  
12 information on how to use the poll site voting  
13 system. In order to produce a five-language  
14 voter-friendly mailer that also details each  
15 voter's new poll site and districts, the board  
16 estimates that an additional 500,000 is required  
17 to produce this comprehensive informational and  
18 educational notice.

19 In FY '13 executive budget, the  
20 board's sole additional allocation is \$138,000 for  
21 the four positions associated with the addition of  
22 the Bengali language in parts of Queens. We are  
23 in the process of hiring the required two  
24 administrative assistants for translations and  
25 outreach, as well as the required two clerks for

2 the phone bank and outreach. This brings the  
3 number of Board of Elections' permanent full-time  
4 positions to 355.

5 As you know, voter partition in  
6 recent elections in the City of New York has been  
7 low. Although the Board of Elections is not  
8 responsible for voter turnout, we have serious  
9 concerns that we will see a reverse in this trend  
10 for the presidential election this year. The  
11 potential effects of this are a pressing matter  
12 that must be addressed. Due to the fact that  
13 election events must take place early in the  
14 fiscal year, we may run into difficulties earlier  
15 than other agencies that have a more linear  
16 spending pattern. Thus, it is important that the  
17 board receive funding for FY '13 in a timely  
18 manner so that we are able to serve the voters of  
19 New York.

20 The board has a chronic PS deficit  
21 as a result of initial under-funding. As such,  
22 this deficit is not the responsibility of the  
23 Commissioners of the Board of Elections in the  
24 City of New York. This PS deficit is composed of  
25 staff and poll worker payrolls.

2 In the case of reimbursable grant  
3 funding, while the City has to provide the  
4 financial support, the City is reimbursed for more  
5 than 95% of the funds in the fiscal year in which  
6 it is spent. Preparing for the future, we realize  
7 that if next year's municipal primary is moved  
8 from September 2013 to June 2013, we will have at  
9 least one additional unfunded citywide election  
10 event in FY '13, and possibly two in the event of  
11 a run-off.

12 Looking forward to the coming year,  
13 I would now like to address the budgetary needs of  
14 the Board of Elections in the City of New York for  
15 the Fiscal Year ending June 30th, 2013. In order  
16 for the board to fulfill its constitutional and  
17 statutory mission, the City of New York needs to  
18 provide significant additional resources. The  
19 Mayor's Executive Budget for FY '13 contains a  
20 projected shortfall of \$24 million in PS funding  
21 and almost \$24 million in OTPS funding, including  
22 \$8.8 million in a non-itemized Program to  
23 Eliminate the Gap reduction and a 4.3 million in  
24 reimbursable grant funding. This \$48 million  
25 shortfall is particularly alarming in the light of

2 the fact that FY '13 is the year that New Yorkers  
3 will vote for the President of the United States.  
4 Unlike many other agencies, virtually all of the  
5 board's duties, responsibilities, and activities  
6 are prescribed by federal, state, and local law.  
7 The board does not have the discretion to delay or  
8 cancel an election based on municipal budget  
9 shortfalls.

10 First, we urge the City to re-  
11 appropriate to the board for FY '13 the  
12 approximately \$4.3 million remaining from the  
13 funds that have been allocated to the board for  
14 reimbursement under the HAVA grants funded by both  
15 the federal and state governments. These grants  
16 enable the board to make expenditures to improve  
17 poll site accessibility both on a permanent and  
18 temporary basis, as well as to undertake certain  
19 poll worker training and public education  
20 activities. The federal and state grant programs  
21 have been extended through the 2012 election cycle  
22 and the board anticipates fully utilizing these  
23 funds during the presidential election year.

24 I am going to take a few minutes to  
25 briefly highlight the five key areas where the

2 board requires additional resources to ensure a  
3 successful 2012 election cycle. As you are aware,  
4 our poll workers, due to an IRS ruling, are  
5 considered New York City employees. As a result  
6 of this, they are paid out of the PS allocation.  
7 The FY '13 allocation for poll workers is \$14.7  
8 million, we believe that this is \$9.7 million  
9 short of the amount needed to train and deploy  
10 over 35,000 poll workers for two events in the  
11 fall of 2012, including the presidential general  
12 election.

13 Without yearly funding for the \$75  
14 performance incentive bonus, the board feels we  
15 will have a difficult time retaining poll workers  
16 through a full election cycle, as well as  
17 attracting new applicants. These poll workers are  
18 working longer hours on a relatively new system--  
19 over 17 hours on an election day. Poll workers  
20 must attend a six-hour training class, pass the  
21 exam, and work two or more elections per year to  
22 be eligible for this performance incentive bonus.

23 In 2010, this bonus was set at  
24 \$100. In 2011, the board reduced it to \$75.  
25 Without additional funding in 2012, we will have

2 to reduce the bonus to the \$35. At \$35, the board  
3 will likely lose experienced staff critical to  
4 running a smooth election and diminish our ability  
5 to recruit new poll workers.

6 It is our goal to encourage the  
7 poll workers to meet the criteria for this  
8 performance incentive bonus, which will give us  
9 poll sites that are staffed with trained and  
10 experienced poll workers on election day. The  
11 board intends this figure of \$75 for the bonus  
12 shall stand as the baseline through which we  
13 retain and attract poll workers in both this  
14 fiscal year and the out years. Please see  
15 Attachment 1 if you have any questions.

16 In addition to the compensation for  
17 our vital election day human resources, the board  
18 will incur additional costs relating to facilities  
19 used for training poll workers. With the dramatic  
20 change in the way we train poll workers--small  
21 class size and hands-on training with new  
22 equipment--last year the board needed and will  
23 continue to require a greater number of sites with  
24 adequate space to accommodate the hands-on  
25 component. The board is working with the New York

2 City Department of Education to utilize public  
3 schools as poll worker training sites, however,  
4 these facilities are not cost-free. The board  
5 estimates the need for an additional \$400,000 in  
6 rent money to secure these training sites.

7 Furthermore, we feel that this new  
8 need should be baselined in our poll site training  
9 site budget going forward. Poll workers and poll  
10 sites are obviously an essential part of the  
11 voting experience. The board continues to ask the  
12 City for support to ensure it has the resources in  
13 advance to adequately train poll workers.

14 The Board's Management Information  
15 Systems department continues to maintain, develop,  
16 and operate all major systems, which the Board of  
17 Elections depends on to meet its mandated  
18 responsibilities to the voters of the City of New  
19 York. The applications, which are integrated in  
20 the S-Elect/AVID system, are listed below.

21 All these systems require  
22 continuous maintenance, upgrading, expansion, new  
23 application developments to meet new and changing  
24 requirements. Some major examples have been the  
25 implementation of changes in response to the MOVE

2 Act, Statewide Database Interface modifications,  
3 our Inventory Control Management, and a new  
4 version of our Election Day Call Center  
5 application. MIS continues to accomplish this  
6 with a small dedicated staff and the support of  
7 our highly knowledgeable and technical development  
8 contract group--IMI, SageSmith, and n-Tier. The  
9 current total cost for all three contracts is \$1.4  
10 million per year.

11 We must also upgrade our network  
12 facilities which interconnect the BOE central  
13 office, all our borough offices, and voting  
14 machine facilities. Our processing workload and  
15 real time requirements dictate the installation of  
16 a 50 Megabit EPL high speed network. The eight  
17 EPL lines will have an annual rental cost of  
18 \$264,000. In addition, there is a one-time cost  
19 in FY '13 of \$100,000 to install the EPL lines.

20 Due to the need to process a  
21 greater volume and the increased size of voter  
22 registration forms, the board needs six high speed  
23 scanners costing \$25,000 each, for a new need  
24 total of \$150,000. In addition, Microsoft  
25 software upgrade licenses are needed agency-wide

2 with an approximate cost of \$150,000.

3 The current poll site voting system  
4 requires the Board of Elections to deploy and  
5 retrieve over 50,000 pieces of equipment at least  
6 twice a year to over 1,350 poll sites within a  
7 very short time frame. In addition, for every  
8 election, the board has to transport an increased  
9 number of monitoring teams and technicians to  
10 every corner of the city. For the 2012 election  
11 cycle, the estimated cost to the board for  
12 contracted transportation will be approximately  
13 \$4.5 million; the Mayor's Executive Budget  
14 allocates only \$2.75 million for this need; this  
15 leaves the board with a shortfall in the amount of  
16 \$1.75 million.

17 Educating the public about voting  
18 and accommodating their expectations is a critical  
19 element of successful elections and a necessary  
20 component of a relatively new voting system. It  
21 is imperative that the board have an ongoing  
22 public education effort in order to ensure an  
23 informed voting public and a larger poll worker  
24 outreach pool.

25 As I mentioned before, the board

2 has a new legal obligation under the Voting Rights  
3 Act to provide ballots, poll site interpreters,  
4 and all voting information in Bengali, as well as  
5 oral assistance in Hindi. In response to your  
6 suggestions, the board changed the voter  
7 information notice to be more informative and  
8 reader friendly. In order to produce a five-  
9 language voter-friendly mailer that also details  
10 each voter's new poll site and districts, the  
11 board estimates that an additional \$500,000 is  
12 required to produce this comprehensive  
13 informational and educational notice. The board  
14 urges you to fund this enhancement. If this  
15 additional funding is not provided, then the board  
16 will be limited to the current resources and the  
17 mailer will only include the legally-mandated  
18 information, omitting all of its educational  
19 components. You all have a mock-up of the mailer.

20 Burson-Marsteller was brought in to  
21 support the new voting system initial rollout in  
22 2010 and since then has supported the board's  
23 ongoing public education efforts. The board  
24 anticipates a large voter turnout for the  
25 presidential election, which may include many

2 first time voters. The board, therefore, needs to  
3 engage in an education campaign that serves as  
4 both a refresher for those who used the new system  
5 in recent elections and also as an introduction  
6 for voters who have not voted since the new voting  
7 system was rolled out in 2010. The board needs to  
8 continue its contract with Burson-Marsteller to  
9 help shape the various campaign elements in a not  
10 to exceed contract of \$300,000.

11 In an effort to embrace new  
12 technology, the board would like to purchase two  
13 additional software-based tools: Poll Site  
14 Locator and Sample Ballot Application. The  
15 smartphone app will allow New York City voters to  
16 locate their poll site and view their sample  
17 ballot. This app will be developed and deployed  
18 to run on multiple mobile platforms including iOS-  
19 -iPhone and iPad--as well as Android and  
20 Blackberry devices. There is a one-time  
21 development cost of 144,000 for this project.

22 Poll Site Reporting Tablet  
23 Application. This tablet will allow our voting  
24 machine technicians, AD monitors, and field staff  
25 to electronically report all issues at our poll

1 sites in real time. In addition, all AD monitor  
2 reports will be completed and submitted on a site  
3 electronically to our Election Day Operations unit  
4 in real time. Features to be included: Alert Push  
5 Notifications to alert techs in the field of the  
6 site issues in real time; check in/out at a poll  
7 site, a feature that would allow us to track  
8 resolutions in real time; complete and  
9 electronically submit onsite monitoring forms and  
10 incident reports in real time--ADA compliance  
11 information, poll worker attendance, scanner, and  
12 BMD status; and take and submit photos vital to  
13 document poll site accessibility. There is a one-  
14 time cost for the vendor to design the poll site  
15 reporting application of \$160,000 and a cost of  
16 180,000 for 450 tablets. The board would incur a  
17 six-month service cost each year totaling  
18 approximately \$216,000.

19  
20 With a relatively new system that  
21 continues to go through hardware and software  
22 improvements, the board believes that it is  
23 essential to continue having the vendor provide  
24 expert training and support to key personnel,  
25 including our voting machine technicians and EVS

2 programmers. Our staff continues to become more  
3 proficient in preparing the scanners, Ballot  
4 Marking Devices, and the Election Management  
5 System software. The voting equipment firmware  
6 and software will once again be upgraded with  
7 modifications for use in the FY '13 elections  
8 requiring training and support from ES&S. This  
9 support for the September primary and the November  
10 Presidential General Election will cost a total of  
11 \$5 million.

12 In addition, Dominion Voting  
13 Systems support for the Teamwork System, which  
14 counts absentee and affidavit ballots, will cost  
15 280,000 for the September primary and the November  
16 Presidential General Election. There will also be  
17 a need for replacement parts for over 16,000  
18 privacy booths deployed each election at an  
19 estimated cost of \$100,000.

20 The conduct of fair, honest, and  
21 open elections is a fundamental right in our  
22 democracy and the under-funding in the Mayor's  
23 Executive Budget for Fiscal Year 2013, a  
24 presidential election, is cause for great alarm.  
25 We are aware of the fiscal situation and

2 identified our essential needs based on feedback  
3 from the voters of the city, good government  
4 groups, staff, as well as elected officials across  
5 the city. At present, no funding for any of these  
6 priorities is included in the Mayor's Executive  
7 Budget for Fiscal Year 2013.

8 Thank you again for your time and  
9 for allowing us to come before you on behalf of  
10 the Board of Elections in the City of New York  
11 today. As always, my colleagues and I are  
12 available to answer any questions or concerns that  
13 you may have.

14 CHAIRPERSON BREWER: Thank you very  
15 much. I'll have a few questions and I'm sure my  
16 co-chair will, and others too.

17 Just in terms of the election  
18 costs, can you be specific about how much the  
19 state primary and then the general election, each  
20 one you think will cost. And then also, in order  
21 to do that, how much are you anticipating the  
22 printing of the ballots to cost and can you do  
23 some consolidation of election districts? I know  
24 it's always a controversial issues, but for the  
25 public, it seems to make sense.

2 DAWN SANDOW: The past few  
3 elections we have consolidated election districts  
4 and a lot of our savings, we are returning the 12  
5 million come from the consolidation and also the  
6 reduction in the ballots that we order. The  
7 election costs for September 2012 state primary  
8 election is 20 million; the November 2012 general  
9 election is also 20 million.

10 CHAIRPERSON BREWER: Okay. And  
11 when you talk about the printing of ballots, do  
12 you know are you going to be printing fewer or  
13 more or have you not decided yet?

14 DAWN SANDOW: Right now, as it  
15 stands, the June 26th and the September primary,  
16 we're keeping it at the 75%, which we had lowered,  
17 but the presidential may be more.

18 CHAIRPERSON BREWER: Okay. The end  
19 of the day issue, I don't know what else to call  
20 it, how are you going to be doing that  
21 differently? Is there a cost associated with  
22 doing it differently, et cetera?

23 DAWN SANDOW: Are you talking about  
24 the closing procedures for the poll workers?

25 CHAIRPERSON BREWER: Yes, I call

2 scissors and scotch tape, but I know there's a  
3 more sophisticated name.

4 DAWN SANDOW: Well we are working  
5 and continually acting to seek law changes by the  
6 state legislator to allow the results tapes from  
7 the scanners to be the return of canvas. We have  
8 worked, I believe, it two or three times we met  
9 with Assemblyman Kavanagh to work with his bill on  
10 Article 9 to have legislation changed.

11 CHAIRPERSON BREWER: Okay. But  
12 what will it be for June and then, of course,  
13 going into next year, is there any change in the  
14 procedure and are there any cost differences even  
15 before legislation does or does not pass in  
16 Albany?

17 DAWN SANDOW: Right now, it is  
18 basically in our poll worker training and the  
19 return of canvas. There is not going to be any  
20 costs for the closing procedures. We did do a  
21 pilot program in Queens, it was very successful,  
22 however, due to the laws not being changed or  
23 amended, we feel that it would--to move forward to  
24 Staten Island, which is what we intended to do in  
25 June, it would not be a good cost of money.

2 CHAIRPERSON BREWER: It would not  
3 be...?

4 DAWN SANDOW: To use that money,  
5 it's not beneficial.

6 CHAIRPERSON BREWER: Okay.

7 DAWN SANDOW: We did do the pilot  
8 twice in Queens--

9 CHAIRPERSON BREWER: I know you  
10 did.

11 DAWN SANDOW: --we have the  
12 procedures all written. If legislation is  
13 changed, we are ready to go, and we are prepared,  
14 but we feel to move it to Staten Island without  
15 any amendments to the laws--

16 CHAIRPERSON BREWER: Okay.

17 DAWN SANDOW: --we don't want to  
18 use that money.

19 CHAIRPERSON BREWER: Something else  
20 that just I was asked about which is the storage  
21 fees. You've got the old elephants and then you  
22 have the current, and I just didn't know if  
23 they're overlapping costs, any savings potentially  
24 there?

25 DAWN SANDOW: This is something

2 that was brought before the full board yesterday.  
3 At 645 Clinton Street, where we do house the lever  
4 machines, which I think everybody is so afraid to  
5 get rid of, it is--

6 CHAIRPERSON BREWER: I'm not.

7 DAWN SANDOW: --it is 1.1 million--

8 CHAIRPERSON BREWER: Per year.

9 DAWN SANDOW: --if--yes, it is.

10 Our lease expires 2014, but we have our facilities  
11 manager has discussed with the landlord getting  
12 out of that lease sooner. At for--

13 CHAIRPERSON BREWER: [Interposing]  
14 When you say discussed, is that a board vote or  
15 that would be--well how would you make that  
16 decision?

17 DAWN SANDOW: Well this would come  
18 to a board vote, but we did talk to the owner of  
19 the building to get out of the lease sooner and  
20 there would be no issue with that.

21 CHAIRPERSON BREWER: Okay. So it--

22 DAWN SANDOW: We will--

23 CHAIRPERSON BREWER: --could be a  
24 savings.

25 DAWN SANDOW: Yes, it's a savings

1 of 1.1 million. And at 4312 Second Avenue, we  
2 have the third and fourth floor which we would  
3 like to consolidate to the first floor, which  
4 would save us another million, which is a total  
5 savings of \$2.1 million.  
6

7 CHAIRPERSON BREWER: Okay. So how  
8 would one implement these? In other words, are  
9 they--I know you indicated that at Clinton Street  
10 the owner is willing to move a bit quickly, is  
11 this--

12 DAWN SANDOW: [Interposing] We have  
13 brought this--

14 CHAIRPERSON BREWER: --going to  
15 happen? 'Cause, you know, 2 million is--

16 DAWN SANDOW: [Interposing] It will  
17 happen eventually, it was brought before the full  
18 board on Tuesday and the commissioners did table  
19 it to discuss further. I can't tell you when that  
20 will be coming up again.

21 CHAIRPERSON BREWER: As we should  
22 all, I will advocate for that. No, go ahead. The  
23 other question I have would be--

24 DAWN SANDOW: [Interposing] We  
25 would also, the City would be receiving a great

2 deal of money in salvage from the lever--

3 CHAIRPERSON BREWER: [Interposing]

4 Somebody is going to--

5 DAWN SANDOW: --machines.

6 CHAIRPERSON BREWER: --buy the  
7 elephants?

8 PAMELA PERKINS: They're going to  
9 sell them.

10 DAWN SANDOW: They would probably  
11 sell them, yeah--

12 CHAIRPERSON BREWER: Oh.

13 DAWN SANDOW: --scrap metal.

14 CHAIRPERSON BREWER: Okay. So  
15 there are--

16 DAWN SANDOW: [Interposing] And we  
17 are taking some of the voting machines that were  
18 in 9/11 that have the posters and we are going to  
19 be donating it to a museum, probably 9/11 Museum.

20 STEVE RICHMAN: Council Member, we  
21 have--

22 CHAIRPERSON BREWER: [Interposing]  
23 Can you introduce yourself?

24 STEVE RICHMAN: Steve Richman  
25 general counsel. We have preserved basically

2 clothed the sheath in plastic including the dust,  
3 the voting machines that were removed from 1 World  
4 Financial Center and the High School for  
5 Leadership, both within a block of the Trade  
6 Center site on 9/11. We are begun discussions  
7 with the 9/11 Museum, the Museum of the City of  
8 New York, and the State Museum as for appropriate  
9 locations, as well as probably preserving a few  
10 for historical record at the board facilities.

11 CHAIRPERSON BREWER: Great, I think  
12 that would be very important for all of us, thank  
13 you.

14 The issue too of the machines that  
15 may be challenged in terms of how they work.  
16 Obviously, I'm referring only to the Daily News  
17 editorial, which is not your favorite publication,  
18 on a regular basis talking about the Board of  
19 Elections, but there was a story about a scanner  
20 and so on that didn't work. Is that incorporated  
21 into your budget to make sure that that doesn't  
22 happen, if it did happen?

23 DAWN SANDOW: There was a scanner  
24 that--it's not that the scanner did not work,  
25 there was an issue with the scanner. They feel--

2 there was three different reports done: one from  
3 the New York City Board of Elections, one from the  
4 State Board, and one from ES&S. They have  
5 concluded and--

6 [Crosstalk]

7 CHAIRPERSON BREWER: [Interposing]  
8 Who's they? I'm sorry.

9 DAWN SANDOW: The state board.

10 CHAIRPERSON BREWER: State board.

11 DAWN SANDOW: The state board had  
12 recommended that we start our scanners much  
13 earlier before we start testing them. They feel  
14 that it was there was two different  
15 interpretations that once it reached a certain  
16 temperature, it started to--how do I say it--  
17 record over votes where there none. This is one  
18 scanner in the Bronx. This scanner was removed  
19 and replaced by ES&S. Procedures for testing has  
20 changed.

21 They also mentioned, the state  
22 board also mentioned the calibration and the  
23 cleaning of the machine, which was already in our  
24 procedures. So we continue to do that.

25 CHAIRPERSON BREWER: Okay.

2 DAWN SANDOW: But it's one scanner  
3 out of--

4 CHAIRPERSON BREWER: [Interposing]  
5 All right, so you think that that was an isolated  
6 incident.

7 DAWN SANDOW: We hope it is, but we  
8 are keeping track of it and monitoring, and we are  
9 putting in our procedures that before testing  
10 begins, all scanners are to be turned on three  
11 hours before.

12 CHAIRPERSON BREWER: I'll come  
13 back. Council Member Mealy.

14 COUNCIL MEMBER MEALY: Good  
15 afternoon.

16 DAWN SANDOW: Good afternoon.

17 COUNCIL MEMBER MEALY: I just have  
18 a few questions in regards to the PMDs. How much  
19 money would this save if you reuse them? Are you  
20 going to reuse them in this next election?

21 DAWN SANDOW: Yes. Yes, we have  
22 procured a server which cost the board \$100,000,  
23 but this server will be backing up all the  
24 information on our PMDs so we can reuse them,  
25 saving millions and millions of dollars.

2 COUNCIL MEMBER MEALY: Okay. How  
3 can you reduce the costs associated with the  
4 districts having been drawn into places where very  
5 few or no registered voters?

6 STEVE RICHMAN: We have proposed  
7 legislation in which I am pleased to say has  
8 actually gotten traction. For EDs with less than  
9 ten voters, Assemblyman Michael Cusick, who chairs  
10 the Assembly Election Law Committee, introduced  
11 the bill last week, it was our proposal which we  
12 submitted, I believe, three weeks ago, so this may  
13 become a record for state legislative action.  
14 Election Law Committee is going to report it out  
15 next week. We were in Albany, the commissioners  
16 and myself, last week and it looks like the Senate  
17 will pick it up too. So at least in those cases,  
18 we will be able to consolidate EDs without regard  
19 to the number of voters in the new ED if it's less  
20 than ten, so those could deal with the smaller  
21 ones.

22 The other area is that the law  
23 limits us in a primary and in the general election  
24 where there is either an election for mayor,  
25 governor, or president and where we can combine

1  
2 EDs. It's from EDs of less than 100, the combined  
3 ED can't have more than 500 voters. But in an  
4 effort to reduce costs overall in drawing the new  
5 election districts, which have just been completed  
6 following the enactment of the state legislative  
7 redistricting lines, we've increased the basic  
8 size of the election district. Ten years ago, the  
9 guidance when the lever machine was limited to 800  
10 voters when you needed a second one, we targeted  
11 the EDs to between 650 and 750 active voters.  
12 Currently, we targeted new EDs that have just been  
13 drawn to between 1,000 and 1,100 voters, 1,150  
14 being the limit.

15 We've also proposed legislation,  
16 which, again, is getting some traction, to  
17 increase the size of an ED legally throughout the  
18 whole state up to 3,000 voters. Senator O'Mara,  
19 who chairs the Senate Election Law Committee,  
20 introduced that, it was on the agenda for the  
21 committee that was meeting this week, I have not  
22 checked yet, but it looks like there's some  
23 movement to move that along as well. So there may  
24 be some statutory changes that allow us to create  
25 larger election districts, thereby reducing the

2 number of poll workers needed.

3 COUNCIL MEMBER MEALY: That's good.  
4 So the real time paper that machine for real time,  
5 do you think that was a cost effective for this  
6 last election real--did you all use it the last  
7 election, the presidential?

8 STEVE RICHMAN: Use what? No, the  
9 new system has never been used in a presidential  
10 election yet.

11 COUNCIL MEMBER MEALY: As of yet.  
12 Not even--

13 STEVE RICHMAN: The first election  
14 was--

15 COUNCIL MEMBER MEALY: --republican  
16 election?

17 STEVE RICHMAN: In a republican  
18 presidential primary, it was used.

19 COUNCIL MEMBER MEALY: So did the  
20 real time information help the ADA monitors?

21 STEVE RICHMAN: We didn't--

22 DAWN SANDOW: No, Councilwoman,  
23 we're requesting funding to purchase those tablets  
24 so that for future elections--

25 COUNCIL MEMBER MEALY:

2 [Interposing] Oh, so you're requesting--

3 DAWN SANDOW: --we don't have the  
4 money. Yes, we are requesting it.

5 COUNCIL MEMBER MEALY: I think we  
6 really should 'cause the ADA monitors are very  
7 important, they let us know exactly what is going  
8 on right there onsite and I think I need an extra  
9 cell phone on election day just for the ADA  
10 monitors, they calling me and saying you got to do  
11 something. So I feel that those tablets will work  
12 tremendously.

13 DAWN SANDOW: Those tablets would  
14 help us tremendously, especially with ADA  
15 compliance information. And the procedure right  
16 now is these ADA monitors are given, they're all  
17 walking out with suitcases--

18 COUNCIL MEMBER MEALY: Yes.

19 DAWN SANDOW: --they have surveys  
20 to fill out, they have forms to fill out as far as  
21 ADA compliance, as far as poll worker's  
22 attendance. If we had these tablets, this would  
23 enable them to put the information in while  
24 they're in the poll site and it would be  
25 electronically sent to our EDO unit.

2 COUNCIL MEMBER MEALY: Okay.

3 DAWN SANDOW: So that would help us  
4 tremendously because after an election, these AD  
5 monitors hand in their reports. When they had in  
6 their reports, they have to be translated by our  
7 staff and then put into another report. So this  
8 would save a lot of time.

9 COUNCIL MEMBER MEALY: Okay. But  
10 still, how can we rectify if something is  
11 happening right then, will those tablets--

12 DAWN SANDOW: [Interposing] Yes,  
13 those tablets--

14 [Crosstalk]

15 COUNCIL MEMBER MEALY: --you all  
16 will send someone out right away to rectify it?

17 DAWN SANDOW: Yes. In real time.

18 COUNCIL MEMBER MEALY: That's good.  
19 And just for the record, I feel you can't go any  
20 lower, \$35, people will not want to work the polls  
21 for \$35.

22 DAWN SANDOW: I know it.

23 COUNCIL MEMBER MEALY: So I think  
24 we really have to start addressing that.

25 DAWN SANDOW: [Interposing] Well

1  
2 it's an incentive bonus and when it we--

3 COUNCIL MEMBER MEALY:

4 [Interposing] Just a incentive but--

5 DAWN SANDOW: Yes. It is.

6 COUNCIL MEMBER MEALY: That \$75 was  
7 good, \$100, please.

8 CHAIRPERSON BREWER: Okay.

9 COUNCIL MEMBER MEALY: Thank you,  
10 Chair.

11 CHAIRPERSON BREWER: Thank.  
12 Council Member Dickens.

13 COUNCIL MEMBER DICKENS: Thank you  
14 so much. I don't know if I quite agree, because  
15 when I worked the polls I didn't get any incentive  
16 bonus. So I don't know, I mean that's  
17 questionable for me.

18 However, thank you so much for your  
19 testimony. Pam, I hardly recognize you, you look  
20 beautiful.

21 Ms. Sandow--

22 DAWN SANDOW: Yes.

23 COUNCIL MEMBER DICKENS: --in your  
24 testimony just a few moments ago, you indicated  
25 that the PMDs for the system that you--the pilot

2 system in Queens that you tried went very well,  
3 but if my memory serves me correct, at a hearing,  
4 there was a lot of complaints about that. So  
5 that's what I'm asking because--

6 DAWN SANDOW: [Interposing] We just  
7 had the first pilot that we did in Queens, which  
8 was last year--

9 COUNCIL MEMBER DICKENS: Last year.

10 DAWN SANDOW: --which did not go  
11 well, and a lot had to do with the third pick up  
12 and the NYPD, but this pilot program in Queens  
13 went very well. We--

14 COUNCIL MEMBER DICKENS:

15 [Interposing] So you resolved all or most of the  
16 issues.

17 DAWN SANDOW: Yeah, yes. We  
18 knocked out the glitches, we also are prepared to  
19 move forward, like I said, we have our procedures  
20 in place and we've also come up with some new  
21 procedures that would help things move quickly as  
22 far as scanning the bags and the PMDs as they come  
23 in the door instead of having to fill out a form.  
24 So it did go well.

25 COUNCIL MEMBER DICKENS: All right,

2 thank you. Steve, larger EDs that you speak  
3 about, although would have cost savings  
4 attributable, would that not make it a longer  
5 distance for voters to have to travel to a poll  
6 site?

7 STEVE RICHMAN: Not necessarily.  
8 As you know, Council Member, many of our poll  
9 sites, particularly in the urban core area as  
10 opposed to Staten Island and parts of Brooklyn,  
11 you have clusters now in either public schools or  
12 the polls that's of six or eight EDs. If they met  
13 the political subdivisions, we may be able to  
14 reduce that to three. We'd be able to have the  
15 inspectors service the voters, we'd probably break  
16 up the sign-in book into multiple parts to move it  
17 along.

18 The fact is that that's where any  
19 bottleneck would take place is in the sign-in  
20 table. Filling out the privacy booths, we have  
21 more than enough booths available and the scanner  
22 now shouldn't take more than a minute or so for a  
23 voter to feed in the ballot.

24 COUNCIL MEMBER DICKENS: No, but,  
25 Steve, I mean, the travel distance, if you--

2 STEVE RICHMAN: [Interposing] But  
3 they're all voting in the same poll site now,  
4 Council Member.

5 COUNCIL MEMBER DICKENS: So but, I  
6 mean, if you extend an ED and make it larger,  
7 meaning by blocks, is that how you make it larger?

8 STEVE RICHMAN: Well, for example,  
9 now if we take the area around City Hall, you may  
10 have an ED now, let's say City Hall was the poll  
11 site--

12 COUNCIL MEMBER DICKENS:  
13 [Interposing] No, let's take my district, I  
14 understand my district.

15 STEVE RICHMAN: Well let's take the  
16 Harlem State Office building, okay? We now, I  
17 believe, have three EDs at the Harlem State Office  
18 building, you probably have one going from 126th  
19 maybe to 128th, one from 125th to 121st, and maybe  
20 one going up maybe as far as Amsterdam Avenue  
21 along with the 123--

22 COUNCIL MEMBER DICKENS:  
23 [Interposing] Oh no, not at the Powell State  
24 Office building we don't, but go ahead.

25 STEVE RICHMAN: But the idea would

2 be that those voters in those EDs are now going to  
3 the one poll site. Rather than have them have  
4 three separate ED tables each of them requiring  
5 four inspectors, we would hope we would be able to  
6 create--if all the political subdivisions lined  
7 up, so, for example, all three EDs had the same  
8 congressional district, state senate district,  
9 assembly district this year, they could be  
10 combined into one ED and we would staff it,  
11 instead of four, maybe 6 inspectors instead of 12.  
12 And then also by that process we could also then  
13 free up some space, because that's another issue  
14 for us. We would still need the space required  
15 for both the scanners and the ballot marking  
16 device, but if we could eliminate three of the  
17 tables and instead of having three tables, even if  
18 we have to spread the new team out among two  
19 tables, we increase space, which is--and I look at  
20 the Harlem State Office building 'cause we were  
21 there on the Republican presidential primary day,  
22 even with a combined ED--

23 COUNCIL MEMBER DICKENS:

24 [Interposing] That's not a good day to look at a--

25 STEVE RICHMAN: [Interposing] But

2 the space for our poll workers was--

3 COUNCIL MEMBER DICKENS: --the  
4 republican primary.

5 STEVE RICHMAN: --very small.  
6 Council Member, the space there is very small.  
7 Given the way they're done, they're off in the  
8 corner. I'm concerned on November of this year  
9 there will be much longer lines and still that  
10 same limited amount of space.

11 So that's something we've been  
12 looking for all along, and that's something that  
13 we've been shared by, not just the city board  
14 commissioners, but the commissioners throughout  
15 the state, this has been the proposal from the  
16 state commissioners as well. I think everybody's  
17 looking forward to take advantage of the new  
18 technology.

19 COUNCIL MEMBER DICKENS: All right.  
20 And with the new technology, you know, it seems to  
21 take a longer time for the poll inspectors to  
22 check out. I mean--

23 STEVE RICHMAN: Yeah.

24 COUNCIL MEMBER DICKENS: --and  
25 sometimes some of them are there, at least our

1  
2 experienced poll workers, [off mic] and they seem  
3 to take two and three hours to get out of there.

4 STEVE RICHMAN: Well, Commissioner,  
5 it's--look, we did a trade off and that's  
6 something we're going to evaluate in light of the  
7 new EDs. Other jurisdictions did one scanner for  
8 one each ED so as a result, at the end of the  
9 night, absent large numbers of emergency ballots  
10 or breakdowns, they basically could hit the close  
11 polls button, produce the tape for that ED, and  
12 then all combined on one tape, sign the return of  
13 canvas, hand the PMD and the return of canvas to  
14 the transporter and move. The commissioners made  
15 a conscious and deliberate decision to try to  
16 prevent any type of interruption of voting using  
17 the new voting system by putting at least two  
18 scanners at every poll site, but the election law  
19 still requires that results be reported by  
20 election district. So as a result with the two  
21 scanners--and, again, the technology may be there,  
22 but, legally, we can't, for example, connect the  
23 two scanners together to produce a report. That's  
24 one of the proposal we thought of.

25 One of the ideal situations would

1  
2 be using the advantage of electronic technology  
3 would be when you hit the close polls button, that  
4 it's wirelessly transmit the results to a central  
5 count station. That's going to require a major  
6 change in state law and a fundamental change in  
7 the attitude of many people who don't trust the  
8 electronic system. One of the advantages we may  
9 get if we expand the EDs, the size is that,  
10 without having to buy too much new equipment, we  
11 may be able to go back and have one scanner for  
12 each ED, in which case, given that everything goes  
13 well during the day and there's not a large number  
14 of unaccounted for emergency ballots, they can hit  
15 the button and sign the tape, and that would get  
16 them out a little quicker. But I think, clearly,  
17 as they become more experienced with the system,  
18 the time has gone down.

19 We've also been fortunate that in  
20 the last several elections we've had a quote light  
21 ballot. And, again, for better or for worse, the  
22 result of this year having two sets of primaries,  
23 both primaries are going to have light ballots.  
24 We're only going to have federal offices on June  
25 26th, we're only going to have state offices and

1 party positions in September. The true test again  
 2 is going to be in November, when everybody's on  
 3 the ballot, and that's something we were looking  
 4 for.  
 5

6 The legislature is not as engaged,  
 7 or I should say reach a consensus on how to  
 8 improve the closing procedures, I think we're  
 9 making much more progress with respect to  
 10 improving the ballot design.

11 COUNCIL MEMBER DICKENS: All right.

12 STEVE RICHMAN: But before I go,  
 13 one of the commissioners who joined us is  
 14 Commissioner J.C. Polanco from the Bronx has also  
 15 joined us here today, I wanted--

16 [Crosstalk]

17 COUNCIL MEMBER DICKENS:  
 18 [Interposing] Thank you, thank you so much.

19 STEVE RICHMAN: --to you.

20 COUNCIL MEMBER DICKENS: Thank you,  
 21 Commissioner, also.

22 One last thing, this is state--

23 DAWN SANDOW: [Interposing] I just  
 24 want to make--

25 COUNCIL MEMBER DICKENS: Oh.

2 DAWN SANDOW: --one announcement,  
3 I'm sorry, 'cause I would like everybody to know  
4 that the commissioners have asked our vendor to do  
5 a public demonstration of the wireless remote  
6 transmission, so that will be coming up and we  
7 will be posting it on our website and we will let  
8 everyone know when that takes place.

9 COUNCIL MEMBER DICKENS: That's  
10 good. What is the primary, the state primary  
11 date?

12 STEVE RICHMAN: It is--

13 COUNCIL MEMBER DICKENS: Because  
14 I've been hearing--

15 STEVE RICHMAN: By action of the  
16 legislature and the governor, it is now September  
17 13th, Thursday. However, that is still awaiting  
18 pre-clearance by the Attorney General, but, given  
19 the fact that they did the same in 2007, I  
20 anticipate that the Department of Justice will  
21 grant pre-clearance under the Voting Rights Act  
22 within the next 60 days.

23 COUNCIL MEMBER DICKENS:  
24 [Interposing] And this is what you're going to  
25 send out in August, is this--

2 STEVE RICHMAN: [Interposing]

3 That's required to go out between August 1st, the  
4 5th to the voters, but this year is a special  
5 year, not only given the change in date of the  
6 election, but it is a redistricting year, so  
7 every--almost every voter will at least get a  
8 different ED and possibly AD number where they're  
9 going. They may go to the exact same poll site,  
10 but as a result of reapportionment this year, a  
11 63rd Senate district, the redrawing of the  
12 Assembly lines, the growth of population here in  
13 the city, the boundaries have been changed. So,  
14 for example, in Manhattan, we used to begin  
15 Assembly districts with number 64, this year, the  
16 lowest is 65 and so everything else will move  
17 accordingly--

18 COUNCIL MEMBER DICKENS:

19 [Interposing] Change, yes.

20 STEVE RICHMAN: --so that's why I  
21 think it's key that, not only do we get the  
22 required legal information, which is the outside  
23 page. But you have urged us and we heard you loud  
24 and clear that give the voters more information,  
25 we now have to do it though in a fifth language,

1 and that's why we need the extra funding.

2 COUNCIL MEMBER DICKENS: When are  
3 you going to send out a mailing for the federal  
4 primary?  
5

6 STEVE RICHMAN: We do not.

7 COUNCIL MEMBER DICKENS: You do not  
8 send out. So there's no notice really given to  
9 the public to let them know that there is a  
10 primary--

11 STEVE RICHMAN: [Interposing] We  
12 have to do ads, so there will be ads appearing in  
13 two English language newspapers, two Chinese  
14 language newspapers, a Spanish language and Korean  
15 language and a Bengali newspaper--

16 COUNCIL MEMBER DICKENS:  
17 [Interposing] Which papers in the English? I'd  
18 like to know. Do you know?

19 STEVE RICHMAN: Valerie Vazquez,  
20 our Director of Public Affairs could--

21 COUNCIL MEMBER DICKENS:  
22 [Interposing] I just would like to know just  
23 quickly.

24 MALE VOICE: Would you like to sit?

25 VALERIE VAZQUEZ: Citywide

1  
2 newspapers alternate between the New York Post  
3 and/or the Daily News according to the ad rate at  
4 the moment.

5 COUNCIL MEMBER DICKENS: And you  
6 don't do any in the local--

7 CHAIRPERSON BREWER: [Interposing]  
8 You have to identify--

9 COUNCIL MEMBER DICKENS: --papers  
10 where like the Columbia Spectator or some of the--  
11 where people actually read them when they don't  
12 read the Post and the News any longer, they read  
13 them online. And will be that online? And not  
14 online for the board, but online for the newspaper  
15 since you're putting it in the paper. Do you  
16 understand what I'm asking?

17 VALERIE VAZQUEZ: For the record,  
18 my--

19 CHAIRPERSON BREWER: [Interposing]  
20 Please introduce yourself.

21 VALERIE VAZQUEZ: --for the record,  
22 my name is Valerie Vazquez, Director of  
23 Communications for the Board of Elections.  
24 Unfortunately, in terms of legal advertisements,  
25 we don't have any advertisements in any of the

2 citywide newspapers, we have to--in the community  
3 newspapers. Instead we have to rely on earn media  
4 and our relationships with the members of the  
5 press, hoping that they pick up on the story and  
6 inform their readers that there is, in fact, an  
7 upcoming election.

8 COUNCIL MEMBER DICKENS: Well  
9 they're not doing it, so I'm very concerned.

10 And lastly, when are the  
11 Congressional, Senate, and Assembly maps going to  
12 be available? I mean, I don't expect the Council  
13 maps because the lines haven't been determined yet  
14 for the Council.

15 STEVE RICHMAN: Steve Ferguson, our  
16 Director of and Management Information can give us  
17 an update, I know that the Congressional maps were  
18 available because that petitioning had to go on  
19 prior to it, but Steve can give us an update on  
20 when these--

21 COUNCIL MEMBER DICKENS:  
22 [Interposing] 'Cause I came down there to try to  
23 get a congressional mapping and couldn't get one.  
24 I'm a district leader.

25 PAMELA PERKINS: Before Steve goes,

2 I just want to point out that one of our--

3 CHAIRPERSON BREWER: [Interposing]  
4 Introduce yourself, please.

5 PAMELA PERKINS: I'm sorry, I'm  
6 Pamela Perkins, Administrative Manager. I just  
7 want to point out if you like this booklet, we had  
8 requested \$500,000 additional to make the booklet  
9 as you see it. If we don't get that new needs  
10 request granted, then all these pages are, around  
11 ten of these pages will not be going out and  
12 there'll be the regular legally mandated  
13 information that will be going out. We need the  
14 500,000 so that we can put the voting information  
15 and the frequently asked questions into the  
16 mailing.

17 CHAIRPERSON BREWER: We got that.

18 PAMELA PERKINS: Okay.

19 CHAIRPERSON BREWER: Thank you.

20 COUNCIL MEMBER DICKENS: Thank you.  
21 Thank you so much.

22 PAMELA PERKINS: All right, go  
23 ahead, Steve.

24 COUNCIL MEMBER DICKENS: Madam  
25 Chair.

2 CHAIRPERSON BREWER: He's going to  
3 answer your question about your--

4 STEVE RICHMAN: Map.

5 CHAIRPERSON BREWER: --maps.

6 STEVE FERGUSON: Good afternoon.  
7 Congressional maps are available--

8 CHAIRPERSON BREWER: [Interposing]  
9 Your name, please.

10 STEVE FERGUSON: I'm sorry, Steve  
11 Ferguson, Director of MIS.

12 Congressional maps are available  
13 and have been available for, oh, a good month or  
14 so.

15 STEVE RICHMAN: Where, Steve, in  
16 our office?

17 STEVE FERGUSON: At our office, you  
18 can also request them by e-mail, I can give you an  
19 e-mail address if you'd like, or I can take your  
20 request, I can take your request with me when I  
21 leave.

22 COUNCIL MEMBER DICKENS: I'm going  
23 to give it to you too.

24 STEVE FERGUSON: Okay.

25 CHAIRPERSON BREWER: You can deal

1 with this--

2  
3 COUNCIL MEMBER DICKENS: But I need  
4 the Senate and Assembly--

5 CHAIRPERSON BREWER: --offline.

6 STEVE FERGUSON: Yes, we can.

7 COUNCIL MEMBER DICKENS: --also.

8 CHAIRPERSON BREWER: Council--

9 STEVE FERGUSON: [Interposing]  
10 Senate and Assembly, we're anticipating will be  
11 next week.

12 CHAIRPERSON BREWER: Okay. Council  
13 Member--

14 STEVE FERGUSON: [Interposing]  
15 We've just completed this.

16 CHAIRPERSON BREWER: --Vallone has  
17 a question.

18 COUNCIL MEMBER VALLONE: Welcome,  
19 again. I asked many questions last time. So I'm  
20 only going to ask one this time. And thank you  
21 for all the hard work. J.C., it looks like you  
22 just got off the plane from Puerto Rico, is that  
23 what happened?

24 How much money is it costing New  
25 York City taxpayers to have one extra election

1 because Albany has refused to move the date?

2 DAWN SANDOW: I would say, yeah.

3 STEVE RICHMAN: A little under 20?

4 DAWN SANDOW: I would say a little  
5 under 20.

6 [Off mic]

7 JOHN WARD: John Ward, Finance  
8 Officer, Board of Elections, I'm sorry--

9 CHAIRPERSON BREWER: [Interposing]  
10 Give your name again, I'm sorry, the mic wasn't on  
11 so...

12 JOHN WARD: Sure. John Ward,  
13 Finance Officer, Board of Elections.

14 STEVE RICHMAN: The extra election.

15 DAWN SANDOW: The extra election.

16 JOHN WARD: The extra election that  
17 we just had?

18 STEVE RICHMAN: We're going to  
19 have--

20 [Crosstalk]

21 DAWN SANDOW: [Interposing] That  
22 we're going to have on June 26th.

23 JOHN WARD: The June 26th election  
24 will cost in the neighborhood of 12 to \$13  
25

1 million.

2  
3 COUNCIL MEMBER VALLONE: So it's 12  
4 to \$13 million from New York City taxpayers.

5 JOHN WARD: That is correct, it's a  
6 little cheaper because there is not the great  
7 number of candidates.

8 COUNCIL MEMBER VALLONE: And that's  
9 because of the extra June primary?

10 DAWN SANDOW: Yes.

11 JOHN WARD: That's the extra event,  
12 yes, sir.

13 COUNCIL MEMBER VALLONE: Okay. And  
14 that's ridiculous. But in the last one paragraph,  
15 you said here is that you may have another--you  
16 realize that if next year's municipal primaries  
17 move from September to June, we'll have an  
18 additional unfunded citywide election. Wouldn't  
19 that then be on the same day as the federal  
20 election anyway so...?

21 STEVE RICHMAN: There is no federal  
22 election. Steven Richman. There is no federal  
23 election in 2013.

24 COUNCIL MEMBER VALLONE: That would  
25 explain that--

2 [Crosstalk]

3 STEVE RICHMAN: What we're  
4 concerned about is that if the legislature reaches  
5 agreement and moves the primary to June, it will  
6 be in the new fiscal year '13 year and it's not  
7 going to be budgeted. The other question becomes,  
8 is that if the election is moved to June, not the  
9 last Tuesday, but let's say the second Tuesday in  
10 June, then the run-off is the last Tuesday, we  
11 could have two citywide elections in the next  
12 fiscal year that's not funded. But that also  
13 presents practical problems we've advised the  
14 legislature, we could not use the current  
15 equipment and get the testing done in a two-week  
16 turnaround time.

17 DAWN SANDOW: This was addressed in  
18 Albany.

19 COUNCIL MEMBER VALLONE: Testing.

20 STEVE RICHMAN: In other words, for  
21 each time we use the system, you have to test it  
22 using the actual ballots. If the run-off is two  
23 weeks after, we may not even know the results yet,  
24 let alone print ballots, mark up the sample tests,  
25 and run them through every single scanner. We had

1  
2 proposed to the legislature last year that when  
3 they move the primary day to June if there is a  
4 municipal run-off, it be moved to the regular  
5 September date, that would be the one year we  
6 would have to do two anyway. But to do it within  
7 14 days of an election is now impossible, given  
8 the legal requirements to test each scanner using  
9 a copy of the actual ballot.

10 The old lever machines gave us a  
11 lot more flexibility: We preset the last column  
12 on the machine, we just had to figure out who made  
13 the contest and then print the strips and stick  
14 them in.

15 COUNCIL MEMBER VALLONE: Is that  
16 legal requirement changeable?

17 STEVE RICHMAN: The state will not  
18 change it because that was one of the fundamental  
19 issues that they want. Each time the scanner is  
20 used, it should be tested to show that it is  
21 accurate and correct.

22 DAWN SANDOW: And that's [off mic]  
23 testing, plus the testing the ballots.

24 STEVE RICHMAN: It's a  
25 comprehensive test package which takes citywide, I

2 think, John O'Grady could tell us, probably three  
3 to four weeks we've estimated at the minimum, but  
4 that's after the ballot is finalized.

5 COUNCIL MEMBER VALLONE: Sounds  
6 like you may have a problem.

7 STEVE RICHMAN: We advised Albany,  
8 but their comment to us is we'll deal with it next  
9 year.

10 CHAIRPERSON BREWER: We need to  
11 wrap up.

12 COUNCIL MEMBER VALLONE: Okay.  
13 Last question--

14 CHAIRPERSON RECCHIA: Yeah.

15 CHAIRPERSON BREWER: Go ahead.

16 COUNCIL MEMBER VALLONE: --I forgot  
17 what it was now so we'll just wrap it up and  
18 thanks for all the hard work.

19 DAWN SANDOW: Thank you.

20 CHAIRPERSON RECCHIA: Okay. That's  
21 it.

22 CHAIRPERSON BREWER: Thank you very  
23 much, Council Member. I want to thank the Board  
24 of Elections. We will be asking you in writing  
25 about the font issue, the MMR issue, and the

2 Executive Director, those are the three issues  
3 that I know we don't have time for today, but we  
4 do want answers to those, all right?

5 [Crosstalk]

6 PAMELA PERKINS: --the font?

7 DAWN SANDOW: Do you want answers  
8 on the font?

9 STEVE RICHMAN: Question, I'm going  
10 to--

11 CHAIRPERSON BREWER: [Interposing]  
12 Very quickly.

13 STEVE RICHMAN: The good news, the  
14 optimistic news from Albany is that the design and  
15 format of the ballot has received the attention of  
16 the Governor's office and the leadership of the  
17 Senate and the Assembly. We were told last week  
18 that there is a good chance that before the end of  
19 the session there may even be a Governor's program  
20 bill and a three-way agreement to change the style  
21 in the form of the ballot--

22 CHAIRPERSON BREWER: [Interposing]  
23 Thank you, Brian Kavanagh.

24 DAWN SANDOW: Yes.

25 STEVE RICHMAN: --and we hope to

2 have that effective in time for September. It  
3 will not affect the June primaries.

4 CHAIRPERSON BREWER: And the issue  
5 of the MMR, you're going to address, you're going  
6 to figure out what to do on that one?

7 DAWN SANDOW: Yes, we haven't--I'm  
8 sorry, but we haven't had time to meet with--we  
9 did say we were going to meet with some of the  
10 good government groups--

11 CHAIRPERSON BREWER: Okay.

12 DAWN SANDOW: --to discuss  
13 reporting to the City Council.

14 CHAIRPERSON BREWER: Okay.

15 DAWN SANDOW: And if you look at  
16 our annual report this year, we put a lot more  
17 data--

18 CHAIRPERSON BREWER: All right.

19 DAWN SANDOW: --in the report as  
20 well.

21 CHAIRPERSON RECCHIA: Okay. And  
22 when do you think in next year's, in 2013, when  
23 the elections will be, in June or September?

24 STEVE RICHMAN: You're asking us, I  
25 would rather pick the Belmont Stakes winner. I

2 think the answer is, you should talk to your  
3 colleagues in state government. I think what  
4 Councilman Vallone alluded to, I think you're  
5 going to see from local governments all over the  
6 state, the cost of running separate primaries,  
7 eventually, I think the state will have to come to  
8 some resolution as to how to address this issue.

9 CHAIRPERSON RECCHIA: Right. Okay.  
10 Thank you for coming here. We're going to take a  
11 two-minute recess, the next will be OATH, Office  
12 of Administrative Trials, just come up to the  
13 table, take a two-minute recess.

14 Please take your conversations  
15 outside the chamber. We will now resume the City  
16 Council hearing on the Mayor's Executive Budget  
17 for Fiscal Year 2013.

18 The Finance Committee and Committee  
19 on Gov Ops--we've been joined by Council Member  
20 Gale Brewer--to hear from the Office of  
21 Administrative and Trial Hearings, otherwise known  
22 as OATH.

23 So far we have heard from three  
24 agencies, we have three more to go. In the  
25 interests of time, I will not read an opening

1 statement and turn it to my co-chair, Gale Brewer,  
2 who is going to waive her opening statement and--  
3 right?  
4

5 CHAIRPERSON BREWER: Yeah.

6 CHAIRPERSON RECCHIA: Okay.

7 Commissioner.

8 LINDA MAY: Hello?

9 CHAIRPERSON RECCHIA: Is it on?

10 LINDA MAY: Is it on when it's red?

11 CHAIRPERSON RECCHIA: Put your--

12 [Crosstalk]

13 CHAIRPERSON RECCHIA: Yeah.

14 CHAIRPERSON BREWER: --towards you.

15 CHAIRPERSON RECCHIA: Bring the mic  
16 towards you. Yeah.

17 LINDA MAY: Is that better?

18 CHAIRPERSON RECCHIA: No. No.

19 CHAIRPERSON BREWER: It's on, you  
20 just got to talk loud.

21 CHAIRPERSON RECCHIA: Talk louder.

22 LINDA MAY: Linda May?

23 CHAIRPERSON RECCHIA: Yeah, that's  
24 it, you know, Linda May. You got to project.

25 LINDA MAY: There you go. Deputy

2 Commissioner for the Office of Administrative  
3 Trials and Hearings. Good afternoon Chairs Brewer  
4 and Recchia and members of the Committees on  
5 Governmental Operations and Finance. It is a  
6 pleasure to come before you on behalf of  
7 Commissioner and Chief Administrative Law Judge  
8 Suzanne Beddoe to discuss OATH's fiscal year 2013  
9 Executive Budget. Today I will be speaking about  
10 the services OATH provides and the effects of last  
11 year's consolidation of tribunals. Let me begin  
12 by providing you with some background.

13 The New York City Office of  
14 Administrative Trials and Hearings is now the  
15 largest municipal administrative court in the  
16 nation. OATH oversees the operations of four  
17 different administrative tribunals and handles a  
18 wide variety of cases, conducting over 400,000  
19 hearings annually.

20 OATH's four divisions include the  
21 OATH Tribunal, the OATH Health Tribunal, the OATH  
22 Taxi and Limousine Tribunal, and the Environmental  
23 Control Board. As an independent administrative  
24 court, OATH's sole mission is to provide fair and  
25 timely hearings to everyone who appears before our

2 judges.

3 OATH wants to eliminate barriers to  
4 obtaining convenient hearings and aims to  
5 encourage participation in the administrative  
6 justice process. It has done this by implementing  
7 Access to Justice initiatives that make it easier  
8 for New Yorkers to have their day in court.

9 Through growth and change, OATH has maintained its  
10 superior level of service and has focused on  
11 implementing innovative programs with the goal of  
12 creating truly user-friendly courts. I invite you  
13 to review OATH's annual report for details, but  
14 let me give you a quick summary.

15 During calendar year 2011, the  
16 Environmental Control Board introduced Hearings by  
17 Phone, One-Click online hearings, and opened a new  
18 hearing office in Brooklyn to better assist the  
19 public and improve the agency's efficiency.

20 During its first year managing the Health  
21 Tribunal, OATH increased the transparency of the  
22 tribunal's operations and access to justice by  
23 giving New Yorkers new ways to contest alleged  
24 violations. OATH implemented hearings online and  
25 hearings by phone. Both programs incorporate the

2 best practices from existing programs at ECB.

3 OATH also opened the first Health  
4 Tribunal hearing office outside Manhattan on  
5 Staten Island. Restaurant owners on Staten Island  
6 who would rather contest tickets at an in-person  
7 hearing now do not have to travel to Manhattan to  
8 have their cases heard in front of an OATH Health  
9 Tribunal judge. The Staten Island office location  
10 was made possible by allowing DOHMH inspectors to  
11 testify using webcam technology, saving both DOHMH  
12 and respondents time and expense. OATH is pleased  
13 to testify today that it is on track to open the  
14 third Health Tribunal location in the Bronx before  
15 the end of the current fiscal year and plans to  
16 open a fourth in fiscal year 2013.

17 Under OATH's management, the Taxi  
18 and Limousine Tribunal eliminated a backlog of  
19 3,000 appeals cases. Many of the appellants had  
20 been waiting several years for a decision to be  
21 issued. We are also working to ensure that TLC  
22 licensees and drivers understand the court process  
23 by providing them with more informational  
24 materials and simplifying the process.

25 The process of consolidating other

1 City administrative tribunals into OATH started  
2 with the Council's adoption of Local Law 35 of  
3 2008, which transferred administration of ECB from  
4 the Department for Environmental Protection to  
5 OATH. In 2010, recognizing the success of that  
6 reform, the Charter Revision Commission proposed,  
7 and voters approved, a Charter amendment allowing  
8 the Mayor by executive order to transfer other  
9 administrative trials to OATH. Effective July  
10 3rd, 2011, OATH took over the management of the  
11 administrative tribunals that were traditionally  
12 operated by the Taxi and Limousine Commissioner  
13 and the Department of Health and Mental Hygiene.  
14 The transfer is expected to increase the number of  
15 cases which OATH handles by approximately 150,000  
16 each year. The reason for transferring these  
17 tribunals to OATH is simple: It allows these  
18 administrative courts to be managed by an agency  
19 where the sole purpose is the timely  
20 administration of justice and the core focus is on  
21 providing access to fair hearings. The transfer  
22 increases the public's perception of fairness  
23 since the tribunals are now separate from  
24 enforcement agencies that issue the violations.  
25

1                   The transferred tribunals were in  
2  
3 need of greater oversight, accountability, and  
4 transparency than had occurred in their previous  
5 agencies, where tribunal functions are not core  
6 agency missions. Consequently, OATH is dedicating  
7 significant efforts to achieve the results to  
8 which the public is entitled. The level of  
9 professionalism, quality of services, and the  
10 introduction of innovative programs that have come  
11 with OATH's management have significantly enhanced  
12 the administration of justice at these tribunals  
13 already.

14                   With consolidation, the agency's  
15 headcount increased from 172 employees in fiscal  
16 year 2011 to 247 in fiscal year 2012 due to the  
17 transfer of personnel by MOU from TLC and DOHMH to  
18 OATH. The increase of 150,000 cases filed with  
19 OATH after the consolidation coincided with an  
20 increased headcount of only 75. OATH looks  
21 forward to continuing its work modernizing its  
22 division and making it easier for all New Yorkers  
23 to have their day in court.

24                   As an administrative court, cases  
25 that are handled by OATH do not carry criminal

1 charges, however, they may carry civil penalties.  
2  
3 When the facts show that a violation has occurred,  
4 OATH judges apply monetary penalties as mandated  
5 by the applicable laws. The amounts of these  
6 fines are established by the enforcement agencies  
7 that issue the violations. Planned revenue in  
8 fiscal year 2012 from payment of these fines is  
9 87.3 million for ECB, 45.2 million for the Health  
10 Tribunal, and 8.4 million at the Taxi and  
11 Limousine Tribunal. There is a \$53.6 million  
12 increase in planned revenue from fiscal year 2011  
13 to fiscal year 2012 due to the addition of the two  
14 tribunals.

15 Of course, any increased caseload  
16 at OATH in fiscal year 2013 will be the direct  
17 result of increased enforcement by the City  
18 agencies that issue violations returnable to one  
19 of OATH's divisions. Because OATH does not  
20 control policies or practice at the enforcement  
21 agencies, revenue projections are outside of  
22 OATH's purview. OATH's total proposed Executive  
23 Budget for fiscal year 2013 is 35.4 million, which  
24 represents an increase of 1.5 million from the  
25 current fiscal year's budget. Of the 35.4

2 million, 28 million is PS and 7.4 million is OTPS.

3 As I mentioned previously, OATH  
4 plans on expanding the Health Tribunal to the  
5 outer boroughs in the next fiscal year and has  
6 plans to modernize the operations at the tribunals  
7 that were recently consolidated with OATH.

8 I thank you for your support of  
9 OATH and look forward to our continued  
10 cooperation. I would be happy to answer any  
11 questions you may have.

12 CHAIRPERSON RECCHIA: Thank you,  
13 Commissioner. And now my co-chair has some  
14 questions for you.

15 CHAIRPERSON BREWER: Thank you very  
16 much. I want to talk about technology. Can you  
17 update us in terms of the ongoing budget regarding  
18 New York NYC Serv and how you maintained the  
19 technology and what it actually is? Just do the  
20 best you can, I know you're filling in for your--

21 LINDA MAY: [Interposing] Yes, I'm-

22 -

23 CHAIRPERSON BREWER: --director,  
24 so--

25 LINDA MAY: --really not prepared--

2 CHAIRPERSON BREWER: --we can  
3 always get, we could--

4 LINDA MAY: [Interposing] Yes, I'm  
5 really not prepared to discuss the technology  
6 issues, we'll have to get back to you with the  
7 answer to that question.

8 CHAIRPERSON BREWER: Okay. Do you  
9 think that it works sufficiently well? Do you  
10 think it needs an upgrade? Do you have like an  
11 overall view that may not be budget or tech savvy?

12 LINDA MAY: I'm really not in a  
13 position to respond to those questions--

14 CHAIRPERSON BREWER: Okay.

15 LINDA MAY: --but I will take them  
16 back and we'll get the answers for you.

17 CHAIRPERSON BREWER: Okay. I'm  
18 sorry, I can't. All right, have you changed the  
19 case management systems in terms of the new TLC  
20 and DOH tribunals?

21 LINDA MAY: We're in the process of  
22 upgrading systems.

23 CHAIRPERSON BREWER: Okay. Have  
24 you also--I know you talked about hiring, 'cause  
25 obviously, you have more responsibilities, can you

2 just describe where the hiring has taken place?  
3 Has it been in terms of the administrative law  
4 judges, has it been in terms of management? I  
5 know you gave us some numbers.

6 LINDA MAY: The additional  
7 positions were transferred to us from the  
8 Department of Health and from TLC, they came with  
9 people in them--

10 CHAIRPERSON BREWER: Okay.

11 LINDA MAY: --so it was a transfer  
12 of personnel, actually a functional transfer of  
13 personnel. We have been hiring where we have  
14 vacancies, where we have had vacancies, but the  
15 majority of positions that came over had people  
16 already in them.

17 CHAIRPERSON BREWER: Okay. Have  
18 you done any hiring either in terms of DOH coming  
19 over, TLC coming over, or OATH, or ECB? Have  
20 there been new increases to the management level  
21 of positions?

22 LINDA MAY: There have been some  
23 new people put into the positions but the overall  
24 number of positions hasn't increased from what  
25 came over from Health and Taxi and what was

2 preexisting in OATH and ECB.

3 CHAIRPERSON BREWER: Okay. And the  
4 issue so that when you have--there have been some  
5 new administrative law judges hired, I assume, is  
6 that correct?

7 LINDA MAY: Yes, correct, we have  
8 hired some additional administrative law judges.

9 CHAIRPERSON BREWER: And that was  
10 to deal with backlog or to deal with new cases or  
11 what would be the reason? Because I know you have  
12 a lot of current judges and they have part-time  
13 hours or full-time hours depending on, I guess,  
14 which tribunal they're in. But can you explain  
15 why you would hire more judges when you have a  
16 pool of current judges who are already trained?

17 LINDA MAY: We do get resignations  
18 during the year from judges, so our goal is to  
19 keep our rosters at the same level so that we can  
20 deal with the caseloads that came over, again, the  
21 existing caseloads we had plus the ones that were  
22 transferred over from the other agencies.

23 CHAIRPERSON BREWER: All right, so  
24 what you're saying is that there isn't any  
25 challenge that the new folks need to be hired

1  
2 because there aren't enough in the pool to be able  
3 to deal with the cases that are there.

4 LINDA MAY: Yes, it's just to  
5 maintain our roster levels as people, by their own  
6 desire, either retire or resign, we need to keep  
7 our rosters at the same level so that we have  
8 available pools of judges to hear the cases.

9 CHAIRPERSON BREWER: Okay. And the  
10 scheduling that's done, some people get, I think,  
11 by preference or maybe by scheduling, some people  
12 work three days a month, some people work seven,  
13 ten, how is that all decided?

14 LINDA MAY: I'm not really prepared  
15 or in a position to discuss scheduling of judges--

16 CHAIRPERSON BREWER: [Interposing]  
17 All right, so we'll put that in writing. We'll  
18 put that in writing--

19 LINDA MAY: Yes.

20 CHAIRPERSON BREWER: --to you.

21 LINDA MAY: Okay.

22 CHAIRPERSON BREWER: Okay.

23 CHAIRPERSON RECCHIA: Council  
24 Member Dickens, do you have any questions?

25 COUNCIL MEMBER DICKENS: No.

2 CHAIRPERSON RECCHIA: Without  
3 seeing any further questions--hold on.

4 [Pause]

5 CHAIRPERSON BREWER: During the  
6 past year, ECB and the Health Tribunal began  
7 offering online adjudication, can you give us an  
8 update on this program? And just in general, by  
9 diverting cases to online in general, are there  
10 savings and are there any other ways you can think  
11 of using technology for savings? I know you  
12 mentioned some of them in your testimony.

13 LINDA MAY: We do online, we do  
14 hearings by phone, all of these are to make it  
15 more efficient to enable respondents to have their  
16 cases heard so that they don't have to come in to  
17 have a live hearing, it saves them time and travel  
18 time.

19 CHAIRPERSON BREWER: Okay. Are all  
20 of the online or, sort of, even slow technology  
21 like a telephone, are they all available to all  
22 the tribunals, including Taxi and Limousine  
23 Commission or is it only some?

24 LINDA MAY: It's just ECB and  
25 Health at this time.

2 CHAIRPERSON BREWER: Just ECB and  
3 Health. Is there some reason why it's not TLC at  
4 this time?

5 LINDA MAY: I can't answer that  
6 question, I can have someone get back to you.

7 CHAIRPERSON BREWER: We can get  
8 back to us on that. Okay. That's it, thank you.

9 CHAIRPERSON RECCHIA: All right,  
10 thank you very much, Commissioner, Deputy  
11 Commissioner. We appreciate you coming here  
12 testifying today, give us an update on OATH.  
13 Okay. That concludes OATH.

14 Corporation Counsel, the City's  
15 number one attorney could come on up.

16 [Long pause]

17 CHAIRPERSON BREWER: I'm not happy.

18 [Long pause]

19 CHAIRPERSON RECCHIA: We will now  
20 resume the City Council hearing on the Mayor's  
21 Executive Budget for 2013, the Finance Committee  
22 and the Committee on Gov Ops and chaired by my co-  
23 chair, Council Member Gale Brewer. We'll now hear  
24 from the Law Department. In the interests of  
25 time, I will waive my opening statement so we

2 could hear from the City's number one lawyer,  
3 Michael Cardozo. Gale Brewer, would you like to  
4 say a few words opening?

5 [Pause]

6 CHAIRPERSON RECCHIA: Nope. Okay.  
7 Mr. Cardozo, it's all you.

8 MICHAEL CARDOZO: Thank you.

9 [Pause]

10 CHAIRPERSON RECCHIA: Okay.

11 MICHAEL CARDOZO: My pleasure to be  
12 here this morning to testify before your  
13 Committee. Very briefly, there is no change  
14 whatsoever in our budget from the preliminary  
15 budget so that I believe that the statement that I  
16 gave you at the preliminary budget hearing, which  
17 is attached to the document that I just handed up  
18 to you, suffices in terms of any prepared  
19 statement from me.

20 And, therefore, I would simply  
21 summarize that our total proposed budget is \$142.1  
22 million, our proposed headcount is 1,322, and I  
23 would be happy to answer any questions that the  
24 Committee may have.

25 CHAIRPERSON RECCHIA: Wow,

1 impressed. Did you get a PEG this year?

2 MICHAEL CARDOZO: This immediate  
3 past 12 months, no.

4 CHAIRPERSON RECCHIA: No.

5 MICHAEL CARDOZO: No.

6 CHAIRPERSON RECCHIA: And are you  
7 going to get a PEG next year?

8 MICHAEL CARDOZO: There is no PEG  
9 in the budget before you today, no.

10 CHAIRPERSON RECCHIA: In the  
11 budget, okay. And what is your starting salaries  
12 for your corporation counsels?

13 MICHAEL CARDOZO: Before--

14 CHAIRPERSON RECCHIA: Associates,  
15 or what do you...

16 MICHAEL CARDOZO: Assistant  
17 Corporation Counsel.

18 CHAIRPERSON RECCHIA: Assistant  
19 Corporation Counsels.

20 MICHAEL CARDOZO: The starting  
21 salary is--just bear with me one second--62,000  
22 and then when we pass the bar--

23 MALE VOICE: It's another 1,300--

24 [Crosstalk]  
25

2 MICHAEL CARDOZO: --63,300.

3 CHAIRPERSON RECCHIA: Okay. And  
4 last year you settled the Amtrak case, I believe  
5 this year, did you have to settle any large cases?

6 MICHAEL CARDOZO: Well we certainly  
7 settled, in terms of affirmative litigation, we  
8 certainly settled cases. I don't remember, I  
9 think there was a second Amtrak case, I forget  
10 exactly where that is, I don't remember any  
11 particularly significant affirmative--

12 CHAIRPERSON RECCHIA: [Interposing]  
13 Any other case that brought in revenue.

14 MICHAEL CARDOZO: I don't recall  
15 anything, I'm looking at my colleagues, any?  
16 Certainly there were some but I don't think  
17 anything of huge significance in terms of revenue.

18 CHAIRPERSON RECCHIA: Yeah.

19 CHAIRPERSON BREWER: We read in the  
20 paper about the Stop-and-Frisk lawsuit, and I just  
21 didn't know what the status or if there are any  
22 financial implications for that. I guess that's  
23 the Center for Constitutional Rights case.

24 MICHAEL CARDOZO: Yes, my  
25 colleagues remind me, of course, that the CityTime

2 settlement was obviously a very, very, very large  
3 settlement, that was--

4 CHAIRPERSON RECCHIA: [Interposing]  
5 Did you settle that?

6 MICHAEL CARDOZO: Well obviously,  
7 the case was settled by the United States Attorney  
8 was working with primarily DOI and my office.  
9 That case ended up being, in effect, I forget the  
10 technical terms, restitution or forfeiture that  
11 SAIC agreed to reimburse the United States--pay  
12 the United States government, which in turn paid  
13 the money or most of the money to the City. So we  
14 worked in close cooperation with both DOI, which  
15 obviously, started the investigation and the  
16 United States Attorney's Office. We were never  
17 the official plaintiff, if you will, in that case.  
18 So I'm sorry, I forgot that one.

19 Chair Brewer, in response to your  
20 question with respect to stop-and-frisk, I think  
21 it's very important that we understand what that  
22 case is. The case challenges the legality of what  
23 the police department is doing with respect to  
24 stop-and-frisk. And recently, as Judge Schiendlin  
25 in the federal court decided that the case could

2 proceed as a class action for injunctions, not for  
3 damages, for injunctions. Now as we advised the  
4 judge yesterday, we will be seeking tomorrow for  
5 permission to appeal her ruling on the class  
6 action. So as far as the immediate economic  
7 impact of that case, though, it is not a class  
8 action for damages, the five or six individual  
9 plaintiffs are asking for damages.

10 CHAIRPERSON BREWER: Thank you.

11 And one other question would be along the lines,  
12 although it may not come to that, of CityTime,  
13 that I've always been concerned about the ECTP,  
14 which is also known as PSAC I and II, and I didn't  
15 know there if are any monies from contractors in  
16 that particular Emergency Communications  
17 Transformation Project, would there be any  
18 possibility of any funds from that situation?

19 MICHAEL CARDOZO: I'm not  
20 sufficiently familiar to respond to that, I'm  
21 sorry.

22 CHAIRPERSON RECCHIA: Mr. Cardozo,  
23 in the executive plan, your judgment and claims  
24 increased by 50 million, how come you have an  
25 increase?

2 MICHAEL CARDOZO: The projections  
3 for next year are--you have to ask OMB, we--

4 CHAIRPERSON RECCHIA: Oh.

5 MICHAEL CARDOZO: --don't get  
6 involved in that other than giving them the  
7 information on--

8 [Crosstalk]

9 CHAIRPERSON RECCHIA: [Interposing]  
10 I just thought you might have some cases, some big  
11 cases that you might be settling coming down.

12 MICHAEL CARDOZO: We have nothing,  
13 you know, other than what we already have before  
14 us. Obviously, there could be another case filed  
15 tomorrow.

16 CHAIRPERSON RECCHIA: And what's  
17 going on with the FDNY bias case? Your favorite.  
18 Are we going to get stuck paying all those  
19 millions of dollars?

20 MICHAEL CARDOZO: Well the answer  
21 to the question is that, actually, all the  
22 briefing in the Second Circuit on the appeal will  
23 be completed tomorrow. This case has been now  
24 scheduled for argument on June 26. Remember that  
25 that appeal only relates to the appointment of a

2 monitor in the various injunctive provisions  
3 because, as you know, the damage portion of that  
4 case, you can't take an appeal until the damages  
5 have actually been assessed. So while the judge  
6 indicated his thoughts about it, emphasizing that  
7 it would be subject to mitigation, depending on  
8 the circumstance of each individual plaintiff, we  
9 could not appeal that ruling until after a final  
10 judgment on damages has been entered.

11 CHAIRPERSON RECCHIA: So you have  
12 to wait for each case to be assessed and a number  
13 to be put on each case?

14 MICHAEL CARDOZO: Yeah--

15 CHAIRPERSON RECCHIA: And while--

16 MICHAEL CARDOZO: --it's even more  
17 complicated than that because you have to  
18 determine each individual person's damages and  
19 then there'll be a formula that we're still  
20 arguing about as to how you apply that to the  
21 overall percentage. So we're talking some very  
22 substantial time before we could take an appeal or  
23 before we would pay any money.

24 CHAIRPERSON RECCHIA: Okay. Does  
25 anybody else have any questions? Ms. Brewer.

2 CHAIRPERSON BREWER: Back in March,  
3 I think you talked about the additional 41  
4 attorneys and paras to review the City's  
5 electronic discovery from closed cases.

6 MICHAEL CARDOZO: Yes.

7 CHAIRPERSON BREWER: And I'm just  
8 wondering if you could update us on that just to  
9 see if there is any other better way to target  
10 these cases or do you think this is the right  
11 budget way to resolve them?

12 MICHAEL CARDOZO: Well  
13 unfortunately, because we're talking about going  
14 back in the past looking at old records, some of  
15 which are electronic, some of which are not, we  
16 have no choice but to go back, we've obviously  
17 developed--just the mechanics of doing it have  
18 become easier, we're making a good deal of  
19 progress on moving forward. And at the same--  
20 moving backwards if you will, but at the same  
21 time, we're taking the lessons learned to be sure  
22 that the agencies that we're dealing with will  
23 have up-to-date systems on a going forward basis  
24 so we won't be faced with this--hopefully will not  
25 be faced with this problem again.

2 [Long pause]

3 CHAIRPERSON BREWER: Council Member  
4 Dickens, do you have a question?

5 COUNCIL MEMBER DICKENS: Yes, thank  
6 you so much. Of the FDNY court monitor, out of  
7 whose budget does that phenomenal fee come out of?  
8 Is it out of--

9 MICHAEL CARDOZO: [Interposing]  
10 Ours.

11 COUNCIL MEMBER DICKENS: It comes  
12 out of yours.

13 MICHAEL CARDOZO: Yes.

14 COUNCIL MEMBER DICKENS: No wonder  
15 you sent in a statement, I don't blame you. You  
16 know, but I mean, has that been--has the court  
17 agreed to that?

18 MICHAEL CARDOZO: Well what the  
19 court--

20 COUNCIL MEMBER DICKENS:  
21 [Interposing] And was that taken out of your--I  
22 mean, when you did your--

23 MICHAEL CARDOZO: [Interposing] OMB  
24 gave us in the funding additional funding in order  
25 to pay that bill. What the judge had said is

2 there will be a monitor, he then selected the  
3 monitor, he then approved the fee schedule that  
4 the monitor--the billing schedule, and then the  
5 judge said the monitor would submit bills  
6 periodically. The monitor submitted a bill, his  
7 first bill, with no real back up to us explaining  
8 how many hours and the like, really the detail of  
9 what that work was done. We complained to the  
10 judge, said we thought that we should be able to  
11 see the detail, and he said no, we were wrong, and  
12 approved the monitor's bill and we had no choice  
13 but to pay it. And that will be happening every  
14 60 days.

15 COUNCIL MEMBER DICKENS: All right,  
16 thank you so much. Thank you.

17 CHAIRPERSON RECCHIA: We're done.

18 MICHAEL CARDOZO: Thank you.

19 CHAIRPERSON RECCHIA: Thank you,  
20 Commissioner. Okay. Next we have Campaign  
21 Finance. [Pause] We'll take a two-minute.  
22 [Pause] Give Campaign Finance an opportunity to  
23 come up.

24 [Pause]

25 CHAIRPERSON BREWER: Go ahead and

2 start and whenever you're ready, and we thank you  
3 very much. Thank you for being here.

4 AMY LOPREST: Good afternoon,  
5 Chairperson Brewer and Committee members. I am  
6 Amy Loprest, Executive Director of the New York  
7 City Campaign Finance Board. With me today are  
8 General Counsel, Sue Ellen Dodell; Operations and  
9 Budget Director, Shauna Tarshis Denkensohn; and  
10 External Affairs Director, Eric Friedman.

11 As always, we thank you for your  
12 support of the Campaign Finance program. The  
13 recent push for reforms to New York State's  
14 campaign finance system has focused on New York  
15 City's program as a model for lawmakers to follow.  
16 The strength of our program is due in large part  
17 to the participation of the City Council in the  
18 ongoing process of improving the Campaign Finance  
19 Act. We look forward to building on our strong  
20 working relationship in the coming year and  
21 beyond.

22 Pursuant to the Charter, the board  
23 submitted its budget for fiscal year 2013 to the  
24 Mayor on March 27th, 2012. The Mayor included  
25 this in his executive budget, the budget is

1  
2 attached to this testimony. The board's fiscal  
3 year 2013 budget is \$55 million. Our allocation  
4 includes funds for matching payments to candidates  
5 and other expenses should the primary election  
6 date for 2013 be moved to June from September. As  
7 you know, earlier this year, a District Court  
8 judge ruling moved the date of the New York's  
9 primary for federal office to June, in compliance  
10 with the Military and Overseas Voter Empowerment  
11 Act. There has been discussion in the legislature  
12 of moving state and local primary elections to  
13 June to create a single primary date for federal  
14 and state elections. In order to ensure that  
15 matching funds will be available to candidates in  
16 the event of a June primary, we are including an  
17 allocation of \$41 million for the campaign finance  
18 fund.

19                   The board's budget request also  
20 includes \$3.7 million for a Voter Guide for a  
21 potential June primary election date. As you  
22 know, the board publishes and distributes the  
23 nonpartisan Voter Guide to every New York City  
24 household with a registered voter. All candidates  
25 may publish information about their campaign in

1 the guide. It includes information on the  
2 citywide debate program and guidance on how and  
3 where to vote. The guides will be published in  
4 English, Spanish, Chinese, Korean, and Bengali.  
5 We anticipate producing 2.8 million of them for  
6 the 2013 primary.  
7

8 In the interests of time, since  
9 it's late in the day, you have my written  
10 testimony so I'm going to stop here and I look  
11 forward to answering any questions you have and  
12 working with you in the future.

13 CHAIRPERSON BREWER: Thank you very  
14 much. And I just wanted to know just in terms of  
15 the budget, what changes in the election cycle  
16 impact the agency's need for personnel resources?  
17 And obviously, it depends, I suppose, on when the  
18 primary does end up being, but do you have some  
19 sense in terms of staff?

20 AMY LOPREST: For staff, we  
21 actually have no changes, we will make no changes  
22 in staffing levels if the primary is moved.

23 CHAIRPERSON BREWER: Okay.  
24 Regarding the booklet that you talked about, what  
25 is the cost for doing that booklet?

1  
2 AMY LOPREST: For to send the Voter  
3 Guide, is that--

4 CHAIRPERSON BREWER: Yes.

5 AMY LOPREST: It will cost about  
6 \$3.7 million for the primary.

7 CHAIRPERSON BREWER: Okay. And I  
8 should know this, but it goes out once a year? In  
9 other words, would be once in that fiscal year?

10 AMY LOPREST: Once in that--if the  
11 primary is moved to June, it would go once in that  
12 fiscal year. We send it once before the primary  
13 and again another before the general election, but  
14 that would be in--

15 CHAIRPERSON BREWER: [Interposing]  
16 All right, so it goes out twice--

17 AMY LOPREST: --this next fiscal  
18 year.

19 CHAIRPERSON BREWER: --depending on  
20 the fiscal year, which depends on the--

21 AMY LOPREST: Yeah.

22 CHAIRPERSON BREWER: --election  
23 time.

24 AMY LOPREST: Yeah, yeah. I mean  
25 in an ordinary--if the primary is not moved, then

2 that would be all in fiscal year 2014 because it  
3 would be both September and November.

4 CHAIRPERSON BREWER: Do you have  
5 some sense in 2013 elections how many candidates  
6 will be participating in the matching funds  
7 program? Again, it may be hard to decide, but  
8 maybe based on 2000 or 2001?

9 AMY LOPREST: I mean, we estimate  
10 our recommendation for the budget \$41 million for  
11 public funds based on our past history in other  
12 elections and how candidates are enrolling in the  
13 program to date, you know, in comparison with  
14 other elections, so we have about 90 candidates  
15 who are active right now.

16 CHAIRPERSON BREWER: About 90,  
17 okay. Regarding independent expenditures, which I  
18 assume is in the balance of your testimony--

19 AMY LOPREST: Yes.

20 CHAIRPERSON BREWER: --but I know  
21 you've kindly said that you would summarize, so  
22 what's the status of your efforts to implement  
23 this new disclosure requirement for independent  
24 expenditures?

25 AMY LOPREST: Well as you know, our

2 final rules for disclosure of independent  
3 expenditures were adopted in March after an  
4 extensive public rulemaking process, and the staff  
5 is working on preparing educational materials and  
6 training materials, and also we're working on an  
7 online software for independent spender to report  
8 their expenditures and contributions in compliance  
9 with those rules.

10 CHAIRPERSON BREWER: And who is  
11 your vendor and how much did it cost, if you have  
12 a vendor on this?

13 AMY LOPREST: We do have a vendor.  
14 I mean, generally, we do most of our work in-  
15 house, but we do have a vendor for that contract,  
16 it is PCC Technology. And the contract is for  
17 \$250,000.

18 CHAIRPERSON BREWER: Okay. And  
19 then who does the training? Is that done in-house  
20 on all the people in groups that would need  
21 training on independent expenditures?

22 AMY LOPREST: Yes, it's all done  
23 in-house.

24 CHAIRPERSON BREWER: That's all  
25 done in-house.

2 AMY LOPREST: Yeah.

3 CHAIRPERSON BREWER: And you have  
4 enough staff to do that, enough internal  
5 resources?

6 AMY LOPREST: Yeah, last year, we  
7 increased our staff to begin implementing that.

8 CHAIRPERSON BREWER: And are we  
9 done with the audits from 2009 elections or we  
10 still working on those?

11 AMY LOPREST: We're still working  
12 on them.

13 CHAIRPERSON BREWER: And how many  
14 audits do you have to go?

15 AMY LOPREST: Well we've done 166  
16 out of 232--

17 CHAIRPERSON BREWER: [Interposing]  
18 What was the number?

19 AMY LOPREST: A hundred and sixty-  
20 six out of 232 final audits have been issued.

21 CHAIRPERSON BREWER: One sixty-six  
22 out of 22--okay. And how many--so you have the  
23 balance to finish.

24 AMY LOPREST: Yeah, I could do the  
25 math, I'm sorry.

2 CHAIRPERSON BREWER: Okay. Do you  
3 feel like--when will those be done?

4 AMY LOPREST: We are endeavoring to  
5 have them finished before the end of this calendar  
6 year.

7 CHAIRPERSON BREWER: Okay. And do  
8 you think that's a resource issue why it's taking  
9 so long or is there some other reason or is this  
10 the normal cycle?

11 AMY LOPREST: I mean, it's normal,  
12 we always try--

13 CHAIRPERSON BREWER: [Interposing]  
14 I'm sure the candidates probably don't feel like  
15 it's a normal cycle.

16 AMY LOPREST: I mean, we always try  
17 and do the audits as efficiently as possible and  
18 we are always looking for ways to make the process  
19 more efficient, and, you know, we will continue to  
20 do that for 2013. We have, I mean, as you know,  
21 there is deadlines in the law, we've met all those  
22 deadlines. I mean, there's a lot of reasons, you  
23 know, extensions given to candidates based on  
24 their needs that cause delays in the process.

25 CHAIRPERSON BREWER: All right, so

2 you'll have them all done by the end of this year,  
3 all the audits done by the end of--

4 AMY LOPREST: [Interposing] We will  
5 endeavor, I mean, I assume that some candidates  
6 may--

7 [Crosstalk]

8 CHAIRPERSON BREWER: [Interposing]  
9 You mean calendar year or fiscal year?

10 AMY LOPREST: The calendar year.

11 CHAIRPERSON BREWER: Calendar year.  
12 All right. What's this--

13 CHAIRPERSON RECCHIA: [Interposing]  
14 Calendar years--

15 [background noise]

16 CHAIRPERSON BREWER: Calendar year,  
17 well calendar is end of the year, right? Go  
18 ahead. My wonderful co-chair, go ahead.

19 CHAIRPERSON RECCHIA: How you  
20 doing?

21 AMY LOPREST: Okay.

22 CHAIRPERSON RECCHIA: No, I was  
23 going to say, if you had a--the year ends in four  
24 weeks.

25 CHAIRPERSON BREWER: She's got lots

1  
2 more time, she said calendar year, she's having--

3 CHAIRPERSON RECCHIA: I know, we  
4 give her another six months.

5 AMY LOPREST: Yeah.

6 CHAIRPERSON RECCHIA: How are you?

7 AMY LOPREST: Okay. How are you?

8 CHAIRPERSON RECCHIA: All right.

9 CHAIRPERSON BREWER: She very  
10 kindly didn't read her whole statement, she just  
11 said--

12 [Crosstalk]

13 CHAIRPERSON RECCHIA: [Interposing]  
14 Oh, that's even better.

15 AMY LOPREST: Yeah.

16 CHAIRPERSON BREWER: What's the  
17 status of C-SMART upgrade to a web-based platform  
18 and is that in-house--

19 CHAIRPERSON RECCHIA: Yeah.

20 CHAIRPERSON BREWER: --or is that  
21 being done with a vendor?

22 CHAIRPERSON RECCHIA: Yeah, we need  
23 that done.

24 AMY LOPREST: We're doing that in-  
25 house, and we have a number of campaigns actually

1  
2 already using it, about 20--someone just gave the  
3 number--21 candidates who are already using the  
4 system, and we are going to move after the July  
5 filing to move everyone onto that system.

6 CHAIRPERSON RECCHIA: Oh, can't  
7 wait for that, that's [off mic].

8 CHAIRPERSON BREWER: The VAC is  
9 headed up by a very tech savvy chair, can you talk  
10 about some of the ways that VAC is using  
11 technology?

12 AMY LOPREST: Well, I mean, as we--  
13 one thing that we've been working on as reported  
14 in the annual report that was issued a couple  
15 weeks ago is we're working on a technology-based  
16 platform to allow voters to engage more  
17 effectively with candidates and--candidates for  
18 office and their elected officials to be more  
19 engaged in the political process and hopefully  
20 then become more inclined to register and then to  
21 vote. But we have been working with the partners  
22 from city agencies on a variety of different  
23 endeavors to improve the way that they reach out.  
24 I mean, we have one very simple example is that we  
25 have created, I guess we call it a little bug that

2 these different agencies put on their website that  
3 inform both their internal, you know, their staff,  
4 and the people who come to their website of  
5 important dates relating to voting: When the  
6 primary date to register or when the election is  
7 going to occur, you know, reminders that are  
8 displayed on their website and on our website.

9 CHAIRPERSON BREWER: Yeah, but do  
10 we know which agencies are using it and will the  
11 Motor Voter agencies be mandated to do this by the  
12 state? 'Cause I know there are certain state--  
13 certain agencies that the state can control in  
14 terms of telling them what to do on registration,  
15 and then there's the other ones that, you know, we  
16 try to tell what to do, but not easy either front.

17 CHAIRPERSON RECCHIA: No, it's not.

18 AMY LOPREST: I mean, our partners  
19 are controlled by there's, I think it used to be  
20 21, now it's 20 agencies 'cause it's a merger  
21 agency, covered by Local Law 29 of, I think, in  
22 1990 something, I'm sorry--

23 CHAIRPERSON BREWER: [Interposing]  
24 Those are our Motor Voter agencies--

25 AMY LOPREST: [Interposing] Yeah,

1 those are our Motor Voter agencies--

2 CHAIRPERSON BREWER: [Interposing]

3 Not really Motor Voter, but--

4 AMY LOPREST: --and a number of  
5 those agencies are using this, I mean, I would  
6 have to get back to you on the exact number.  
7

8 CHAIRPERSON BREWER: Okay. And are  
9 there any other innovative ways that you can think  
10 of budget neutral, I assume, in terms of getting  
11 more people to register? I mean--

12 AMY LOPREST: [Interposing] You  
13 know, we have a very enthusiastic staff who work  
14 on voter assistance so we are always trying to do  
15 novel ways. One example is that the Taxi and  
16 Limousine Commission has agreed to do a voter  
17 survey in their taxicabs, you know, that survey  
18 that they have on Election Day and the days before  
19 kind of alerting people, another way to remind  
20 them that election is coming up.

21 CHAIRPERSON BREWER: Okay.

22 AMY LOPREST: And they're going to,  
23 I think, start doing that for the June primary.

24 In addition, we had a project with  
25 the Commission on Women's Issues, the Mayor's

Commission on Women's Issues--

CHAIRPERSON BREWER: [Interposing]

I never know what they do.

AMY LOPREST: Well this year they partnered--they have an issue every year and this year--

CHAIRPERSON BREWER: [Interposing]

I'll be honest with you, I use to chair it under David Dinkins, but now I don't know what they do, so, please, tell me what they do.

AMY LOPREST: Well this year we partnered with them to encourage women voting and we had a launch of that campaign in March at Gracie Mansion, we have a palm card, which I would be happy to send you a copy of a, you know, campaign that's your vote counts giving all different reasons why people would vote.

In addition, we worked with NBC to do a public service announcements, a very wonderful public service announcement and that was produced by--

CHAIRPERSON RECCHIA: [Interposing]

You're killing her, she wasn't even invited.

CHAIRPERSON BREWER: And none of

1 the Councilwomen were invited.

2  
3 AMY LOPREST: Oh.

4 CHAIRPERSON BREWER: It's not your  
5 fault though.

6 CHAIRPERSON RECCHIA: That's okay.

7 AMY LOPREST: I apologize.

8 CHAIRPERSON RECCHIA: Neither was  
9 the Finance Chairman.

10 AMY LOPREST: The--

11 CHAIRPERSON RECCHIA: But we'll  
12 still fund you.

13 AMY LOPREST: --but the PSA  
14 produced by WNBC has been broadcast on a number of  
15 their, you know, top shows, on the Today show for  
16 a number of times, on Saturday Night Live for a  
17 younger audience, and, you know, so it's been  
18 broadcast a number of times, this public service  
19 announcement.

20 CHAIRPERSON BREWER: And there was  
21 an ongoing list of whom we could do business with,  
22 what's the status of that list? There's a  
23 listing, I believe it was put together by Campaign  
24 Finance or Mox [phonetic] on who to do business  
25 with. Is that something that you have any

2 involvement with?

3 AMY LOPREST: Well I guess, their--  
4 the law required DoITT to create a database of  
5 those who are doing business with the city, you  
6 know, pursuant to a number of criteria in the law.  
7 That database was created for the 2009 election  
8 and so that, I mean, that list is maintained by  
9 Mox and administered by DoITT and we get a data  
10 that we matched with the contribution data  
11 candidates who are running for city office or have  
12 a lower contribution limit from those who are in  
13 that database and also those contributions are not  
14 matched.

15 CHAIRPERSON BREWER: So that  
16 database is kept up to date so you feel--

17 AMY LOPREST: Yes.

18 CHAIRPERSON BREWER: --that your--

19 CHAIRPERSON RECCHIA: We thinks.

20 CHAIRPERSON BREWER: --analysis is  
21 done correctly.

22 AMY LOPREST: We get a monthly  
23 update.

24 CHAIRPERSON RECCHIA: A monthly  
25 update?

2 AMY LOPREST: Yeah, I think,  
3 correct? Yeah, yeah, a monthly update. And  
4 people go in and out, I mean, based on the time,  
5 you know, requirements in the law, you know, there  
6 are, you know, when your contract ends, you're in  
7 for another year, I mean, and then you go off the  
8 database, you know, if you have truly ended your  
9 business dealings with the City.

10 CHAIRPERSON RECCHIA: Okay. I want  
11 to thank you--

12 AMY LOPREST: [Interposing] Okay.  
13 Thank you.

14 CHAIRPERSON RECCHIA: --your staff,  
15 it's a hard, hard job.

16 AMY LOPREST: Okay. Thank you.

17 CHAIRPERSON RECCHIA: Next year,  
18 you're going to need a lot of help and a lot of  
19 support.

20 AMY LOPREST: Thank you, we look  
21 forward to working with you.

22 CHAIRPERSON RECCHIA: Okay. Any--

23 [Crosstalk]

24 AMY LOPREST: --you guys have  
25 always been--

2 CHAIRPERSON RECCHIA: --questions?

3 AMY LOPREST: --very helpful.

4 CHAIRPERSON RECCHIA: Gale? All  
5 right, this concludes the hearing.

6 CHAIRPERSON BREWER: I want to  
7 thank Will Colegrove from my office and all the  
8 amazing staff who put this hearing together from  
9 the--

10 CHAIRPERSON RECCHIA: Right.

11 CHAIRPERSON BREWER: --Speaker's  
12 office, I think I mentioned them earlier, but I  
13 want to redouble my thanks.

14 CHAIRPERSON RECCHIA: Okay. This  
15 concludes our hearing for today. Tomorrow the  
16 Finance Committee will take a break from its  
17 budget hearing and resume our legislation  
18 hearings. We will have four Land Use items on  
19 tomorrow's Finance Committee, there'll be a vote  
20 so a quorum is necessary.

21 On Friday, the Finance Committee  
22 resumes executive budget hearing for 2013 budget.  
23 The hearing will be located in this chamber  
24 beginning at 10 a.m. On Friday, we hear from  
25 Department of Small Businesses, Economic

2 Development, Department of Corrections, Legal Aid,  
3 fire department, Emergency Medical Service. Like  
4 today, Friday will also be a very long day.

5 As a reminder, the public will be  
6 allowed to testify on June 6th beginning at 4:30  
7 p.m. For members of the public who wish to  
8 testify but cannot attend, you can submit by fax  
9 to Tanisha Edwards, my attorney, your testimony.  
10 Her fax number is (212) 788-7061.

11 This hearing is now adjourned.

C E R T I F I C A T E

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

Signature *Tammy Wittman*

Date June 29, 2012