

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

jointly with the

COMMITTEE ON HOSPITALS

and the

COMMITTEE ON SMALL  
BUSINESS

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Tuesday, May 16, 2023

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HELD AT: COUNCIL CHAMBERS, CITY HALL

B E F O R E: Justin L. Brannan, Chairperson  
Mercedes Narcisse, Chairperson  
Julie Menin, Chairperson

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

Mitchell Katz, MD  
President and Chief Executive Officer  
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Linda DeHart  
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Jason Hansman  
Senior Advisor, Behavioral Health  
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Patricia Yang, DrPH  
Senior VP Correctional Health Services  
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First Deputy Commissioner  
New York City Small Business Services

Dynishal Gross  
Executive Deputy Commissioner  
New York City Small Business Services

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2 SERGEANT AT ARMS: Good morning. Mic check. Mic  
3 check. On today's Committee on Hospitals in  
4 conjunction with Finance and Small Business, recorded  
5 by Walter Lewis in the Chambers. Today's date is May  
6 16, 2023.

7 Good morning, and welcome to today's New York  
8 City Council meeting on the Executive Budget on  
9 Finance, joint with Hospitals and Small Business. At  
10 this time, please minimize electronic devices on  
11 silent or vibrate mode. Throughout the meeting,  
12 please do not approach the dais. If you need to  
13 approach a Councilmember, let one of us know, the  
14 Sergeant at Arms. Thank you for your cooperation.  
15 Chair, you may begin.

16 CHAIRPERSON BRANNAN: Thank you, Sergeant.

17 [GAVEL]

18 Good morning, and welcome to the sixth day of FY  
19 24 Executive Budget hearings. Today, we will begin  
20 with New York City's Health + Hospitals Corporation.  
21 I am Justin Brannan, Councilmember and Chair of the  
22 Committee on Finance. I am pleased to be joined by  
23 my colleague and my good friend, Councilmember  
24 Mercedes Narcisse, Chair of the Committee on  
25 Hospitals. We've also been joined today by

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2 Councilmembers Ossé, Rivera, and Moya. Welcome,  
3 President and CO, Dr. Mitch Katz, and your team.  
4 Thank you all for joining us today to answer our  
5 questions, and congratulations on the opening of Ruth  
6 Bader Ginsburg Hospital, which I was excited to  
7 attend the ribbon cutting there. That was very cool  
8 and much needed.

9 Okay. Just to set the table. On April 26, 2023,  
10 the Administration released the Executive Financial  
11 Plan for FY 23 to 27 with a proposed FY 24 budget of  
12 \$106.7 billion. H+H's proposed fiscal 24 subsidy of  
13 \$1.8 billion represents 1.7% of the Administration's  
14 proposed FY 24 budget in the executive plan. This is  
15 an increase of \$902 million, or nearly 100% from the  
16 \$913 million originally allocated in the FY 24  
17 preliminary plan. This net increase is mostly due to  
18 asylum seeker operations and collective bargaining  
19 adjustments.

20 My questions today will mostly focus on the  
21 asylum seekers along with BEHERD, the federal and  
22 state impacts on H+H's budget, and the Council's  
23 budget response.

24 Our public hospital system answered several calls  
25 in recent years, first from COVID, and now most

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2 recently to aid asylum seekers as they arrive in the  
3 city, all while we continue to tackle the mental  
4 health crisis. Now more than ever, we must be sure  
5 that public health resources are spent wisely and  
6 with maximum benefit, and I look forward to hearing  
7 from Dr. Katz and his team, my colleagues, and our  
8 questions.

9 I am now going to turn to my Co-Chair for this  
10 hearing, Councilmember Narcisse, for her opening  
11 remarks.

12 CHAIRPERSON NARCISSE: Thank you and good  
13 morning. Dr. Katz, thank you, as my colleague just  
14 mentioned, for pushing for quality of healthcare, and  
15 I appreciate your work, and New York City appreciates  
16 you. And all the panelists, thank you for the work  
17 you are doing in our city.

18 Good morning. My name is Mercedes Narcisse, and  
19 I am the Chair of the Committee on Hospitals. The  
20 executive plan includes \$1.8 billion in subsidy  
21 funding for H+H. H+H anticipates operating losses of  
22 \$183.7 million in fiscal 2024, growing to \$250  
23 million in fiscal 2027 due to higher-than-anticipated  
24 expenses on temporary nurse staffing and delays in  
25 federal and state revenues.

2 As we discussed at our preliminary budget  
3 hearing, the issue of using temporary nurses is  
4 exacerbating the staffing crisis that hospitals are  
5 experiencing citywide. Temporary nurses are making  
6 roughly 20% more than nurses hired by H+H, and this  
7 is not inclusive of nurses placed in other agencies.  
8 This executive plan makes changes related to the end  
9 of the public health emergency. However, it does not  
10 address some of the structural issues such as phasing  
11 off of temporary staff. The continuation of programs  
12 funded by federal dollars, and the management of the  
13 asylum crisis. This Committee has many questions on  
14 the fiscal impact of the enacted state budget. H+H's  
15 work on the asylum seeker's citywide operations,  
16 BEHERD, capital funding, and maternal mental health.

17 At today's hearing, we will examine several  
18 changes to H+H's budget, such as the \$200 million  
19 reduction on T2 services, a \$16.6 million reduction  
20 to the subsidy, and the \$4.3 reduction in intracity  
21 funding for family court services. We want to ensure  
22 that H+H is adequately funded and has a plan that  
23 supports the staffing transition from temporary  
24 nurses to agency nurses as this is a priority of this  
25 Council.

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2 As we continue to welcome the influx of asylum  
3 seekers, we want to ensure that our hospitals are  
4 equipped to provide short-term and long-term health  
5 services. Expanding access to health services is  
6 critical in ensuring that our hospital system is  
7 compensated for the care they provide.

8 I want to thank Dr. Katz and the H+H team for  
9 being here today to testify, and I look forward to  
10 learning more about the Council budget response  
11 requests not funded in the Executive Plan, such as  
12 restoration of asthma services, the hiring of  
13 reproductive health psychologists for every H+H  
14 hospital, the expansion of NYC Care, and the opening  
15 of therapeutic beds, which will help the severe  
16 mental health crisis of Rikers.

17 In closing, I would like to thank the Committee  
18 staff, Principal Analyst, Alicia Miranda, welcome;  
19 Assistant Director, Crilhien Francisco, and Policy  
20 Analyst, Mahnoor Butt, for their work on the hearing,  
21 as well as my staff, Chief of Staff, Saye Joseph,  
22 Frank Shea, and all of my staff. I will now turn to  
23 the Committee Counsel to administer the oath.

24 CHAIRPERSON BRANNAN: Thank you Chair. Before we  
25 get started, I also to extend my thanks to Alicia,



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2 Miranda, and Glenn Martelloni, from Council  
3 Finance for preparing for both of today's hearing,  
4 everyone that works hard behind the scenes--

5 CHAIRPERSON NARCISSE: We've been joined by--

6 CHAIRPERSON BRANNAN: Okay. Everyone that works  
7 hard behind the scenes to make these hearings  
8 possible, especially my Committee Counsel, Mike  
9 Twomey, my Senior Advisor, John Yedin, and all the  
10 analysts behind the scenes. We have also been joined  
11 by Councilmember Sanchez.

12 I will now turn it over to Mike Twomey to swear  
13 in the witnesses.

14 COUNSEL: Good morning. Could you raise your  
15 right hands please?

16 Do you affirm that your testimony will be  
17 truthful to the best of your knowledge, information,  
18 and belief, and you will honestly and faithfully  
19 answer Councilmember questions? Dr. Katz?

20 DR. KATZ: I do.

21 COUNSEL: Vice President DeHart?

22 VICE PRESIDENT DEHART: I do.

23 COUNSEL: Senior Advisor Hansman?

24 SENIOR ADVISOR HANSMAN: I do.

25 COUNSEL: Senior Vice President Yang?

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2 SENIOR VICE PRESIDENT YANG: I do.

3 COUNSEL: Thank you. You may begin.

4 CHAIRPERSON BRANNAN: Doctor, make sure your mic  
5 is on.

6 DR. KATZ: Thank you. Good morning, Chairpersons  
7 Brannan and Narcisse, and members of the Committee on  
8 Finance and Hospitals. I am Dr. Mitch Katz. I'm the  
9 proud CEO of New York City Health + Hospitals, and a  
10 practicing primary care doctor. I have phenomenal  
11 colleagues. To the left of me is Linda DeHart, who  
12 is our Vice President of Finance. To the right is  
13 Jason Hansman, who is our Senior Advisor of  
14 Behavioral Health, and at the left is Patsy Yang, our  
15 Senior Vice President in charge of Correctional  
16 Health.

17 With the recent end of the public health  
18 emergency, I want to take just a moment to  
19 acknowledge what amazing work my staff did over the  
20 three years of COVID, and are now very much in the  
21 mode of going from an emergency response to  
22 integrating care within regular centers. So, for  
23 example, when a patient of mine last week came with a  
24 runny nose and a cough, I would have at once sent him  
25 to the COVID center. Instead, I did the swab myself.

2 The swab goes to our lab, and that is now part of our  
3 everyday care.

4 Our Executive Plan is consistent with the January  
5 plan. We project that we will close fiscal 23 with a  
6 closing cash balance of approximately \$709 million,  
7 or 30 days of cash on hand, which is a breakeven for  
8 us. It is an improvement from our preliminary  
9 hearing, largely due to revenues coming in better  
10 than we had anticipated.

11 We are having a negative variance associated with  
12 costs due to temporary staffing. Chair Narcisse has  
13 already referred to this. This is a huge problem for  
14 us that we wish to change as soon as possible.

15 Our direct patient care revenue through March has  
16 been incredibly robust. It was \$47 million higher  
17 than the same period in the prior year, and each year  
18 of the five that I've been here, we've been able to  
19 push revenue so that we don't make cuts, and instead  
20 we build a bigger and better Health + Hospitals.

21 Finally, our strategic financial initiatives remain  
22 on track with our post-COVID strategies, generating  
23 over \$580 million through March with line of sight of  
24 approximately \$675 million for the fiscal year.

2 With regard to Test and Treat, we are using our  
3 hospital-based outpatient testing tents and mobile  
4 units shifted to now permanent services inside our  
5 hospitals. We think this will work well going into  
6 the future. We still have our very popular 212-  
7 COVID19 line. Anybody can call it. They will be  
8 connected with a virtual express care clinician.  
9 They will be prescribed Paxlovid if they wish it, and  
10 we will give them further advice on how to deal with  
11 their illness.

12 With Medicaid recertification beginning, again  
13 with the end of the public health emergency, it is a  
14 top priority of ours to engage all our patients to  
15 ensure that they do not lose their coverage.

16 We continue to expand healthcare access, making  
17 investments to various parts of our system, often in  
18 partnership with our elected officials. In April, we  
19 opened a new Pride Center at Metropolitan, which we  
20 are very prideful of. We also broke ground for a new  
21 apartment building on Health + Hospital's Woodhall  
22 Campus. Chair Narcisse and Chair Brannan, you both  
23 were at our opening of the new hospital in South  
24 Brooklyn honoring Ruth Bader Ginsburg. That was  
25 terrific.

2 On a national level, we continue to work with  
3 FEMA to receive reimbursement for eligible costs that  
4 we incurred during the pandemic. We also remain  
5 concerned about the potential federal DSH cuts that  
6 are set to begin on October 1, 2023. The City  
7 Council has been incredibly supportive of the cut not  
8 happening. It would be devastating across the  
9 country. There has been bipartisan legislation  
10 introduced in Washington, which would eliminate these  
11 cuts for two years. And we thank Representative  
12 Clark and so many of our delegation members for their  
13 support of this bill. We are the largest recipient  
14 of DSH funds in the state, and we would be the first  
15 to bear the brunt of any federal cuts, at least \$622  
16 million in the first year. That's a number way too  
17 large for us to be able to accommodate without  
18 massive cuts in services.

19 With that I am very grateful to the amazing  
20 people that I get to work with every day, and the  
21 tremendous support I feel from these Committees and  
22 the City Council. Thank you very much.

23 CHAIRPERSON BRANNAN: Thank you doc. We've also  
24 been joined by Councilmembers Hudson, Brooks-Powers,  
25 and Farías.

2 I want to talk about, and get right into the  
3 asylum seeker operations. The executive plan made a  
4 number of changes as it relates to the ongoing  
5 humanitarian crisis related to the asylees, adding  
6 nearly \$75 million in FY 23, and \$748 million in FY  
7 24 H+H his budget. As of last week, H+H had spent  
8 nearly \$315 million in the current year on asylum  
9 seekers. Could you give us, up-to-date, how much  
10 you've spent so far, and what services will you  
11 continue to offer with this funding?

12 DR. KATZ: Sure. You have correct the amount  
13 we've currently spent, the \$315 million. We're  
14 budgeted to spend \$500 million in fiscal year 23,  
15 \$748 million in fiscal year 24, \$258 million in  
16 fiscal year 25. Part of the overall asylum seeker  
17 cost projections for the city of \$1.4 billion in 24,  
18 \$2.9 billion in fiscal 25, and \$1.0 billion in fiscal  
19 26. And you know that the history of this. Our--  
20 Our great partners in the office of Immigrant  
21 Affairs, HRA, DHS, were taking care of the asylum  
22 seekers, and at a certain point, at really several  
23 points just became overwhelmed, just too many asylum  
24 seekers for them possibly to be able to house and  
25 feed everyone. And that's-- that's how we entered

2 this. We had experience from COVID, from the COVID  
3 hotels, with creating places for people to live. I  
4 think we all recognize that there are-- the choices  
5 of-- of locations are getting harder and harder, as  
6 the numbers are growing, harder and harder to find  
7 the ideal places, but we're-- we're committed to  
8 taking care of people in a humane way as best we can.

9 And what sort of services is H+H providing?

10 DR. KATZ: So we extend the full H+H services to  
11 everybody. So, I mean, what's different is we don't  
12 normally house and feed people. And we don't  
13 normally to resettlement. Those three are new  
14 services. But beyond that, we've been immunizing the  
15 children, we had a woman step off the bus and need  
16 transport to deliver a baby. We're providing mental  
17 health services, both on site and at the facilities.  
18 So we extend the full umbrella of what Health +  
19 Hospitals can do to the asylum seekers.

20 CHAIRPERSON BRANNAN: Is-- Who is the lead agency  
21 for the check-ins and the screenings for the asylees  
22 once they arrive?

23 DR. KATZ: Check-ins and screenings? Uh...

24 CHAIRPERSON BRANNAN: Like when the asylees  
25 arrive at Port Authority or whatever--

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2 DR. KATZ: Right. Right.

3 CHAIRPERSON BRANNAN: --is H+H leading that? Or  
4 is it DOH?

5 DR. KATZ: We are going to lead it starting next  
6 week when the new center opens. We have not-- We  
7 have not been the lead on the registering in. I  
8 think one of the things the city has realized is that  
9 it's been difficult to keep track of the numbers,  
10 because there have been different ways that people  
11 could enter the system.

12 CHAIRPERSON BRANNAN: Sure.

13 DR. KATZ: So for example, a caring CBO will send  
14 somebody who's an asylum seeker who wasn't-- you  
15 know, didn't come necessarily through Port Authority  
16 to us. So we are going to create-- it's going to  
17 open up this Friday at the Roosevelt Hotel, an intake  
18 center where everybody will automatically go so that  
19 we can make sure that everybody gets all of the  
20 services, and frankly so that the city can keep track  
21 of its expense and numbers of people.

22 CHAIRPERSON BRANNAN: Do you anticipate H+H will  
23 receive additional funding at adoption?

24 DR. KATZ: Yeah. All of our discussions with OMB  
25 had been because our mission is around the public



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2 hospital system, that additional expenses would be  
3 paid by OMB. And OMB reviews all our budgets, makes  
4 sure that that they believe that they're appropriate.  
5 They-- They also have line of sight into all of the  
6 contracts that other agencies like HRA have, and so  
7 they can make sure that nobody is overspending. But  
8 yes, they've committed that whatever the costs are,  
9 they will cover them so that it doesn't actually come  
10 out of the hospital system.

11 CHAIRPERSON BRANNAN: And most of the funding  
12 that was added throughout the plan was for shelter,  
13 and housing operations, and transportation. Do you  
14 have an idea of how much of that new funding goes to  
15 actually provide health and mental health services  
16 for uninsured patients?

17 DR. KATZ: We haven't asked for any additional.  
18 I view it as my job to care for everybody, however,  
19 many people there are, who are uninsured or low  
20 income underinsured. Generally, the people who've  
21 come to the asylum seekers, many of them walked  
22 across Latin America, they are, you know, generally  
23 younger, healthier, not a lot of chronic disease. So  
24 at least so far, the-- the, you know, there's a lot  
25 of mental health need because of trauma that people

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2 have experienced walking across Central America, but  
3 there's not a lot of serious medical illness.

4 CHAIRPERSON BRANNAN: And do you have an  
5 accounting for how many asylum seeker related  
6 contracts H+H currently has?

7 DR. KATZ: [background voices] 30 contracts.

8 CHAIRPERSON BRANNAN: Three-zero?

9 DR. KATZ: Three zero.

10 CHAIRPERSON BRANNAN: And are they all for  
11 basically the same thing? Or different services?

12 DR. KATZ: Yeah. They-- They're the range of  
13 services that we provide. I mean, with each-- each  
14 time we do this, we try to bring more of it in-- in  
15 house. So we always start with the contracts. And  
16 then we try-- Because we've needed to do this so  
17 quickly. And then we try to figure out if-- if it's  
18 a service that we ourselves can provide. But for  
19 example, we have separate contracts for food. Each  
20 hotel typically has its own contract, because we're  
21 contracting separately. We don't we don't have like  
22 an umbrella arrangement for hotels. And then we have  
23 a service provider.

24 CHAIRPERSON BRANNAN: Okay, let's talk about  
25 BEHERD. It's only active 16 hours a day instead of

2 24. And as a result, workers are unable to aid  
3 people with a mental health emergency in the evening.  
4 The current plan adds \$27 million in other agencies  
5 to expand BEHERD. No funding was added in the H+H  
6 budget for the expansion. However, FDNY did receive  
7 additional funding. And this is after the program  
8 was reduced in current years by PEGs. So the Council  
9 is has two questions: Are there any plans to expand  
10 BEHERD into a 24/7 program? And why do we think no  
11 funding was added to H+H in spite of the program  
12 expansion?

13 DR. KATZ: Sure. So I think here too the history  
14 is worthwhile. We are doing this because we deeply  
15 believe in the mission of BEHERD. So we-- The  
16 initiative itself is not a Health + Hospitals  
17 initiative, but we're very proud to provide and train  
18 the social workers who work in this. There is a huge  
19 problem right now for all mental health professionals  
20 across the city, across the country. COVID has  
21 really disrupted the mental health market. We are in  
22 favor of 24-hour coverage. But we would need to be  
23 able to hire more people in order to do that. The  
24 city has committed that if we are able to hire, they  
25 would provide the funding. The current funding that

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2 we have is sufficient for the number of social  
3 workers that we are employing.

4 So it's a question of can we recruit enough to go  
5 to the nights? We do the-- the shifts we do, the 9am  
6 to 1am, because that's where the highest number of  
7 the calls have been. But I think having it be 24  
8 hours would be terrific and we stand prepared to do  
9 it.

10 CHAIRPERSON BRANNAN: Do you think it would make  
11 more sense in the overnight rather than the daytime  
12 if we had to pick?

13 DR. KATZ: I'm going to go to Jason who was  
14 integrally involved in creating this while he was in  
15 the-- the City Hall Mental Health Office.

16 SENIOR ADVISOR HANSMAN: Thank you. So I think  
17 what we know from the hours is about 80% of our  
18 mental health crises occur between that 9am and 1am.  
19 So--

20 CHAIRPERSON BRANNAN: Okay.

21 SENIOR ADVISOR HANSMAN: --we're talking about,  
22 you know, that eight hours really in that overnight,  
23 and it's also one of the hardest shifts to recruit  
24 for. And so as Dr. Katz mentioned, we-- we are in a  
25 mental health provider shortage, and it would be

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2 very-- it would be extremely difficult to recruit for  
3 the overnight. So the priority has been that  
4 geographic expansion with the goal of ultimately  
5 going to 24 hours as we expand across the city.

6 CHAIRPERSON BRANNAN: Was it concerning to you as  
7 it was to us that there was no funding added to H+H  
8 despite the efforts to expand the program?

9 SENIOR ADVISOR HANSMAN: No. It covers-- as-- as  
10 I think Dr. Katz mentioned, it covers what we're  
11 currently proposing in this coming fiscal year for--  
12 for expansion.

13 CHAIRPERSON BRANNAN: Some questions just about  
14 the State budget: What are some of the major  
15 proposals that will impact the system and the city as  
16 a whole in both positive and negative way? If you  
17 could summarize that.

18 DR. KATZ: I'm going to turn to Linda, because  
19 one of the fascinating things about the State budget  
20 is first, we're still not totally sure, which that  
21 being said, that in and of itself is kind of  
22 interesting, right?, and that there were so many  
23 pluses and minuses that were in the budget that it  
24 wasn't-- it's not easy to assess exactly where we  
25 come out. Linda?

2 VICE PRESIDENT DEHART: Thank you. So as Dr.  
3 Katz said, we are still assessing the overall impact.  
4 There were a number of initiatives, some positive,  
5 some negative. There are many where we require  
6 additional information from the State to really  
7 understand how they will work and what the impact  
8 will be.

9 Generally, our largest concern with the budget is  
10 that it continues these state takeover of the  
11 pharmacy benefit, which results in a reduction in  
12 340B revenues for our facilities. That was  
13 implemented as of April 1 of this year. And also, as  
14 mentioned, there was nothing specific in this budget  
15 related to DSH. But we do want to emphasize again,  
16 that we remain concerned about the federal DSH cuts,  
17 and those would need to be addressed in state statute  
18 to prevent significant reductions to H+H should they  
19 occur. And we appreciate the continuing support from  
20 the Council as well as our state leaders on that  
21 front.

22 With respect to the details of the budget, in  
23 addition to the 340B cut that resulted from the  
24 pharmacy takeover, the state implemented a number of  
25 items which they say are intended to offset that

2 impact. As mentioned, we are continuing to assess  
3 them, and we don't know yet whether they will be  
4 sufficient to address that-- that reduction.

5 Included in that was an increase in hospital  
6 inpatient rates of 7.5%, a 6.5% increase in hospital  
7 outpatient rates, funding for our FQHC clinics, as  
8 well as some funding for Ryan White services.

9 The State also implemented an increase in the  
10 essential plan rates. The essential plan is-- are  
11 the health plans that are available on the New York  
12 State of Health Exchange, effectively the Obamacare  
13 plans. We have quite a few questions about how that  
14 will work and what the resulting impact to our system  
15 will be.

16 The other positive aspects of the budget include  
17 a \$1 billion capital transformation fund. This will  
18 be in part dedicated to provide funding for health  
19 care facility projects for providers and in part to  
20 support technology and transformation projects.

21 There is a \$1 billion investment in behavioral health  
22 services which includes another significant capital  
23 investment for residential unit development, as well  
24 as both capital and operating for expansion of  
25 inpatient beds.

2 We were very happy that the State reauthorized  
3 what we referred to as the EPL conversion, which is  
4 an important supplemental Medicaid funding program  
5 that we are pursuing with the State and the federal  
6 government. There were a number of service  
7 reimbursements-- revisions that were made that, as I  
8 said before, we need to really investigate with the  
9 State how they work, but we think there are  
10 significant opportunities there that we will continue  
11 to explore.

12 We were pleased that the State restored the  
13 quality pool for managed care funds which are  
14 important for incentivizing quality care. It's  
15 something that we have benefited from as well as  
16 Metro plus, and a 4% COLA for human service and  
17 behavioral health care workforce.

18 In addition to the 340B cut on the negative side  
19 of the budget, there was a failure to restore a  
20 capital cut from prior budget years. So that-- While  
21 the state has invested in capital grants, they are  
22 not fully reimbursing facilities for the capital  
23 investments that we make on our own. And they also  
24 failed to provide, from our perspective, significant  
25 or satisfactory funding for safety net hospitals. We



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2 had participated in advocating for expanded funds for  
3 that that group of providers as well as ourselves.

4 CHAIRPERSON BRANNAN: There was a proposal to  
5 boost Medicaid rates for certain safety net hospitals  
6 in a sort of targeted way to tie rates to the average  
7 commercial insurance rates in certain regions. It  
8 unfortunately wasn't included in the enacted budget.  
9 What were the discussions like around that this year?

10 DR. KATZ: You know, it's a great proposal Chair.  
11 I mean, it would solve so many problems if the State  
12 (and other states have done this), they would-- if  
13 you would set a standard rate for all hospitals, then  
14 hospitals could compete on quality, right?

15 CHAIRPERSON BRANNAN: Yup.

16 DR. KATZ: And people still would be complete  
17 free choice. Everybody gets to choose what hospital  
18 they want to go to. And each hospital gets to say,  
19 "Come to me because I have the best quality." Right  
20 now, when you look at the transparency numbers, it's--  
21 - that hospitals are forced to do, Health + Hospitals  
22 will often get like 40% of the reimbursement rate of  
23 other hospitals. And it's not because our services  
24 are less than. It's simply because we don't have the

2 clout in the commercial market. But the strong  
3 protests against doing those things.

4 CHAIRPERSON BRANNAN: But the biggest obstacle  
5 was the price tag or what was it?

6 DR. KATZ: Because it would-- No, it's because  
7 it would cause-- some hospitals would gain. The  
8 safety net hospitals would gain, but some of the  
9 other hospitals would lose if you made the rates more  
10 similar.

11 CHAIRPERSON BRANNAN: Yeah. And I agree. I  
12 think we need to be doing everything we can to  
13 support our safety net hospitals.

14 DR. KATZ: Agreed. Thank you.

15 CHAIRPERSON BRANNAN: Last question for me, and  
16 I'm going to turn it over to Chair Narcisse. Has H+H  
17 been in discussion with OMB on state budget and  
18 timing for the reopening of the psychiatric beds?

19 DR. KATZ: Uh, in terms of the psychiatric beds,  
20 we currently have sufficient funding. It's not a  
21 funding issue, not OMB's fault. It's what Jason was  
22 talking about, hiring mental health professionals.

23 CHAIRPERSON BRANNAN: So it's a staffing issue?

24 DR. KATZ: Especially psychiatrists. Part of  
25 what happened in COVID is psychiatrists learned that

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2 they could work virtually, do good care, often  
3 without taking insurance. They do hourly visits.  
4 And can you know, convincing them to work on an  
5 inpatient ward at a much lower price, where patients  
6 can be disruptive and difficult at times, has been a  
7 huge challenge.

8 And we're working with the State, and I'm a big  
9 proponent. The-- The staffing mix has to change  
10 because we simply cannot hire the number of  
11 psychiatrists that would be necessary to open those  
12 beds. But it's not a money issue.

13 CHAIRPERSON BRANNAN: What-- What is your vacancy  
14 right now at the agency?

15 DR. KATZ: Overall?

16 CHAIRPERSON BRANNAN: Yeah.

17 DR. KATZ: I don't think we have an overall-- I  
18 mean, in certain-- I mean, I happen to know it in  
19 certain areas. For example, if we-- In nursing, we  
20 have 2000 vacant positions.

21 CHAIRPERSON BRANNAN: Wow.

22 DR. KATZ: So it's huge. In terms of our  
23 inpatient psych beds, we would-- we could open  
24 another third if we had enough staffing. So you  
25 know, in the case of the vacant nursing, our

2 positions are not-- are below market. And we're  
3 working very productively with OLR and OMB and NYSOMH  
4 them to fix that. But in the case of mental health,  
5 it's purely the market. There is just nobody to  
6 hire. The other-- The other hospitals have exactly  
7 the same problem we do.

8 CHAIRPERSON BRANNAN: Thank you, Doc. I, you  
9 know, obviously, I want to really acknowledge the  
10 great work that H+H did throughout COVID. I mean,  
11 for certain neighborhoods that had no interaction or  
12 engagement with our public hospital system, I think  
13 the work that they saw, done by your folks during  
14 COVID certainly opened their eyes to the-- if nothing  
15 else, the importance of our public hospital system.  
16 So that didn't go unnoticed. Again, certainly in  
17 neighborhoods where all their engagement might be  
18 only with private hospitals, I think it really opened  
19 their eyes and I hope that it continues to head in  
20 that direction with people understanding the  
21 importance of our public hospital system.

22 DR. KATZ: Thank you.

23 CHAIRPERSON BRANNAN: I'm going to hand it over  
24 to Chair Narcisse. Just, we also been joined by  
25 Councilmembers Velázquez, Joseph, Schulman, Carr, and

2 Hanks. Thank you, Commissioner, I'm going to hand it  
3 over to Chairman Narcisse.

4 CHAIRPERSON NARCISSE: Good morning, again. And  
5 I'm going to cosign that we need our public hospitals  
6 to stay open. As a nurse? Yes, we need hospitals.  
7 I know healthcare is important to us.

8 My question lines is going to go towards  
9 traveling nurses. Can you tell us for each year 2019  
10 to 2022, and year to date 2023, how much you have  
11 spent on agency, traveling-- traveling nurses, and  
12 how much traveling nurses making per hour?

13 DR. KATZ: Okay. Linda is going to give the  
14 numbers.

15 VICE PRESIDENT DEHART: So what we have available  
16 is for calendar year 2022. We spent a total of \$552  
17 million on-- I'm sorry, \$549 million on agency nurses  
18 to support our facilities. There was a lot of  
19 variation in that spending level over the course of  
20 the year. So from the start of the year to the end,  
21 we have reduced temp utilization for nurses by about  
22 3%, and reduced overall cost by 35%. So during the  
23 course of the year, the utilization was impacted by  
24 initially the Omicron wave in the first quarter. We  
25 were then able to begin to ramp down in the second

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2 and third quarter, particularly as we began to phase  
3 out some of the testing. But in the last quarter of  
4 the calendar year, we were affected again by the  
5 tridemic that was happening at that point. So there  
6 was some up and down. We did overall see the hourly  
7 rates come down over the course of the year as well.

8 CHAIRPERSON NARCISSE: So how much per hour?

9 VICE PRESIDENT DEHART: We have at this point an  
10 average--

11 CHAIRPERSON NARCISSE: The nurses are making per  
12 hour, Mm-hmm.

13 VICE PRESIDENT DEHART: The average is I believe  
14 roughly-- [background voices] It's about \$120. It  
15 varies again over the course of the year.

16 DR. KATZ: It can be a little different by  
17 specialty. And it can be-- It varies by how tight  
18 the market is at a particular moment, because  
19 typically they're 12-or-16-week periods that you get  
20 a group of nurses for. And at certain points, when  
21 nurses are very high in demand, the price goes up.  
22 Demand goes down, the price goes down a little bit,  
23 but it's always too high.

24 CHAIRPERSON NARCISSE: So the average is \$120 per  
25 hour.

2 VICE PRESIDENT DEHART: Roughly.

3 CHAIRPERSON NARCISSE: What sources of funding,  
4 City, State or Federal, are you using to pay for  
5 traveling nurses?

6 DR. KATZ: It just comes out of our regular  
7 revenue budget. I mean, if we weren't so successful  
8 in revenue, I don't know how we've gotten through  
9 this year.

10 CHAIRPERSON NARCISSE: So it's not tied up with  
11 the city or the state funding? Where you pull that  
12 funding is overall regular revenue?

13 DR. KATZ: It's regular revenue. I mean, a lot  
14 of it reflects state Medicaid and Medicare funding,  
15 but Health + Hospitals is primarily a revenue-driven  
16 department. Chair Brannan had began by-- by pointing  
17 out we were we have a \$1.8 billion subsidy, but we're  
18 a \$10 billion department. So almost everything we  
19 do, we do by providing the service. And if you  
20 provide the service, generally you get a revenue if  
21 you don't provide the service, no revenue. So that's  
22 why many times we can do something. If we can hire  
23 the people, we can do it. If we can't-- In the case  
24 of mental health, if we can't hire the people we  
25

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2 can't do it even though we have- we could have the  
3 money because it would we get a revenue for it.

4 CHAIRPERSON NARCISSE: Can you share with us the  
5 names of all the city agencies organization you  
6 collaborate with to a hire-- just like the hiring  
7 agency for the traveling nurses?

8 DR. KATZ: We use a managed service provider.  
9 It's a single vendor. And they're like an umbrella  
10 group with the different nurse registries, and they--  
11 they're the ones who bring us the services.

12 CHAIRPERSON NARCISSE: The contracting-- was it  
13 contracting?

14 DR. KATZ: So we contract with a managed service  
15 provider. [TO OTHERS:] Do you have a...?

16 CHAIRPERSON NARCISSE: What's the name?

17 VICE PRESIDENT DEHART: That's not the name of a  
18 vendor. It's an organization that essentially pools  
19 all vendors, and we deal with-- with the one group.

20 DR. KATZ: Right--

21 VICE PRESIDENT DEHART: Right Sourcing.

22 DR. KATZ: Right Sourcing. That's right.

23 CHAIRPERSON NARCISSE: Okay. So you're  
24 outsourcing.

25



2 DR. KATZ: Right Sourcing. They are the  
3 umbrella, but under Right Sourcing or other agencies.

4 CHAIRPERSON NARCISSE: There's other agencies.  
5 What are the agencies?

6 VICE PRESIDENT DEHART: We don't have that  
7 available. But it's effectively accessing the full  
8 market of agencies through this single vendor.

9 DR. KATZ: The idea when we did it was that they  
10 would be better able to get you nurses at better  
11 prices than if you did single contracts. So they're--  
12 - they're the umbrella. Then the contracts-- The  
13 other-- They pull from the different kinds of nurse  
14 registries. But we-- we will find out for you and  
15 we'll send it over.

16 CHAIRPERSON NARCISSE: Yeah. It's just like a  
17 middleman, like it sounds. They're making money of  
18 other agencies.

19 DR. KATZ: Yeah. I think that's fair.

20 CHAIRPERSON NARCISSE: Okay. What is the value  
21 of the contracts you have with them, broken down by  
22 agencies? But now from my understanding, you would  
23 not be able to do that because that's the middlemen  
24 umbrella that's doing all the work.

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2 DR. KATZ: Yeah. I think what we should provide  
3 you is just the list of, you know, numbers of--  
4 beyond the numbers we've had. I don't know-- [TO  
5 OTHERS:] Do we have for today more? [TO COUNCIL:]  
6 We don't have anything more detailed today, but we'd  
7 be happy to provide your office. I mean, the-- the  
8 big line, which you-- you have articulated is: This  
9 isn't good. This isn't what we want. We want to  
10 hire our own nurses. We do not want-- We do not  
11 like the idea that a nurse agency of registered  
12 nurses take off probably about a third of the money  
13 which goes directly to them, which-- so it's not--  
14 the traveling nurse doesn't necessarily get the full  
15 amount. We want our own nurses. That does require  
16 that we have a wage that is competitive. And we  
17 can't-- I'm really stuck. If I've got 2000  
18 vacancies, which is what I got. I have-- where the--  
19 we lose about 40% of brand new nurses within the  
20 first year. They come to us for training, and then  
21 they leave because they can earn, you know, \$20,000  
22 or \$30,000 more nearby. Health + Hospitals will  
23 never be the highest payer of nurses. Nor do I even  
24 aspire to that I aspire to be competitive. I aspire  
25 to provide wages similar to what they would get at

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2 other hospitals. And we're working with OMB and OLR  
3 and NYSNA to have a contract that will do that. And  
4 as soon as we have such a contract, we will stop  
5 using the registry. But on the other hand, if I  
6 don't use the registry, I'd have to close my trauma  
7 centers. I just can't run 2000 nurses down.

8 CHAIRPERSON NARCISSE: The biggest problem I have  
9 is the middlemen because they take all the money,  
10 which I'm in agreement with you, and they do not do  
11 the work. But the nurses are doing the work. So  
12 we're going to have to meet somehow. So that's why  
13 we are asking the question: to understand. And once  
14 we have the data, we have the number, we can have a  
15 better understanding, because the nurses are here and  
16 we want to keep them.

17 So how have the contract costs changed over the  
18 years?

19 DR. KATZ: It's a little lower now. It was at  
20 its highest during COVID, and highest during the  
21 crisis, where we had RSV in sort of the November and  
22 December months. As I was saying you typically  
23 contract for 12 to 16 weeks, and how much they charge  
24 you per hour depends on how short nursing is.

25

2 Some of these nurses, we believe, have been in  
3 New York for years and would stay in New York if we  
4 had a competitive wage. Some of them are truly  
5 travelers and enjoy 16 weeks in our lovely city, and  
6 then they're ready to enjoy 16 weeks in some other  
7 lovely city.

8 So-- But the ones that-- Our target really are  
9 the ones who we know have been here for two or three  
10 years. We think if we had a competitive wage, they  
11 would come and work for us, and then we would cut out  
12 the middle person.

13 CHAIRPERSON NARCISSE: So can you look back from  
14 the 2019 to present?

15 DR. KATZ: Mm-hmm. We'll get we'll get you the  
16 rates from 2019 going forward.

17 CHAIRPERSON NARCISSE: Okay. The Executive Plan  
18 shifts from \$30 million in funding to DOHMH for  
19 traveling nurses in this plan. How much has H+H paid  
20 to DOHMH for traveling nurses in total this year?

21 DR. KATZ: So in this case, we-- we're helping  
22 out DOHMH because they we get more attractive rates  
23 than they can get, because we're such a large user of  
24 the services. So I mean, to us, it's a pass-through  
25 financially. They need the nurses. We're providing

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2 the nurses. The cost is \$30 million. They pay us.

3 We-- It doesn't affect us plus or minus.

4 CHAIRPERSON NARCISSE: So the total?

5 DR. KATZ: \$30 million.

6 CHAIRPERSON NARCISSE: \$30 million total. Okay.

7 Um. Asylum seekers, which we know. Now, we have  
8 some schools, auditorium-- or is a gym? Auditorium?

9 The gym? So now is H+H involved?

10 DR. KATZ: To be honest, I don't-- I mean, we're  
11 involved in the sense that we're part of this, right?

12 And I would never throw blame or-- to anyone other  
13 than-- We're all part of this. I don't think anybody

14 views schools as an optimum choice. I think all of

15 us are struggling with how to humanely care for

16 people who need a roof over their head in a city

17 where there's-- I mean, we're literally running out

18 of hotel spaces. We have not wanted to put families

19 in congregate spots. We have had success with

20 congregate living for single men, but we have not

21 wanted to put women and children in congregate spots.

22 I think that the idea of the schools is temporary,

23 two to three days, just to give us enough time. I

24 mean, sometimes 400 people arrive in one day.

25

2 I mean, the-- You know, I mean, it really makes  
3 me so proud of New York that we do this at all,  
4 right? I mean, you can imagine 400 new people that  
5 you didn't have now need-- need housing and food.  
6 And we're doing it. But increasingly, we're lacking  
7 the spots to do it. When the Roosevelt Hotel opens  
8 on Friday, that's going to help us. It's 800 rooms.  
9 So that will give us a major spot for the next, you  
10 know, few weeks at least.

11 CHAIRPERSON NARCISSE: It is a challenging time.  
12 And one of the concerns is infrastructure, and how we  
13 bill for some areas for that. But safety, since we  
14 are a nurse and a doctor, we talk about safety, how  
15 safe we are in some areas.

16 The Co-Chair, I think, touched on that. H+H  
17 received additional funding in the plan to support  
18 asylum seekers' operation, but the spending and  
19 projected spending-- I mean, the amounts do not quite  
20 line up. How much of the spending for asylum seekers  
21 operation have gone towards outside contracts or  
22 temporary staff?

23 VICE PRESIDENT DEHART: We don't have that split  
24 available, but we are bringing staff on board because  
25 of the speed at which these sites need to be set up.

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2 We do often rely on vendors to stand up the work  
3 quickly. So we are still sort of in transition  
4 between the two.

5 CHAIRPERSON NARCISSE: You will share that with  
6 us eventually, right? You will send--

7 DR. KATZ: We will. Remember all of this is  
8 emergency and unpredictable. That's the other thing  
9 about it, is we never know day to day how many people  
10 are going to arrive and need housing. And so it's--  
11 it's very challenging to-- to even project costs for  
12 the contracts that we're running.

13 CHAIRPERSON NARCISSE: I know it's difficult, but  
14 I know you're going to do your very best.

15 DR. KATZ: We're going to provide-- and we're  
16 going to-- we're committed to full transparency.  
17 We'll provide all the numbers as we spend the  
18 dollars.

19 CHAIRPERSON NARCISSE: How much of the \$748  
20 million added in fiscal 2024 will go towards  
21 supporting H+H personnel and staffing?

22 DR. KATZ: [TO VICE PRESIDENT DEHART] We've  
23 broken the \$748 down?

24 VICE PRESIDENT DEHART: We have not yet. It will  
25 be part of the analysis going forward.

2 DR. KATZ: Again, our usual theory: we have to  
3 treat this as an emergency. We go out and we do a  
4 contract to start it, and then we figure out how we  
5 can do it ourselves. So like the show vans were  
6 begun-- those of the vans that go around caring for  
7 homeless. We started it as a contract with somebody  
8 who knew how to do that. And then we replaced the  
9 contractors with us. That's-- We found that to be  
10 the most successful model for things that have to get  
11 done really fast.

12 CHAIRPERSON NARCISSE: So you make transition out  
13 of--

14 DR. KATZ: You transition-- Once you get some  
15 experience, then you have a much better sense of what  
16 you need.

17 CHAIRPERSON NARCISSE: I understand. Okay. How  
18 many dedicated staff? Do you have that work  
19 specifically in the B-- in the HERRC? That's what's  
20 what I want to ask. In the HERRC.

21 DR. KATZ: In the HERRC. I don't-- I don't have  
22 that. I would-- You know, my-- my SVP, Ted Long has  
23 been-- you know, I mean, he lives this. And he has  
24 several very dedicated staff. You know, whenever I'm  
25 talking to them, they're at a hotel. They're--



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2 They're at a center. I mean, they're-- They've been  
3 amazing through all of this.

4 CHAIRPERSON NARCISSE: And I will second that,  
5 because he-- he has a passion, compassion to serve.

6 DR. KATZ: He does.

7 CHAIRPERSON NARCISSE: Yeah. How are we meeting  
8 the demands of clients coming into the emergency  
9 shelter system that do not have outside care?

10 DR. KATZ: We put the Health + Hospital umbrella  
11 over them. We provide whatever services they need.  
12 We do a lot of immunizations for the children. And  
13 we do a lot of crisis intervention. People who, you  
14 know, have trauma from the events, marital discord,  
15 family discord. I mean, these people have been  
16 through a lot in the very recent times.

17 CHAIRPERSON NARCISSE: Thank you. I'm going to  
18 go to BEHERD. Thank you for sending the data. Now I  
19 can see the precincts. Some of my precincts have it.  
20 And I hope we can continue providing care for mental  
21 health. And the needs. Because what I realized in  
22 the data, that the percentage of responding of the  
23 transporting the people to hospital has been  
24 increased. So from 46 to 59. My question around  
25 that: Is the needs more severe? Why is that?

2 SENIOR ADVISOR HANSMAN: So I'll start just by  
3 saying that, you know, BEHERD never sought to  
4 eliminate or necessarily see a significant reduction  
5 in hospital transports, right? The program really  
6 aims to do and decrease unnecessary hospitalizations.

7 So what we have been seeing is, by having this  
8 mental health and health professional on site and  
9 making assessments, we're doing a better job of  
10 connecting folks to services in the community, and  
11 making a smoother transition into-- into the hospital  
12 when that's necessary. Again, when it's determined  
13 that the individual needs to be transported to a  
14 hospital for a more comprehensive assessment, we're  
15 seeing that better experience for the patient,  
16 because there's a mental health professional kind of  
17 walking through that that process. So we're-- We  
18 expect to see some variation, depending-- especially  
19 as we move from one place to another and expand  
20 geographically, we're going to begin to see  
21 variations in those hospitalization numbers.

22 CHAIRPERSON NARCISSE: Thank you. For some of  
23 the data that I would like to find out. How many  
24 calls that you get from BEHERD? Do you have that  
25 data?

2 SENIOR ADVISOR HANSMAN: I don't--

3 CHAIRPERSON NARCISSE: I don't remember seeing  
4 that one.

5 SENIOR ADVISOR HANSMAN: Uh, it should be in the  
6 yearly data briefing. And in the coming weeks the  
7 Mayor's Office of Community Mental Health is going to  
8 be releasing first and second quarter FY 23 data. So  
9 you should be able to see that in the coming weeks  
10 about--

11 CHAIRPERSON NARCISSE: Okay. On that note, I  
12 want to know how many of the folks that call and--  
13 that call and receive the services. Because I can  
14 call and not receive the services.

15 SENIOR ADVISOR HANSMAN: Yep. And-- Right. And  
16 that's in there around how many folks are-- are  
17 calling and getting the traditional response and  
18 calling and getting the BEHERD response.

19 CHAIRPERSON NARCISSE: Okay. How many hours of  
20 training, and what type of training do BEHERD  
21 response team members receive?

22 SENIOR ADVISOR HANSMAN: So the teams  
23 collectively, both the EMTs and the social workers,  
24 undergo an extensive four-week training where social  
25 workers and EMTs are trained together on various

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2 topics like de-escalation, motivational interviewing,  
3 how to engage with special populations, first aid.

4 So it's really meant to be a comprehensive training  
5 to get both sides, both-- again, the EMTs and the  
6 social workers, the training that they need to do  
7 emergency medicine in the field and emergency mental  
8 health care in the field.

9 CHAIRPERSON NARCISSE: Okay, how many hours of  
10 training and what type of training do 911 dispatchers  
11 receive regarding mental health and crisis calls?

12 SENIOR ADVISOR HANSMAN: So we would defer that  
13 to our colleagues at the Mayor's Office of Community  
14 Mental Health, NYPD, and FDNY regarding how 911  
15 operators are trained as they're more directly  
16 involved in the 911 operations.

17 CHAIRPERSON NARCISSE: I got that. But you're  
18 not-- since it's BEHERD, you don't have-- in touch  
19 with the data from the different pools of the  
20 services?

21 SENIOR ADVISOR HANSMAN: Not for the 911 system  
22 directly.

23 CHAIRPERSON NARCISSE: Okay.

24

25

2 SENIOR ADVISOR HANSMAN: We, again, as Dr. Katz  
3 mentioned, we-- we really provide the social workers  
4 that go out on these teams.

5 CHAIRPERSON NARCISSE: Okay. Yesterday, DOHMH  
6 testified that they paid trainings to be-- I mean,  
7 they give training to BEHERD staff. How is H+H  
8 training different than DOHMH trainings?

9 SENIOR ADVISOR HANSMAN: Yeah. So DOHMH provides  
10 a number of different trainings, both on substance  
11 use, I believe, and also on some of the other  
12 services that they provide in the city, which is part  
13 of that collective four-week intensive training with  
14 the EMTs and-- and the social workers.

15 CHAIRPERSON NARCISSE: Mental health. In our  
16 preliminary budget response, the Council called to  
17 the inclusion of \$2.2 million to higher reproductive  
18 health at all H+H facilities. Can you talk about the  
19 benefits of providing mental health support to  
20 expecting parents before and after childbirth?

21 DR. KATZ: Well, Chair, I mean, you're more  
22 expert than I am. You know, as a nurse how important  
23 it is, how challenging the period of time is before  
24 birth, and after birth. Postnatal depression is a  
25 huge issue--

2 CHAIRPERSON NARCISSE: Yup.

3 DR. KATZ: --which was long misunderstood. You  
4 know, women were blamed for sort of not loving their  
5 child enough. It was horrible, before people  
6 understood that this is, you know, a physiologic  
7 condition and needs to be supported. And so I'm just  
8 incredibly grateful for the City Council, you know,  
9 for supporting this initiative. I think it will help  
10 an awful lot of brand new parents.

11 CHAIRPERSON BRANNAN: And, you know, we have 31  
12 women in the city council, right?

13 DR. KATZ: That's why good things happen.

14 CHAIRPERSON NARCISSE: All right. How many H+H  
15 facilities currently have a psychiatrist on staff, I  
16 think-- on staff for parents? For the parents?

17 DR. KATZ: All our facilities have psychiatrists  
18 on staff for parents.

19 CHAIRPERSON NARCISSE: Okay. We're changing to  
20 asthma. As we discussed at the preliminary budget  
21 hearing, community programs that provide asthma  
22 prevention services utilizing, which is CHW, are at  
23 risk for losing their funding if not restored by the  
24 Administration. Does the Executive Plan reverse

25

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2 these cuts? And how much will CBOs stand to lose in  
3 FY 24?

4 DR. KATZ: The cut is not restored by the  
5 executive budget. The program had been previously  
6 funded by a grant mechanism that has gone away. So  
7 we used to be able to support it through district  
8 funding, which ends in June of 2023. To make sure  
9 that the clients don't lose the services. We're  
10 going to use our Public Health Corps to continue to  
11 provide the asthma services that were previously  
12 provided through the CBO.

13 CHAIRPERSON NARCISSE: Okay. And I told you my  
14 concern the last time you were here.

15 DR. KATZ: Understood. Understood.

16 CHAIRPERSON NARCISSE: Okay. We want the  
17 continuity of care when it comes to asthma, because  
18 the asthma affected the black and brown communities  
19 the most, and I know you're well aware of it.

20 DR. KATZ: Yes. Absolutely.

21 CHAIRPERSON NARCISSE: And I'm concerned about  
22 their not continuing to coming to the facilities to  
23 get care because they're so used to the CBOs.

24 But we have heard, but not have been able to  
25 confirm that the enacted state-included funding to

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2 support community healthcare workers and services in  
3 the state. Are you aware of this funding?

4 VICE PRESIDENT DEHART: There is a provision in  
5 the budget that could provide funding for community  
6 health workers. We still need additional detail from  
7 the State to understand specifically what services  
8 will be covered. So we'll continue to explore that.

9 CHAIRPERSON NARCISSE: Okay. So you're hoping to  
10 receive the funding?

11 VICE PRESIDENT DEHART: We certainly hope so.

12 DR. KATZ: Yeah.

13 CHAIRPERSON NARCISSE: Can we utilize this  
14 funding to continue the asthma or COPD program?

15 VICE PRESIDENT DEHART: Well, we'll have to  
16 discuss with the State and get the details.

17 CHAIRPERSON NARCISSE: Okay. But if you do, you  
18 will make sure that we continue that, right?

19 VICE PRESIDENT DEHART: If there's any  
20 possibility, we will pursue it.

21 CHAIRPERSON BRANNAN: Okay. On the state budget,  
22 FMAT. The enacted state budget includes costs  
23 shifted into FMAT funding that we tried to lobby.  
24 Will H+H be affected by New York State keeping the  
25



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2 FMAT money instead of allocating it to counties in  
3 NYC? What is the impact on the city?

4 VICE PRESIDENT DEHART: That change does not  
5 affect Health + Hospitals. It's directly between the  
6 State and the City.

7 CHAIRPERSON NARCISSE: So thank you, and I'm  
8 going to turn it over to my Chair, Co-Chair. Anybody  
9 else join us?

10 CHAIRPERSON BRANNAN: Okay. Thank you, Chair.  
11 We're going to start with questions from  
12 Councilmember Brooks-Powers, followed by Joseph.

13 COUNCILMEMBER BROOKS-POWERS: Thank you, Chairs.  
14 And hello, Dr. Katz and team. It's always great to  
15 see you. I just had about two or three followup  
16 questions from the prelim hearings. And I know that  
17 Chair Narcisse started down the path in terms of  
18 NYSNA and the nurses and pay. But I just wanted to  
19 know, if you could just walk us through where like  
20 H+H is with-- with the negotiations right now with  
21 NYSNA. And then also, when you were here during the  
22 preliminary season, I asked about Health + Hospitals  
23 spending on traveling nurses. And the Daily News had  
24 reported last week that the city spent at least \$197  
25 million dollars to pay for temporary traveling nurses

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2 for the first three months of 2022. So I wanted to  
3 know how much did Health + Hospitals spend on  
4 traveling nurses last year, and does help them  
5 hospitals have an estimate of how much it expects to  
6 spend on traveling nurses in the coming fiscal year?

7 And then I have another question, but I'll...

8 DR. KATZ: Okay. I'll do the broad on the-- And  
9 then Linda will do the exact on the dollars.

10 In terms of the negotiation. So it's open. OLR  
11 is meeting with us and NYSNA every week. There is--  
12 In fact I think today is a negotiation day. OLR and  
13 OMB understand the NYSNA requests, and also  
14 understand that I can't staff hospitals unless my  
15 wages are competitive. There is a market. If you  
16 want to be a police officer, you should want to be in  
17 NYPD. And if you want to-- there's no other  
18 municipal police officer. And in my case, there are  
19 other safety net hospitals where nurses can do good  
20 mission. And the fact that we have 2000 vacancies,  
21 and the dollars to hire them, and the fact that  
22 people leave 40% after the first year because they  
23 can get a markedly higher job says everything you  
24 need to know, right? We don't currently have  
25 competitive wages, and the City understands this.

2 And so I'm very hopeful that in the next few  
3 weeks, that we're going to have a resolution of this  
4 that will enable us to stop traveling nurses, I-- My--  
5 - My happiest moment would be if we didn't use  
6 traveling nurses at all. It's not-- Especially now  
7 that we're out of an emergency situation.

8 I mean, certainly during COVID-- the-- one of the  
9 most amazing statistics of COVID is that Health +  
10 Hospitals credentialled 10,000 health care providers  
11 from all over the country during COVID. You know,  
12 nurses, doctors, social workers. I mean it was, but  
13 we're not in that emergency anymore. Right now our  
14 volumes are quite predictable. And I would always  
15 rather hire my own nurse. I think there's a  
16 different level of commitment to our patients, to our  
17 system, but the wages have to be competitive.

18 So Linda on terms of how much we spent?

19 VICE PRESIDENT DEHART: So for calendar year  
20 2022, we spent a total of \$549 million on temporary  
21 nurses for our facilities.

22 COUNCILMEMBER BROOKS-POWERS: Thank you. And one  
23 last question, Chair, if that's okay. The Council's  
24 understanding is that due to the late enactment of  
25 the state budget, state funding remains unchanged for

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2 fiscal year 23 and fiscal year 2024, when compared to  
3 the preliminary plan. So how was the funding  
4 provided in the State's budget different or similar  
5 than what was reflected in the preliminary plan? And  
6 given the state's enacted budget, what changes does  
7 Health + Hospitals expect it will make to its budget  
8 outlook? And I just wanted to also know lastly: Can  
9 you provide an update on any negotiations that are  
10 ongoing with the State or Federal partners with  
11 further funding?

12 DR. KATZ: So on the state budget, the issue is  
13 that it-- we still can't tell completely what the  
14 impact is. But several of the initiatives, because  
15 there were several positive initiatives, and several  
16 negative initiatives, and several of them depend on  
17 interpretations of the language and up the rates.  
18 That we're working very hard with the state, we still  
19 don't have a number. And that's why I think the  
20 decision was made for this budget to just leave it as  
21 it is. As soon as we know, and we're happy to share  
22 it, you know, I'm hoping that it's not too negative.  
23 But it's just impossible to say because several of  
24 the things that were passed were not clear until the

25

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2 regulations get written to implement it, how it will  
3 affect our financial future.

4 COUNCILMEMBER BROOKS-POWERS: And then in terms  
5 of negotiations on any additional funding from the  
6 State and the Feds?

7 DR. KATZ: The State is closed. On the Feds, we-  
8 - our delegation has been very good and has put forth  
9 a large number of projects for us that our two  
10 senators, Senator and Leader Schumer and Gillibrand  
11 have been forwarded. So we're-- we're hopeful, but  
12 the federal process seems at the moment even harder  
13 to predict in the state process, just reading the  
14 newspapers.

15 COUNCILMEMBER BROOKS-POWERS: Do we have any new  
16 hospitals on that list?

17 DR. KATZ: Uh, not yet.

18 COUNCILMEMBER BROOKS-POWERS: Well, I'm still  
19 rooting for it. I'm hoping that the Rockway Trauma  
20 Hospital that we're working for will be on that list  
21 as well. Thanks, Doctor Katz.

22 DR. KATZ: Thank you.

23 CHAIRPERSON BRANNAN: We're joined by  
24 Councilmember Gutiérrez. We now have questions from  
25 Councilmembers Joseph, followed by Schulman.

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2 COUNCILMEMBER JOSEPH: Thank you Chairs. Dr.  
3 Katz, always good to see you.

4 DR. KATZ: Same. Thank you.

5 COUNCILMEMBER JOSEPH: The last we were here in  
6 April, we talked about language access, especially  
7 for Kings County Hospital in my district. I just  
8 wanted to follow up and see any updates? And is it  
9 included in the executive budget?

10 DR. KATZ: So yes, it's included. And my  
11 residents who are often the ones who are most in need  
12 of translation, tell me it's-- it's way better. And  
13 we did, we did a number of initiatives: Both the  
14 hiring of a-- a natural Haitian Creole speaker, and  
15 also improvements in the in the phone line itself.  
16 Because there will always be times when you have  
17 multiple people who need translation at the same  
18 time. And I told them to do whatever was necessary  
19 to make sure that it happened. And I went back and  
20 checked, and people feel that things are markedly  
21 better. So I thank you and I think the Chair for  
22 promoting it.

23 COUNCILMEMBER JOSEPH: Thank you so much. I had  
24 a quick question around mental health for young  
25 children. And I speak to a lot of schools a lot as

2 education chair. And sometimes it takes a long time  
3 for parents to get appointment with mental health  
4 providers. Especially more than ever, our young  
5 people are in need of mental health support. So can  
6 you tell me a little bit?

7 DR. KATZ: Yeah. I mean, I would totally agree  
8 with that. There remains a major shortage of mental  
9 health professionals and even more so for children,  
10 in part because, as you know from your work, there's  
11 really an epidemic of mental illness among our  
12 children. I think certainly part of it is COVID,  
13 part of it is social media, part of it must be other  
14 things that that that are affecting them. And it's  
15 just very difficult right now. We are looking at  
16 other models to try to do it. I think a promising  
17 model is to do additional training of pediatricians,  
18 to be able to care for children who have moderate  
19 mental illness with, you know, supervision from a  
20 child psychiatrist.

21 But there's just no-- there's just not enough  
22 child psychologists or psychiatrists right now to  
23 meet the need.

24 COUNCILMEMBER JOSEPH: Absolutely.

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2 DR. KATZ: It's not a money-- It's not a money  
3 issue.

4 COUNCILMEMBER JOSEPH: No. There's just a lack  
5 of--

6 DR. KATZ: It's a workforce--

7 COUNCILMEMBER JOSEPH: Mm-hmm. Even across the  
8 schools they have to share. You'll have a  
9 psychologist that goes three days at another school  
10 in two days. So that's what we're seeing. But the  
11 length of time for a parent to make an appointment to  
12 see a mental health provider in H+H hospitals are  
13 pretty long. So--

14 DR. KATZ: Yes.

15 COUNCILMEMBER JOSEPH: We would like to see that  
16 cut down of course with solutions.

17 DR. KATZ: We are-- Us too. We're working at it.

18 COUNCILMEMBER JOSEPH: Okay. Thank you so much.

19 DR. KATZ: Thank you.

20 COUNCILMEMBER JOSEPH: Thank you, Chairs.

21 CHAIRPERSON BRANNAN: Councilmember Schulman  
22 followed by Carr.

23 COUNCILMEMBER SCHULMAN: Thank you. Thank you  
24 Chairs. And I want to-- Good morning Dr. Katz. And  
25 I want to say that in a previous life, I worked at



2 H+H off and on since 1989. As a matter of fact, and  
3 you've done an amazing job with updating the  
4 facilities and the staffing and everything else. I  
5 want to commend you for that. And the finances of  
6 the-- of the system, which is which is difficult and  
7 did a yeoman's work around COVID.

8 So I'm going to ask: I know we there was a lot  
9 of talk about nurses, I'm actually going to ask about  
10 the resident physicians. So what is H+H doing to  
11 ensure resident physicians get pay parity?

12 DR. KATZ: Right. So a few things. You know  
13 that the CIR strike was-- was put off for the two  
14 non-H+H hospitals. So we still have a strike notice  
15 for Elmhurst for next week. But negotiations are  
16 going on. And I'm hopeful that since they were able  
17 to solve and resolve the issues with the other two  
18 hospitals in Queens, they'll be able to do it with  
19 Elmhurst. The City has not yet begun the CIR  
20 negotiations, but that's fairly typical for the  
21 smaller unions. I mean, the city has some huge  
22 unions that it needs to resolve the issues. But I  
23 certainly feel great support from OLR, that they will  
24 get us a resolution, and recognize that, you know,

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2 there too there is a market and our residents have to  
3 have competitive salaries.

4 COUNCILMEMBER SCHULMAN: So I understand that H+H  
5 pays Mount Sinai through an affiliation agreement to  
6 manage the residency program. Is that correct?

7 DR. KATZ: That's correct.

8 COUNCILMEMBER SCHULMAN: How much money does H+H  
9 pay Mount Sinai, and as a total just to the other--  
10 the other hospitals in their-- from-- for the  
11 affiliation agreements?

12 DR. KATZ: So the way the affiliation agreements  
13 work is we pay actual expenses, plus, what is a  
14 pretty small admin fee. I don't know. [TO OTHERS:]  
15 Do we have the--

16 COUNCILMEMBER SCHULMAN: DO you have the amount?

17 DR. KATZ: We don't have the exact number, but we  
18 are happy to provide it.

19 COUNCILMEMBER SCHULMAN: Can we get that?

20 DR. KATZ: Our-- Our affiliations are Mount Sinai  
21 for Elmhurst and Queens, NYU for Bellevue, along with  
22 Gouverneur and some of our skilled nursing facilities  
23 and SUNY Downstate for Kings County. So those are  
24 the three-- and we're happy to provide it. They're  
25 open information. No problem.

2 COUNCILMEMBER SCHULMAN: No. That-- that's  
3 great, you know, because the resident doctors, unlike  
4 some other staff don't necessarily have choices in  
5 terms of if they're not getting paid well, or they're  
6 not being treated well to go somewhere else. And,  
7 you know, so that's something that's really important  
8 that not only in terms of the pay parity, but the  
9 treatment, because my understanding is that the folks  
10 at Mount Sinai is not treating the residents  
11 appropriately, pay parity aside, in some of these  
12 places, including Elmhurst. So I just want you to,  
13 if you could please, take a look at that.

14 DR. KATZ: We did institute an anonymous line  
15 specific for residents. Because there are some, as  
16 I'll say, as an older doctor, there's some  
17 generational issues--

18 COUNCILMEMBER SCHULMAN: Okay.

19 DR. KATZ: --that not everybody has caught up  
20 with. That-- That people have a sense that, "Well, I  
21 did this, you know, 40 years ago," but the world has  
22 changed and people have-- Acceptable behavior 40  
23 years ago is not acceptable behavior today.

24 COUNCILMEMBER SCHULMAN: No, I appreciate that  
25 very much. I also-- If I can ask one other question,

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2 Chair? Switching gears I-- I had heard that there  
3 was plans for a Women's Health Facility at Elmhurst.  
4 Is that still moving forward?

5 DR. KATZ: Yes. Still moving forward.

6 COUNCILMEMBER SCHULMAN: And that's capital  
7 monies right?

8 DR. KATZ: Yeah. Capital and-- and would bring  
9 together the services.

10 COUNCILMEMBER SCHULMAN: If you could please  
11 make-- because as the chair of the Health Committee,  
12 it's-- that's something that's very important to me,  
13 and women's health, and as a breast cancer survivor.  
14 So we'd like to-- when you have updates on that,  
15 please, I'd like to--

16 DR. KATZ: We would be delighted.

17 COUNCILMEMBER SCHULMAN: --collaborate. Thank  
18 you very much.

19 CHAIRPERSON BRANNAN: Councilmember Carr followed  
20 by Hanks.

21 COUNCILMEMBER CARR: Thank you, Chairs. Dr.  
22 Katz, good to see you, as always, and your team. I  
23 want to talk a little bit about the opioid settlement  
24 monies that have been discussed of late. And if you  
25 could just elaborate a little bit on the record in

2 terms of H+H's share of the distribution of those  
3 monies and this initial tranche, and specifically how  
4 that relates to Staten Island?

5 DR. KATZ: Right. I'm going to let Linda get the  
6 exact dollars. And again, I'll try to do the-- the  
7 high level. The money was given to Health +  
8 Hospitals, to DOHMH, and to the Office of the Medical  
9 Examiner. Traditionally in the city, when-- the idea  
10 what has been that, for things H+H can do, we would  
11 do. For things that H+H can't do, DOHMH would  
12 provide funding, as like the city umbrella.

13 I understand and I mourn that there was not a  
14 specific amount, you know, given to Staten Island.  
15 That-- I see that clearly is a problem. My  
16 understanding is that the city is working hard on  
17 trying to resolve it. That the AG is also involved  
18 and recognizes that there needs to be a solution.

19 And then on the Health + Hospital side, what  
20 we've proposed is that we would send a show van to  
21 Staten Island. And show vans have been very  
22 successful. They provide buprenorphine, which is,  
23 you know, the evidence-based treatment for opioid  
24 addiction. We can do it from-- directly from the  
25 van. And so we're putting together the team so that

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2 we can show that while we don't have, a brick-and-  
3 mortar, you know, hospital that we're still providing  
4 the services. Linda, can you give dollars?

5 VICE PRESIDENT DEHART: So we've received \$14  
6 million in total from the program.

7 DR. KATZ: That's the Health + Hospitals opioid  
8 settlement dollars.

9 VICE PRESIDENT DEHART: Yes.

10 DR: KATZ: \$14 million.

11 COUNCILMEMBER CARR: I appreciate that. So, you  
12 know, it's-- and I thank you for acknowledging the  
13 crux of the matter, as it were. But I think what I'm  
14 hoping for, and I understand that there's folks  
15 working in earnest to-- to rectify the situation.  
16 But I think, you know, DOHMH aside, even though we  
17 don't have a public hospital on the island, you do  
18 have a significant presence on the island, in  
19 particular, the Seaview Campus in my district, which  
20 we've talked about in the past.

21 DR. KATZ: Right.

22 COUNCILMEMBER CARR: And on that site, you have  
23 one of the best addiction recovery providers there is  
24 in Camelot. They're absorbing Amethyst House, which  
25 is their female equivalent, which is not on site.

2 And so I hope that as we figure out ways to  
3 rectify this borough equity problem, that we focus in  
4 on opportunities like that, especially given that  
5 they're a tenant of yours, there may be ways for you  
6 to think more creatively about how to apply a fairer  
7 Staten Island portion of that \$14 million.

8 DR. KATZ: Understood. Thank you.

9 COUNCILMEMBER CARR: Thank you. Thank you Chairs.

10 CHAIRPERSON BRANNAN: Okay. Now we have  
11 questions from Councilmember Hanks, followed by  
12 Farías.

13 COUNCILMEMBER HANKS: Thank you, Chair Brannan,  
14 Chair Narcisse. Good afternoon, Dr. Katz, nice to  
15 see you. Thank you so much.

16 DR. KATZ: Nice to see you.

17 COUNCILMEMBER HANKS: I definitely want to  
18 associate my comments with my-- my colleague and  
19 delegation person, Councilmember Carr. So my  
20 question is-- kind of revolves around public safety  
21 and BEHERD. So BEHERD as the new health-centered  
22 response to 911, to mental health calls. The point  
23 of the program is that the 911 co operators dispatch  
24 BEHERD teams as the default, like, first responders.

2 My question is, is why do police continue to  
3 respond to more than 80% of the mental health calls  
4 in BEHERD precincts during BEHERD hours of operation?  
5 And why is this percentage increased rather than  
6 decreased over the life of the pilot?

7 SENIOR ADVISOR HANSMAN: Yeah. So, I think--  
8 what I'd say is, you know, we are-- we're continuing  
9 to learn a lot about how to run a new emergency  
10 response out of 911, right? So I think, you know,  
11 partially I think there's some questions that should  
12 get referred to OCMH and to FDNY and NYPD around--  
13 around 911. But I think it's something that is  
14 continually being worked on to increase those  
15 numbers. Ultimately there-- there are just some  
16 calls that do come to BEHERD, calls that are non-  
17 violent, non-weapon. And then there are calls that--  
18 that don't. So calls were it's not clear what the  
19 what the person on the other end of the line-- you  
20 know what the safety rates may or may not be? Or  
21 when there's a weapon or when there's violence.

22 So I think that it's a confluence of factors  
23 about why it's-- why the numbers are the way that  
24 they are. I will also say that in the coming weeks,  
25



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2 there will be some new data coming out from OCMH for  
3 the first two quarters of FY 23.

4 COUNCILMEMBER HANKS: Could you be-- Thank you  
5 so much for that. Would you be willing to share some  
6 of those-- that data? Are their patterns that we're  
7 seeing? Because, you know, BEHERD is supposed to be  
8 a program that offers a non-police response to mental  
9 health crisis. So we want to understand if it's  
10 working or not, and what are the things that we can  
11 do to ensure the safety and the public safety of-- of  
12 our citizens and their interactions with NYPD, their  
13 interactions with someone who-- who's having a mental  
14 health crisis? Thanks.

15 SENIOR ADVISOR HANSMAN: Yeah. And I don't have  
16 the data that's going to get published in front of me  
17 at the moment. What I can say is what happens when  
18 BHERD does arrive, and we look at, you know, what is  
19 successful and what is not? What we do know is that  
20 30% of folks that are seen by BEHERD are treated in  
21 the community, in their own communities, either in  
22 place or in community health centers, such as the  
23 Support and Connection Center, and that we see a  
24 significant reduction in hospitalizations.

25

2 So 57-- Only 54% of folks that are seen by BEHERD  
3 are taken to the hospital compared to about 87% with  
4 that traditional response. So, you know, we're  
5 trying to get up to as many calls as we can. And I  
6 think we're, you know, we're very much still a pilot,  
7 even though we're expanding citywide and trying to  
8 learn about how to get out to more calls.

9 COUNCILMEMBER HANKS: Thank you. One more  
10 question, Chair? Have you experienced-- what would  
11 you say have been the challenges, if you could name  
12 one?

13 DR. KATZ: Of BEHERD generally?

14 COUNCILMEMBER HANKS: Yes.

15 DR. KATZ: Of course. I think-- I think you're  
16 right, with the challenge of getting out to as many  
17 columns as we can, right? I don't think anyone is  
18 particularly satisfied with, you know, not going out  
19 to more calls. And I think working within the  
20 emergency response system is rewarding. But I think  
21 it's also challenging. It's a place where, you know,  
22 mental health hasn't really shown up. Because it has  
23 been a pretty closed system.

24 So I think we're doing incredible work getting  
25 out to the calls that we're getting out to, and I

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2 think we're doing incredible work, especially when  
3 we're on the ground, seeing, I think, some incredible  
4 outcomes.

5 COUNCILMEMBER HANKS: Thank you so much. I look  
6 forward to seeing that report. Thank you, Chairs.

7 CHAIRPERSON BRANNAN: Okay. We have questions  
8 from Councilmember Fariás followed by Gutiérrez.

9 COUNCILMEMBER FARIÁS: Thank you, Chairs. Thank  
10 you folks for testifying this morning. Hello. I  
11 have two quick questions on some of the PEGs and  
12 subsidy reductions. One of the PEGs for Health +  
13 Hospitals was the reduction or cuts of the subsidies  
14 that H+H receives from the city by \$16.6 million in  
15 FY 24. Why was this reduction taken, and what  
16 services will be impacted?

17 VICE PRESIDENT DEHART: So we-- The services, we  
18 are looking at some efficiencies and in house revenue  
19 initiatives that will absorb that cut. What the PEG  
20 actually did was just reduced the amount of the city  
21 subsidy to us. So there is no direct service impact,  
22 and we are working to mitigate the financial impact  
23 to the system.

24

25

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2 COUNCILMEMBER FARÍAS: Can you explain a little  
3 bit further about how you're looking at-- how-- how  
4 that reduction is going to...?

5 DR. KATZ: So when I say big picture, which is  
6 what we began at the-- our-- our subsidy for Health +  
7 Hospitals is \$1.8 billion, but our budget is \$10  
8 billion. So we are primarily a revenue-driven  
9 department.

10 So you know, our first choice, if we can, if the  
11 city requires that we reduce its subsidy is to try to  
12 figure out if we can grow the revenue or find enough  
13 efficiencies so that no service cut has to happen.

14 COUNCILMEMBER FARÍAS: Right.

15 DR. KATZ: And right now it looks like we can. I  
16 mean, that's-- some of it, you know, will depend, as  
17 we were talking earlier, on where the state budget  
18 finally ends, when everybody understands the  
19 implementing regulations, whether we're, you know,  
20 even or close to even versus a large cut.

21 COUNCILMEMBER FARÍAS: Okay, great. Thank you  
22 for that. The executive plan proposes a \$4.3 million  
23 reduction in fiscal 2024 to ACS for family court  
24 services. Will this reduction have an impact act on  
25 the delivery of MH services and what role does H+H

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2 play in ensuring things are seamless considering the  
3 reduction?

4 DR. KATZ: We're going to work with ACS. We  
5 think that they didn't realize that there were some  
6 non-city revenues in this program, and that we think  
7 that we can work those revenues to prevent the  
8 service cuts. So more on this one soon. But when  
9 when we learned about it, we realized that maybe  
10 there's a potential solution to this one.

11 COUNCILMEMBER FARIAS: Okay. And when you say  
12 "more on this soon", what does that mean?

13 DR. KATZ: Well, it means I have to call ACS and  
14 say, "We think you missed that there was some federal  
15 and state revenues attached to this program. And I  
16 think we can use this to fix it." But we learned  
17 relatively recently about the cut itself, because it  
18 occurred in their PEG, not in our PEG, and so we-- we  
19 learned about it, but we have great relations with  
20 ACS, and we'll-- we'll work it out.

21 COUNCILMEMBER FARIAS: Okay, great. And lastly  
22 to this: how much funding is budgeted for these  
23 services, and do you folks think that's sufficient?

24 VICE PRESIDENT DEHART: There's \$2.3 million  
25 remaining, and as Dr. Katz said, we're working with

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2 both OMB and ACS to ensure that we have sufficient  
3 funding to fully meet the needs of the program.

4 COUNCILMEMBER FARÍAS: Great. And Chair, if I  
5 may ask the question. I am asking you a question on  
6 behalf of a colleague who had to step out,  
7 Councilmember Hudson. She wanted to specifically ask  
8 around PPE and free tests and whether the budget  
9 includes any funding for it. We've been hearing that  
10 the PPE program is-- is ending or has ended already,  
11 and a lot of our community organizations still need  
12 them and required testing before events. So she just  
13 wanted any update or further details.

14 DR. KATZ: So all of the PPE expenses, and the  
15 testing expenses are now considered part of our  
16 regular budget.

17 COUNCILMEMBER FARÍAS: Okay.

18 DR. KATZ: So you know, revenue. But we don't--  
19 we don't currently have a program for dispensing PPE  
20 to CBOs or others.

21 COUNCILMEMBER FARÍAS: Okay, so that was fully  
22 eliminated when we determined--

23 DR. KATZ: Yes.

24 COUNCILMEMBER FARÍAS: --this is endemic and no  
25 longer pandemic.

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2 DR. KATZ: Yes.

3 COUNCILMEMBER FARIÁS: Okay. So this will  
4 basically-- the City is asking folks to put this in  
5 as part of their costs--

6 DR. KATZ: Part of the cost of daily living.

7 COUNCILMEMBER FARIÁS: Yeah, okay. Perfect.

8 Thank you, folks. Thank you, Chairs.

9 DR. KATZ: Thank you.

10 CHAIRPERSON BRANNAN: Councilmember Gutiérrez  
11 followed by Ossé.

12 COUNCILMEMBER GUTIÉRREZ: Thank you, chairs.  
13 Thank you. Good morning. I have a couple of  
14 questions, and just want to uplift what my colleague  
15 Councilmember Schulman, raised about pay parity for  
16 specifically the interns, the residents at Elmhurst  
17 Hospital. In my past life, I was born there. So  
18 it's a very important hospital, not for me, but just  
19 for all of Queens in Brooklyn.

20 I am across the street from Woodhall, which is in  
21 Councilmember Ossé's district, but oftentimes when  
22 they can't go to Woodhall they're going to Elmhurst,  
23 so this is a lifeline. It is not just personal, but  
24 it's something for all my constituents. My first  
25 question is related to a benefit that I am aware I

2 think is available to the Mount Sinai residents, but  
3 not at the Elmhurst Hospital residents, which is  
4 pertaining to transportation, specifically between  
5 the hours of 8pm and 5am. I know you know this. My  
6 sister was an intern. They're working around the  
7 clock, and oftentimes they're being asked to come  
8 back hours later. So what can you speak to, as far  
9 as extending that-- that level of care to the  
10 residents at Elmhurst and making that a package part  
11 of the pay parity campaign?

12 DR. KATZ: Sure. I'd be happy to talk to Mount  
13 Sinai about that particular benefit. I wasn't  
14 personally aware of that.

15 COUNCILMEMBER GUTIÉRREZ: Yeah, it sounds like  
16 they get access to either Lyft or Uber, or in the  
17 event that residents drive but are like too tired to  
18 drive home, which we want them to get home safely.

19 DR. KATZ: Correct.

20 COUNCILMEMBER GUTIÉRREZ: My next question is  
21 related to compensation for residents. So I  
22 understand that including those in H+H contract, the  
23 residents receive compensation when they have to  
24 cover a call for another resident who was out sick.  
25 But it's not clear whether residents at Elmhurst



2 receive that compensation when they're covering a  
3 shift for a sick resident. Do you know anything  
4 about that?

5 DR. KATZ: I don't know. But it's good you're  
6 telling me, and I will make it part of the  
7 negotiations.

8 COUNCILMEMBER GUTIÉRREZ: But that feels wrong,  
9 right?

10 DR. KATZ: Everybody should be treated the same.  
11 Right. I don't see any reason why--

12 COUNCILMEMBER GUTIÉRREZ: Agreed.

13 DR. KATZ: one hospital would be different than  
14 another.

15 COUNCILMEMBER GUTIÉRREZ: Agreed and so my  
16 argument about Elmhurst Hospital, it's an H+H  
17 hospital serving majority immigrant community. Chair  
18 Narcisse worked at Elmhurst Hospital serving  
19 immigrants.

20 DR. KATZ: Yes, she did.

21 COUNCILMEMBER GUTIÉRREZ: And Elmhurst Hospital  
22 has a very unique program in that the majority of the  
23 residents are international. So what I'm trying to  
24 uplift is the blatant connection of serving immigrant  
25 communities by-- by immigrant physicians and the

2 level of care that they're receiving to do their job.  
3 And we really need to ring the alarm around equity.

4 The last piece is just-- I think that's it  
5 actually, for all my questions for now. If you could  
6 just shed in the next 24 seconds, a little bit more  
7 light on the pay parity piece for the residents. I  
8 know the last increase that they got was two years  
9 ago. But the concern for us is we never want a level  
10 of care to feel different for patients, and certainly  
11 not for the people doing this work.

12 So how committed are you all to making sure that  
13 they achieve pay parity in this negotiation, so that  
14 we're not spending time on that at these hearings?

15 DR. KATZ: Sure. I'm absolutely committed to all  
16 of my employees getting fair wages and being treated  
17 well. And you know, I'll always push for that.

18 CHAIRPERSON BRANNAN: Councilmember Ossé.

19 COUNCILMEMBER OSSÉ: Hi, Dr. Katz, and thank you,  
20 Chairs. I know that H+H is anticipating an operating  
21 loss due to costs of temporary staffing, and delays  
22 in federal funds. So one of the only questions that  
23 I have is: How is H+H going to deal with this  
24 operating loss? And how are you planning to cut  
25 costs to deal with the loss?

2 DR. KATZ: Understood. Well, I mean, I'm very  
3 glad we-- we solved this year, and I'm a big  
4 believer, you-- you have to live to-- to deal with  
5 tomorrow's problems. So we-- we got through this  
6 year's, because when we came in the January, we were  
7 about \$124 million to the negative, and we solved  
8 that.

9 So we're through this year. I think next year,  
10 you know, we will need to do some combination,  
11 ideally, of revenue enhancements. We've been very  
12 good at that. At some point, we will probably level  
13 off. But at least so far, we've been able to come up  
14 with additional initiatives. I never want to-- to  
15 cut services. But I come from the opposite end  
16 where, you know, we get up every morning to figure  
17 out what additional services we can provide to  
18 people.

19 So certainly we will not be cutting services  
20 without this Council knowing exactly what it is. But  
21 I don't-- You know, I remain hopeful we solve the  
22 problem. The number seems large, but again, as a  
23 variance on \$10 billion it's not very large. It's  
24 like 1%. So I'm hopeful.

2           There are clearly long term trends in health  
3 care. Healthcare inflation is running higher than  
4 regular inflation. And so salaries, goods are all  
5 way more expensive. And so then the challenge on me  
6 is to either, you know, be able to increase revenue  
7 equally fast. So far, I've been able to do that.  
8 There may come a time when I can't. When either I  
9 have to restrain services, or the City needs to  
10 support me more.

11           COUNCILMEMBER OSSÉ: Can you elaborate on what  
12 those revenue enhancements are?

13           DR. KATZ: Well, typically-- I mean, the biggest  
14 thing, you know (and this has been my five-and-a-half  
15 years' of work) Health + Hospitals was so committed  
16 to the idea of free care, that we never billed for  
17 things that we always could have billed for. We were  
18 giving people a free ride, insurance a free ride,  
19 right? I'm not in favor of billing patients, but I'm  
20 very much in favor of billing insurance. But when  
21 you say billing insurance, it's not any one thing.  
22 You have to look at each service and be sure you're  
23 fully billing all the aspects of that service, that  
24 you're fully documenting the services, and-- and  
25 still five and a half years into it, I find

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2 opportunities. "Oh, look, you know, this is  
3 something that we could be billing for, that we're  
4 not billing for." So you know, that's-- that's what  
5 I mostly work on.

6 COUNCILMEMBER OSSÉ: Thank you, doctor. And  
7 thank you, Chairs.

8 CHAIRPERSON BRANNAN: We've been joined by  
9 Councilmember Lewis, and I'm going to turn it back to  
10 Chair Narcisse.

11 CHAIRPERSON NARCISSE: Thank you chair. Before I  
12 get to my question, cultural competency is very  
13 important to us all. So there is a little video that  
14 went viral.

15 DR. KATZ: Yes.

16 CHAIRPERSON NARCISSE: What do you think of it?

17 DR. KATZ: It was horrible.

18 CHAIRPERSON NARCISSE: It was horrible. So we  
19 need to educate our folks better to be sensitive.

20 DR. KATZ: Yes. It's a horrible video.

21 CHAIRPERSON BRANNAN: It's a horrible video.

22 DR. KATZ: That person is on leave, so will not  
23 be interacting with our patients. Horrible.

24 CHAIRPERSON NARCISSE: Yeah, yeah. Because--  
25 And then she wearing the initials and we could see

2 that. And that's when you-- if you work in a  
3 hospital or nurse or whatever the role, you cannot be  
4 doing that in New York City. You have to be very  
5 sensitive for that. And I hope-- I'm sure you're  
6 taking the step toward that.

7 DR. KATZ: Absolutely.

8 CHAIRPERSON NARCISSE: For pay parity for our  
9 nurses, do you have a plan? What's the plan to make  
10 sure that our nurses get paid, and that we have-- we  
11 hire full-time nurses in public hospitals?

12 DR. KATZ: Right. OLR and OMB totally understand  
13 the problem. They've heard you. They've heard me.  
14 They've heard other members of this City Council.  
15 And they have told us that they are committed to  
16 resolving this with NYSNA. You know, negotiations  
17 and never quick in the city. And I know they're also  
18 trying to do a number of other very large contracts  
19 at this time. But I've gotten every assurance from  
20 OLR and OMB that they're going to resolve it, and  
21 they understand what they need to do.

22 CHAIRPERSON NARCISSE: I'm very optimistic, and  
23 I'm counting on you.

24 DR. KATZ: I will keep--  
25

2 CHAIRPERSON NARCISSE: Because the nurses got to  
3 get paid and we have to hire locally.

4 DR. KATZ: I will keep pushing.

5 CHAIRPERSON NARCISSE: All right. All right.

6 The staffing issue is such a big deal. I receive  
7 so many texts. And I know it's important. So we  
8 have to do this. What is the status of opening the  
9 outpost to therapeutic housing units, or therapeutic  
10 beds that serve patients in custody, who have serious  
11 health conditions?

12 DR. KATZ: We are ready. The issue has been that  
13 the Department of Corrections has had requests for  
14 changing the way the Bellevue Model was physically  
15 structured. And so we're currently working through  
16 with them and OMB the costs of the capital changes  
17 that would be necessary. We're, you know, we're very  
18 excited about this model. We're looking forward to  
19 doing it. But they have to feel that the facility is  
20 sufficiently safe.

21 CHAIRPERSON NARCISSE: The plan includes \$488  
22 million for the opening of the therapeutic beds. Has  
23 H+H requested additional funding to support this  
24 vital housing units?

25 DR. KATZ: Patsy?

2 SENIOR VICE PRESIDENT YANG: Thank you for your  
3 question. We have-- We have not-- The total amount  
4 of the project is \$662 million in total. And that is  
5 currently sufficient. It does include some  
6 acceleration funding that was put in in prior years.  
7 And we have enough so far to cover the cost of the  
8 projects.

9 CHAIRPERSON NARCISSE: I'm moving to older adults  
10 guardianship as well. How does the budget allocation  
11 for hospital address the increasing costs of  
12 providing care for older New Yorkers who are  
13 experiencing poverty?

14 DR. KATZ: I'm so glad that you asked this  
15 question, because it caused me to talk to my staff  
16 about this issue in general. I mean, certainly we  
17 provide, you know, compassionate care to our elders.  
18 We take care of many elders. I-- I signed up a 91-  
19 year-old patient of mine last week for a variety of  
20 additional services through our social worker.

21 But the-- I need to do-- What your question  
22 taught me as I need to do some work on exactly what  
23 New York City's rules are. There is a program in  
24 Department of adult serve-- Aging and Adult  
25 Services, but I don't know a great deal about it. We



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2 don't-- We at Health + Hospitals do not have a  
3 specific Guardian program. And what I'm told is that  
4 it's-- if somebody were to need a guardian, we would  
5 refer them to DHS, which does have a guardian  
6 program, but there's also a state program for  
7 guardianship, and I want to learn more about what the  
8 Department of Aging does. But our focus, of course,  
9 is on caring for the elderly.

10 CHAIRPERSON NARCISSE: How does the budget  
11 address the health care needs of older New Yorkers  
12 who are experiencing mental illness or disabilities?

13 DR. KATZ: We-- Several of our mental health  
14 programs are specific to that age group. But we  
15 don't have a specific breakdown of-- of dollars,  
16 because we have both mixed programs and specific  
17 programs. But we'll see if there's a way we probably  
18 can look at it by demographic-- age breakdown.

19 CHAIRPERSON NARCISSE: Thank you.

20 DR. KATZ: Thank you.

21 CHAIRPERSON NARCISSE: How does the budget  
22 address the needs of limited capacity or  
23 incapacitated New Yorkers who are unable to make  
24 their own health care decisions and need a guardian  
25

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2 to assist them in assessing the care and treatment  
3 they need?

4 DR. KATZ: We would-- We would refer them in that  
5 case to HRA if they needed additional services.

6 CHAIRPERSON NARCISSE: Thank you. How does the  
7 budget address the needs of New Yorkers involuntarily  
8 removed to NYC hospitals as a result of the Mayor's  
9 Mental Hygiene Law 9.41 directive?

10 DR. KATZ: Because we've always cared for people  
11 who were brought in voluntarily, there's no change in  
12 the budget. We-- We just do it as part of our  
13 function. We run the majority of psychiatric  
14 emergency rooms. We see that as our mission.

15 CHAIRPERSON NARCISSE: How does the budget  
16 address the anticipated rise in guardianship cases  
17 that are likely to result from the Mayor's  
18 Involuntary Removal Directive?

19 DR. KATZ: We have not yet seen an increase in  
20 the guardianship. But again, because it's an HRA  
21 function, we-- we would have to work with them--

22 CHAIRPERSON NARCISSE: HRA?

23 DR. KATZ: HRA.

24 CHAIRPERSON NARCISSE: Okay. What role did the  
25 community-- Now we're going to BEHERD. Sorry. What

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2 role did the community play in establishing BEHERD?

3 What role does the community play in the day-to-day  
4 operations of BEHERD?

5 SENIOR ADVISOR HANSMAN: So advocates, experts,  
6 and community members have been involved from the  
7 beginning of the-- of the program. The pilot came  
8 out of the City's work through the Crisis Prevention  
9 and Response Task Force, which included over 80  
10 experts, including advocates, city agency leadership,  
11 and community members. And we're continuing to ask  
12 for their feedback as we learn from the pilot and we--  
13 - as we expand the pilot.

14 CHAIRPERSON NARCISSE: Thank you. Does BEHERD  
15 route calls through 988? If no, why not? Because I  
16 want to know. [chuckles]

17 SENIOR ADVISOR HANSMAN: Of course. So New York  
18 City's mental health crisis teams have always been  
19 connected to NYC Well, 988 for-- for some time.  
20 Because Vibrant (which is the contract holder for NYC  
21 Well) offers the same services and handles both 988  
22 contacts and NYC Well contacts the same way, mobile  
23 crisis teams have been available via 988 the moment  
24 the 988 number launched in July of 2020. BEHERD is  
25 accessible through mental-- mental health emergency

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2 calls made to 911. And if a call is made to 988, or  
3 to NYC Well, and it's an emergency, Vibrant is able  
4 to transfer that call directly to 911, where 911  
5 would then follow their process to dispatch a BEHERD  
6 team. You know, BEHERD is not directly activated by  
7 NYC Well or 988, because BEHERD as part of the 911  
8 emergency response system. But someone who calls 988  
9 and needs any service through 911 can get connected  
10 into the 911 system.

11 CHAIRPERSON NARCISSE: Gotcha. How is it  
12 determined that mental health crises that take place  
13 during the eight hours a day that BEHERD teams do not  
14 operate are not entitled to a BEHERD-style non-police  
15 response?

16 DR. KATZ: So this goes back to the hours that  
17 BEHERD is operating from 9am to 1am--

18 CHAIRPERSON NARCISSE: Mm-hmm.

19 DR. KATZ: -- really corresponding to that 80% of  
20 mental health calls that come in to 911. You know,  
21 as we continue to expand across the city, we're  
22 looking at that operational feasibility of adding  
23 that third overnight shift to increase the coverage  
24 from 16 to 24. But overnight shifts are really the  
25 hardest to recruit. So our focus has really been on

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2 filling those two shifts and expanding  
3 geographically, and then focusing on expanding the  
4 hours.

5 CHAIRPERSON NARCISSE: So my understanding is  
6 it's data driven. Like you had the 911, 80% of those  
7 calls were happening between those hours.

8 DR. KATZ: That's right. We looked at the--  
9 When we started the program, we looked at the  
10 distribution of 911 calls, literally by hour, and saw  
11 that 80% were within those 16 hours a day.

12 CHAIRPERSON NARCISSE: Gotcha. Why are  
13 individuals experiencing mental health crises, or  
14 their family members or loved ones not permitted to  
15 specific specifically-- specifically request a crisis  
16 response by a BEHERD team?

17 DR. KATZ: So we would-- we would defer this  
18 question, as it deals with the operations of 911, to  
19 our colleagues at OCMH, NYPD, and FDNY.

20 CHAIRPERSON NARCISSE: You know, it's-- when I  
21 ask you those questions, because you are operating  
22 that, I thought you would be interested in 911 and  
23 what they do. You don't have the statistics?

24 DR. KATZ: We're-- We're very interested in-- in  
25 what 911 does--

2 CHAIRPERSON NARCISSE: All right.

3 DR. KATZ: And I think what we can speak to is  
4 why they do certain things.

5 CHAIRPERSON NARCISSE: Okay, I gotcha. If BEHERD  
6 is considered to be a program that offers non-police  
7 response to mental health crises, why is the NYPD one  
8 of the agencies in charge of the BEHERD pilot?

9 DR. KATZ: So BEHERD represent a coordinated  
10 effort between multiple city agencies. So FDNY, EMS,  
11 Health + Hospitals obviously, Department of Health  
12 and Mental Hygiene, the Mayor's Office of Community  
13 Mental Health, and NYPD. And it's really meant to  
14 move us towards this more health-centered approach to  
15 mental health emergencies. The ones who are doing  
16 the work on the ground every day is FDNY, EMS, and  
17 obviously Health + Hospitals providing the social  
18 workers, with the Mayor's Office of Community Mental  
19 Health providing programmatic oversight. But-- But  
20 NYPD has a has a role to play and has had a role to  
21 play in kind of, you know, running 911. So they're  
22 one of the voices at the table.

23 CHAIRPERSON NARCISSE: Okay. How are the lines  
24 of authority among the agencies in charge of the  
25 BEHERD pilot delineated?

2 DR. KATZ: So again, you know, we have FDNY, EMS,  
3 and H+H managing the BEHERD teams, providing training  
4 and ongoing support. And then we have the Mayor's  
5 Office of Community Mental Health providing  
6 programmatic oversight for the pilot. And then we  
7 get additional guidance from our other two partners  
8 DOHMH and NYPD.

9 CHAIRPERSON NARCISSE: We don't get-- Thank you.  
10 Okay, is any preference given to hiring BEHERD  
11 employees who are peers? Giving the research showing  
12 the effectiveness of the peer response to mental  
13 health crisis?

14 DR. KATZ: Absolutely. We currently and have  
15 always prioritized lived experience in hiring for the  
16 social workers within BEHERD. Many of our EMTs and  
17 many of our social workers bring their own living--  
18 lived experiences to the table. Many of the social  
19 workers on the BEHERD teams not only have decades of  
20 experience and expertise as mental health  
21 professionals, they also have lived experience  
22 themselves or lived experience with a family member.

23 Our job-- in our job posting it is explicitly  
24 referenced as a preferred skill.

2 CHAIRPERSON NARCISSE: Gotcha. How was it  
3 determined that BEHERD team's requires-- require  
4 social workers? How was it determined that BEHERD  
5 team's required clinical social workers? How was it  
6 determined that BEHERD teams require licensed social  
7 workers?

8 DR. KATZ: So social workers on the team are--  
9 they're using their-- their experience working with  
10 individuals in crisis and clinical assessment, which,  
11 you know, social workers are-- are trained to do, to  
12 determine if the patient needs to be referred to a  
13 hospital or can benefit from community based support.

14 And it's really this assessment, it's really the  
15 work that we're asking the social workers to do,  
16 which is why we-- we selected social workers  
17 initially for this-- for this pilot. You know, while  
18 keeping the team composition small (so we're trying  
19 to keep it not overwhelming for the patients that we  
20 serve) and maintaining the ability to conduct these  
21 clinical field evaluations, this is key to the  
22 program. But we're exploring other options to  
23 integrate peers and other-- and other licensures into  
24 the program as well.



2 CHAIRPERSON NARCISSE: Okay, I have one last  
3 question before I trans-- I mean, pass it on to my  
4 Co-Chair: Why do police continue to respond to more  
5 than 80% of mental health crisis calls in BEHERD  
6 precincts, during BEHERD's during B hurts hours of  
7 operation? And why has this percentage increased  
8 rather than decrease over the life of the pilot?

9 DR. KATZ: This is something that we're all  
10 looking at within-- within the program. And we're  
11 trying to figure out ways to, you know, increase the  
12 number of calls that we are going to. It is, I think  
13 one of the key things that we talked about the most  
14 within the program: About how we can get out to more  
15 calls and ensure that more individuals are getting  
16 the benefits that we know that BEHERD offers.

17 It has to do with several factors that are  
18 outside of the control of Health + Hospitals and--  
19 and fall within I think the oversight of the Mayor's  
20 Office of Community Mental Health, NYPD, and FDNY and  
21 they're dispatching. So we would refer maybe  
22 specifics to them. But it's something that, you  
23 know, within the pilot we are highly focused on is we  
24 want to make sure that we're serving as many New  
25 Yorkers as we can.

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2 CHAIRPERSON NARCISSE: Thank you. I pass it on  
3 to my Co-Chair, Justin Brannan.

4 CHAIRPERSON BRANNAN: I just have a couple of  
5 BEHERD questions that I didn't ask initially. Is  
6 there a report that can give the Council an overview  
7 of the efficacy of BEHERD from 2022 until now? Does  
8 that exist? Or can you...?

9 SENIOR ADVISOR HANSMAN: There's a-- There's a  
10 yearly report for FY 22, which has all of our data  
11 for FY 22 that we can share with-- with the council.  
12 And then we're also publishing our data for Q1 and Q2  
13 for FY 23 in the coming days.

14 CHAIRPERSON BRANNAN: Okay. We spoke yesterday  
15 to the Department of Health, and understanding it's--  
16 it's a bit complicated to quantify success on  
17 anything related to mental health, right? It's not  
18 like filling potholes, where you check it off the--  
19 check a box. However, I think it's important for  
20 taxpayers to understand, you know, what are-- what  
21 they're getting for their investment, and if this is--  
22 - you know, if the program is working. So that's  
23 something we're definitely interested in. Can you  
24 tell us how many mobile crisis teams you have, and if  
25 that's something you're looking to expand?

2 SENIOR ADVISOR HANSMAN: Um, I'll get you the  
3 number of mobile crisis teams we have in-- in just a  
4 moment. Let me see if I have it in here.

5 CHAIRPERSON BRANNAN: Okay. I'll ask something--  
6 something unrelated. Well related, but not-- not  
7 having to do with BEHERD. I know you mentioned  
8 before, there's about 2000 openings for nurses.

9 DR. KATZ: Correct.

10 CHAIRPERSON BRANNAN: Is it somehow easier to--  
11 to find and pay traveling nurses than it is to hire  
12 actual nurses?

13 DR. KATZ: Oh yeah.

14 CHAIRPERSON BRANNAN: Okay. Why-- I mean, even  
15 if I'm asking rhetorically, why is that?

16 DR. KATZ: Well, they're getting paid at least  
17 20% more, the nurse itself. And then the-- the  
18 agency has a major incentive for recruiting. It's  
19 also, you know, they're-- they are pulling certain  
20 groups of people who probably wouldn't take a regular  
21 job, because they are traveling. They're traveling  
22 nurses. They're seeing the world as nurses, it's,  
23 you know, it's a perfectly cool, fair thing for them  
24 to do.

2 So they're-- So one-- So it's two parts. It's  
3 the greater pay. And in some cases, it's, "I don't  
4 want a job working in New York for the next 30 years.  
5 I want to spend my time traveling around."

6 CHAIRPERSON BRANNAN: Without-- Without getting  
7 you in trouble with OMB, is it something that you  
8 would support, pay parity? I mean, I'd like to pay  
9 our nurses what the traveling nurses get paid, so we  
10 can hire more nurses?

11 DR. KATZ: Right. Well, I don't think-- To be  
12 honest, I don't think we have to pay with the  
13 traveling nurses get. They get more than the most,  
14 you know, the private, most expensive hospitals are  
15 able to pay. We need to pay fair wages that enable  
16 nurses to take the job.

17 CHAIRPERSON BRANNAN: Right.

18 DR. KATZ: And that that's known to everybody.  
19 It's not-- It's not a mystery what that is. There  
20 may be a small group of people who only want to be  
21 travelers. Ideally, we wouldn't use them at all.

22 CHAIRPERSON NARCISSE: As a nurse-- But if the  
23 pay is right, we will say. I know that.

24 DR. KATZ: Yeah.

2 CHAIRPERSON NARCISSE: So we need that pay parity  
3 today. Because if we don't get it, we're losing  
4 more. And they are more consistent. They are caring  
5 for the community. A traveling nurse is just like  
6 you said: They come and go.

7 DR. KATZ: They come and they have no commitment  
8 to us.

9 CHAIRPERSON NARCISSE: That's why I say I'm  
10 optimistic, and I'm counting on you, because we need  
11 that pay parity.

12 DR. KATZ: Well, I-- I am working this issue  
13 hard. And I appreciate that you do, and it's  
14 important for your voices to be heard on this issue.

15 CHAIRPERSON NARCISSE: And let's-- let me tell  
16 you something: The nurses, they get tired. The  
17 traveling nurses after the visit? They go bye-bye.  
18 They go to where they come from, but we want our  
19 nurses to stay. So you can continue. I had to get  
20 on that. Because as a nurse I know, after a while  
21 you don't-- you want to sleep in your bed.

22 DR. KATZ: Of course.

23 CHAIRPERSON NARCISSE: Yeah.

24 CHAIRPERSON BRANNAN: Fork it over, Katz.

25 CHAIRPERSON NARCISSE: Get it done. [laughs]

2 DR. KATZ: We-- We are working on it.

3 CHAIRPERSON NARCISSE: No. We appreciate your  
4 partnership there. It's important that we're on the  
5 same page.

6 DR. KATZ: Absolutely.

7 CHAIRPERSON NARCISSE: Yes, we have to finish our  
8 question. This is a budget season and we have to  
9 make sure we do our part right there. How is it that  
10 BEHERD continues to transport more than 50% of  
11 individuals to hospital, and why has this percentage  
12 increase rather than-- Oh, no, I did you that  
13 question already. The BEHERD FAQ states that BEHERD  
14 teams respond to 911 mental health emergency calls  
15 within a comparable time as traditional EMS  
16 ambulance. So how does the pilot account for the  
17 fact that BEHERD response times in FY 22 were 15.5  
18 minutes, while traditional emergency response times  
19 are 7.8-- I mean, 7 to 8 minutes?

20 SENIOR ADVISOR HANSMAN: So first, I'll go back  
21 to chair Brandon's question around mobile crisis  
22 teams. So Health + Hospitals has eight mobile crisis  
23 teams, and as a-- as maybe a reminder, just a little  
24 bit of background, they're deployed out of 988, and I  
25 think are incredibly effective tools for folks who

2 are in a mental health crisis and needs that-- need  
3 that in-person support. And really show-- You know,  
4 when we think about BEHERD as this emergency  
5 response, as we're talking about response times, we  
6 see the-- the emergency response within about 15  
7 minutes, we have mobile crisis teams that can come in  
8 about two hours. Really rounding out the continuum  
9 of this emergency-slash-crisis mental health care.

10 On the on the response times. I would-- I would  
11 defer to OCMH and EMS on this question, as they're--  
12 EMS especially, I think is best equipped to talk  
13 about how this response, the 15 minute compares to  
14 their more traditional response. I think the seven  
15 to eight minutes is more akin to an NYPD response  
16 versus a-- an EMS or FDNY response. So my  
17 understanding is that we're-- our 15.5 minutes  
18 Response time is akin to what-- what happens when--  
19 when an ambulance goes out to a mental health call.

20 CHAIRPERSON NARCISSE: Thank you, why were fewer  
21 than 25% of individuals experiencing a mental health  
22 crisis assisted on site-- on site. And why has this  
23 percentage decreased rather than increased over the  
24 life of the pilot?

2 SENIOR ADVISOR HANSMAN: So when we-- when we  
3 think about on site, we can think about it in two  
4 ways. We can think about it on site where someone  
5 doesn't leave their home or where we see the  
6 individual. And also we can think about it as  
7 connecting to community-- community-based resources.  
8 And it's the flip side of the-- the hospital  
9 transport coin, right? So our goal was never to  
10 necessarily eliminate hospitalizations, it was meant  
11 to make sure that people are getting the care and the  
12 support that they need. So again, as we kind of  
13 expand into different areas of the city, we're going  
14 to see different needs, we're going to see different  
15 combinations of services that are available to folks,  
16 we're going to see different issues. And we want to  
17 make sure that we're treating folks how they're  
18 presenting to us and getting them to the services  
19 that they need. And so I think we expect both the  
20 hospitalization and-- or the-- the transport to the  
21 hospital, and the on site and community-based  
22 treatment numbers to-- to move around a little as we  
23 expand and as we work with different communities.

24

25



2 CHAIRPERSON NARCISSE: Okay, when you said  
3 "connect", does that mean you connect them to CBOs,  
4 different, that's serving their communities?

5 That's right. Connecting them to community-based  
6 organizations can be the support and connection  
7 centers that are contracted out to DOHMH or-- or  
8 outpatient clinics in the community. We can connect  
9 them to NYC Well for services. So there's-- there's  
10 a myriad of options, and the BEHERD teams do a lot of  
11 work in the community to identify what are the best  
12 options for folks to be taken to, or to be connected  
13 to, during a call.

14 CHAIRPERSON NARCISSE: Thank you. But I want to  
15 add something. When you refer them to CBOs that you  
16 have contracted, are those CBOs local CBOs, or just  
17 over-- overall just like a list? Because the reason  
18 I'm asking that, because being in the line of  
19 business and contracting with the City, I realize the  
20 list can be very limited to who responded to the  
21 calls, but not the needs of the people.

22 SENIOR ADVISOR HANSMAN: So it wouldn't be  
23 actually folks that we contracted with. It would be  
24 anyone in the community. And when we mean community  
25

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2 mean where the person lives or works, or where we  
3 found--

4 CHAIRPERSON NARCISSE: Yes. Around.

5 SENIOR ADVISOR HANSMAN: Absolutely. And it's  
6 not limited-- it's not limited to-- to folks that we  
7 would contract with. It's limited to the community  
8 that would serve that individual and their needs.

9 CHAIRPERSON NARCISSE: Okay. What is the  
10 breakdown of time or location to which BEHERD teams  
11 are dispatched?

12 SENIOR ADVISOR HANSMAN: So we would defer that  
13 to OCMH and EMS as well, as they have the best data  
14 on the locations and the breakdown.

15 CHAIRPERSON NARCISSE: Thank you for each call  
16 that was not dispatched to BEHERD in BEHERD precincts  
17 during the BEHERD operating hours due to violence or  
18 imminent harm, what was the nature of the violence  
19 and/or imminent harm?

20 SENIOR ADVISOR HANSMAN: Yeah. So as you're  
21 referencing, not all mental health crisis emergency  
22 calls are-- are eligible for a BEHERD response. So  
23 calls that are directed to BEHERD teens must be  
24 triaged first before they're referred to a BEHERD  
25 team. Typically be hurt teams are not responding to

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2 calls involving individuals who require immediate  
3 transport to the hospital, present risk of imminent  
4 harm to themselves or others, or in situations where  
5 EMS call takers just don't have enough information to  
6 assess risk of imminent harm, presenting as  
7 imminently suicidal, being-- presently being violent,  
8 having a weapon, or requiring a tactical expertise or  
9 resources, such as being on a bridge, or being in  
10 traffic, or being on a subway train track.

11 CHAIRPERSON NARCISSE: Thank you. What is the  
12 breakdown by response of the community-based health  
13 care or social service location to which individuals  
14 experiencing mental health crisis were transported?

15 SENIOR ADVISOR HANSMAN: So because we've been  
16 operating in East-- or in Harlem, Upper Manhattan,  
17 and the South Bronx for a very long time, the main  
18 community-based healthcare location or the city  
19 supporting connection centers, one being in-- in the  
20 Bronx, and then one being in East Harlem.

21 CHAIRPERSON NARCISSE: What are the demographics  
22 of individuals served by BEHERD over the life of the  
23 pilots?

24 SENIOR ADVISOR HANSMAN: So generally, the  
25 demographics of the BEHERD teams that they've been

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2 serving have been reflective of the communities that  
3 they-- that they serve, and as it is expanded, it has  
4 continued to reflect the demographics of that  
5 community.

6 CHAIRPERSON NARCISSE: Kind of a broad answer.

7 Like-- I'll leave it at that. I'll come back. What  
8 type of training is provided by 911 dispatchers  
9 regarding mental health calls involving-- no, the  
10 arm, you answered in it the last question? How many  
11 hours of training and what types of training do 311  
12 for regarding mental health crisis calls? I think  
13 you answered that one, too. I don't want you to  
14 repeat it. Does BEHERD training involve a trauma-  
15 informed framework?

16 SENIOR ADVISOR HANSMAN: Absolutely. All of the  
17 training that we're doing with the BEHERD team  
18 involves a trauma-informed framework for both the  
19 social workers and for the entities. That joint  
20 training, that for weeks, that is critical to that  
21 training.

22 CHAIRPERSON NARCISSE: The council budget  
23 response-- I'm going to neighborhood health and  
24 ambulatory care centers for the capital. The Council  
25 budget response called for an additional \$200 million

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2 in capital funding to establish for new H+H  
3 Neighborhood Health Ambulatory Care Centers in  
4 communities with poor health outcomes lacking in  
5 sufficient access to healthcare facilities. Before I  
6 go, I'm going to say, in 46, we don't have any  
7 healthcare center and we don't have no hospital. So  
8 I know that. I live it. We do not see that this  
9 funding was added. Can you share a bit of your  
10 conversation with OMB on expanding health care  
11 centers in communities that need it the most?

12 SENIOR ADVISOR HANSMAN: We've been clear that we  
13 support the creation of additional clinics.

14 CHAIRPERSON NARCISSE: Mm-hmm.

15 DR. KATZ: I assume that it wasn't included  
16 simply because the city's budget has been so imp--  
17 impaired by the asylum crisis, that the expenses are  
18 so high that it's been difficult for the city to do  
19 anything new. And I've certainly heard that-- that  
20 the city is not prepared to do anything new right now  
21 because of the asylum crisis costs.

22 CHAIRPERSON NARCISSE: I understand. But asylum  
23 seekers have a different kind of pool of budget,  
24 isn't it? So why does this plan for taking care of  
25 the people at the City of New York has to do with

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2 asylum seekers? We have the federal funding. We  
3 have different paths.

4 DR. KATZ: Sure. No, I understand. We can raise  
5 it with OMB again.

6 CHAIRPERSON NARCISSE: Because New Yorkers, we  
7 need to health-- the quality healthcare delivery.

8 DR. KATZ: Agreed.

9 CHAIRPERSON NARCISSE: And we should not go  
10 backward. And the reason that we suffered the most  
11 during the pandemic, and you know that as a doctor,  
12 and take it from the nurse, is because of the  
13 preventive care not that taken care of in New York  
14 City.

15 DR. KATZ: Absolutely.

16 CHAIRPERSON NARCISSE: So how much funding do you  
17 have for new facilities?

18 VICE PRESIDENT DEHART: I think we'd have to  
19 follow up specifically. There are no new facilities.  
20 We're continuing to work on some of the opportunities  
21 that have been identified, but there's no specific  
22 funding at this time for new facilities in the-- in  
23 the capital fund.

24 CHAIRPERSON NARCISSE: I think I'm going to leave  
25 it here.

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2 CHAIRPERSON BRANNAN: Okay?

3 CHAIRPERSON NARCISSE: So yeah, I'm good.

4 CHAIRPERSON BRANNAN: Okay, Dr. Katz and your  
5 team. Thank you all so much.

6 DR. KATZ: Thank you. Our pleasure.

7 CHAIRPERSON BRANNAN: We look forward to future  
8 negotiations.

9 CHAIRPERSON NARCISSE: And I do appreciate you.  
10 You know that, right?

11 DR. KATZ: I appreciate that.

12 CHAIRPERSON BRANNAN: All right. We will take a  
13 short break and then we're going to hear from The  
14 Department of Small Business Services.

15 [16 MINUTE SILENCE]

16 CHAIRPERSON BRANNAN: Okay, good afternoon.  
17 We're now ready to begin the final executive budget  
18 hearing of the day, WHICH will be focused on the  
19 Department of Small Business Services and I'm pleased  
20 to be joined by my friend and colleague Councilmember  
21 Julie Menin, Chair of the Committee on Small  
22 Business. We've also been joined by Councilmembers  
23 Carr, Ung, and Powers. Welcome Commissioner Kim and  
24 your team. Thank you all for joining us today to  
25 answer our questions.

2 Just to set the table on April 26 2023, the  
3 administration released the executive financial plan  
4 for FY 23 to 27 with a proposed FY 24 budget of  
5 \$106.7 billion. The proposed FY 24 budget for SPS  
6 was \$197.4 million, and that represents less than 1%  
7 of the administration's proposed FY 24 budget in the  
8 executive plan. This is an increase of \$33.2  
9 million, or 20.2% from the initial \$164.3 million  
10 allocated in the preliminary plan. This net increase  
11 is mostly due to additional headcount and other new  
12 needs.

13 My questions today will largely focus on items  
14 raised in the council's budget response proposal as  
15 well as the MWBE program, the Small Business  
16 Executive Order, the ending of COVID federal aid, and  
17 the rising costs on our small businesses.

18 Small businesses are the anchor in every  
19 neighborhood of our city. It feels good for  
20 politicians to say small businesses are the backbone  
21 of our city, but people want to see action and want  
22 to see results. And as they move out of struggles  
23 with the pandemic and they continue to be tested by  
24 the same spiking rents and other increased costs that  
25 we all are.



2 So I look forward to hearing from Commissioner  
3 Kim on how will support this vital part of the city  
4 in the years ahead.

5 And I want to turn to my Co-Chair for this  
6 hearing, Councilmember Menin, for her opening  
7 statement.

8 CHAIRPERSON MENIN: Thank you so much Chair  
9 Brannan. I really want to thank the chair for his  
10 leadership and partnership. And good afternoon,  
11 everyone, and welcome to today's budget hearing on  
12 small business.

13 My name is Julie Menin. I'm the chair of the  
14 council's Committee on Small Business Services and  
15 today we'll be hearing from the Department of Small  
16 Business Services on their fiscal 2024 executive  
17 plan.

18 The fiscal 2024 executive budget for SPS totals  
19 \$197.4 million with \$32 million or 16.2% proposed for  
20 personal services to support 328 full time employees.  
21 There is a \$6.9 million decrease in SBS's fiscal 2023  
22 budget, and a \$33.2 million increase in its fiscal  
23 2024 budget between the preliminary plan and  
24 executive plan primarily from modifications in city  
25 funding. SBS's executive budget includes no new

2 needs in fiscal 2023 and \$21.3 million in new needs  
3 in fiscal 2024. SBS's executive plan includes other  
4 adjustments that result in \$6 million in reductions  
5 in fiscal 2023, and a \$14.8 million increase in  
6 fiscal 2024.

7 Small businesses are part of what makes New York  
8 City attractive and special to so many people around  
9 the world. Whether they are born here or from  
10 halfway around the globe, the promise of prosperity  
11 and earning a living from building a business from  
12 the ground up is critically important. We are eager  
13 to hear from the agency about how this executive plan  
14 is responding to the needs of our small business  
15 community. We want to know what the agency's long-  
16 term plans are for helping small businesses continue  
17 to recover from the pandemic.

18 The fiscal 2023 budget, as of the executive plan,  
19 stands at \$433.5 million with \$117.4 million coming  
20 from federal funds. Federal funds dropped to \$43.3  
21 million in the fiscal 2024 of the as of the executive  
22 plan. We would like to learn today what programs  
23 have been impacted by the reduction in federal  
24 funding. Also, how will the city funding make up for  
25 the reduction in federal funding?

2 The Council's budget response included four  
3 proposals related to the city's small businesses.  
4 These proposals called on the Administration to add  
5 funding to improve access to training and  
6 apprenticeship programs, to increase and baseline  
7 funding for industrial business services providers,  
8 to increase funding to support for MWBEs and  
9 entrepreneurs, and lastly, to increase funding to  
10 support the formation of new BIDs.

11 I was disappointed to see that the executive plan  
12 did not include funding for any of the Council's  
13 proposals. It is the Council's responsibility to  
14 ensure that the city's budget is fair, transparent  
15 and accounts for all New Yorkers. This includes  
16 equity in funding and assistance. As a Chair of the  
17 Committee of Small Business I will continue to push  
18 for accountability and accuracy, to ensure that the  
19 budget reflects the needs and interests of the city's  
20 small businesses. I will also continue to push for  
21 any funding to support small BIDs, which has been a  
22 top priority of mine, as it is unclear if they were  
23 adequately funded in the executive plan.

24 I look forward to an active engagement with the  
25 Administration over the next few weeks to ensure the

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2 fiscal 2024 adopted budget meets the goals that the  
3 Council has set out. This hearing is a vital part of  
4 this process, and I expect that SBS will be  
5 responsive to the questions and concerns of  
6 Councilmembers.

7 I'd like to thank Commissioner Kim for testifying  
8 today and his team. And I also want to thank both my  
9 staff and the staff of the finance and legislative  
10 divisions for the work in preparing this hearing  
11 today, specifically Glenn Martaloni, Julia Haromus,  
12 Nicole Kata, Rebecca Barilla, and from my team  
13 Jonathan Schadt, Brandon Jordan, and Anna Carea. Now  
14 Commissioner Kim, our Counsel will swear you in.

15 COUNSEL: Good afternoon. Raise your right hands  
16 please? Do you affirm that your testimony will be  
17 truthful to the best of your knowledge, information,  
18 and belief and you will honestly and faithfully  
19 answer your Councilmember questions? Kevin Kim?

20 COMMISSIONER KIM: I do.

21 COUNSEL: Jackie Mallon.

22 DEPUTY COMMISSIONER MALLON: I do.

23 COUNSEL: Dynishal Gross?

24 DEPUTY COMMISSIONER GROSS: I do.

25 COUNSEL: Thank you. You may begin.

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2 COMMISSIONER KIM: Good afternoon Chair Menin,  
3 Chair Brannan, and members of the respective  
4 committees on small business and finance. My name is  
5 Kevin D. Kim and I'm the Commissioner of the New York  
6 City Department of Small Business Services, or SBS.

7 Joining me today our SPS is First Deputy  
8 Commissioner Jackie Mallon, and Executive Deputy  
9 Commissioner Dynishal Gross, along with members of my  
10 senior leadership team.

11 I am pleased to appear before you today to offer  
12 my testimony on SBS's fiscal year 2024 executive  
13 budget. SBS's fiscal year 24 executive budget is  
14 \$197.4 million dollars, with a headcount of 328  
15 employees, 22 higher than at the beginning of Mayor  
16 Adams Administration. Our budget includes \$85.3  
17 million in pass-through funding to other city  
18 entities, including the NYC Economic Development  
19 Corporation at \$44.4 million NYC tourism and  
20 conventions at \$21.4 million, and Governors Island at  
21 \$19.5 million.

22 We serve as a conduit to these entities and thus  
23 do not spend or manage any of these funds. SBS's  
24 budget is comprised of the remaining \$112.1 million,  
25 which is allocated to programs and services that

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2 connect New Yorkers to good jobs, create stronger  
3 businesses, and build thriving vibrant neighborhoods.  
4 We advance this mission daily through the work of our  
5 four main divisions: Division of Business Services  
6 (or DBS), Division of Economic and Financial  
7 Opportunity (or DEFO), Workforce Development Division  
8 (or WDD), and the Neighborhood Development Division  
9 (or NDD).

10 Under Mayor Adams leadership and with support  
11 from Chair Menin and members of these committees, SBS  
12 is proud of its contribution to our city's economic  
13 comeback. According to EDCs latest economic report,  
14 tourism spending is at 110% of pre pandemic levels,  
15 more than 30,000 new businesses have opened in the  
16 last year. And as of April, New York City has  
17 recovered 99.7% of private sector jobs, a figure once  
18 predicted to take until 2025 or later.

19 As the mayor says often: New York City isn't  
20 coming back. We are back. And SBS's fiscal year 24  
21 executive budget includes many important initiatives  
22 that will continue to strengthen our economy for  
23 years to come.

24 Mayor Eric Adams declared May the first ever NYC  
25 Small Business Month, a time to celebrate the over

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2 200,000 New York City small businesses that make our  
3 city the greatest in the world. This month, SBS and  
4 dozens of city agency and community partners have  
5 joined together to produce more than 50 events  
6 showcasing our dynamic commercial districts, getting  
7 the word out about our free services, and encouraging  
8 New Yorkers to shop small and shop local.

9 Small Business Month is a time to also highlight  
10 the achievements we have made as a city and as an  
11 agency. For example, our DBS division last fall  
12 launched our NYC Business Express Service Team or NYC  
13 BEST to save business owners time and money by  
14 providing one-on-one assistance to avoid violations  
15 and quickly obtain permits and licenses. Mayor  
16 Adams, Chair Menin, and Councilmember Lynn Schulman,  
17 and I proudly kicked off Small Business Month by  
18 announcing that NYC BEST assisted over 2,200 unique  
19 businesses to avoid more than \$22 million in  
20 potential fines and violations in this last year  
21 alone. A prime example of an NYC BEST success story  
22 is that of Lady Cardona, owner and operator of Lady  
23 Licious cakes. As a first generation Colombian  
24 immigrant, Lady began baking at the age of nine. She  
25 worked with NYC BEST since January to quickly obtain

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2 permits and licensing from various agencies to open  
3 her wonderful bakery much quicker. Lady Licious  
4 cakes is also one of New York City's more than 10,000  
5 certified minority and women owned business  
6 enterprises, or MWBEs, with whom SBS's DEFO Division  
7 works to connect to government contracting  
8 opportunities. In fiscal year 23 to date, SBS  
9 certified and recertified more than 2,300 MWBE firms.  
10 DEFO also works directly with MWBEs to increase their  
11 business capacity, access affordable financing, and  
12 compete for and win government contracts, leading to  
13 a record-high city spend with MWBEs of nearly \$1.4  
14 billion in fiscal year 22. Of the MWBE firms that  
15 won contracts subject to Local Law 1 in fiscal year  
16 22, approximately three quarters had utilized an SBS  
17 service on their path to working with government.

18 In addition, as part of Small Business Month, SBS  
19 is hosting an MWBE symposium at our offices today,  
20 with over 200 MWBEs registered to attend, to prepare  
21 MWBE to capitalize on new opportunities provided by  
22 the City's recently expanded non competitive small  
23 purchase method. This is just one way we are working  
24 with our close partners at the Mayor's Office of  
25 Contract Services and the Mayor's Office of MWBEs to



2 achieve Mayor Adams aggressive goal to award \$25  
3 billion in contracts to MWBEs by the end of fiscal  
4 year 26.

5 One of the challenges facing businesses today is  
6 in recruiting employees. SBS's WDD division works  
7 daily to connect New Yorkers to new employment and  
8 job training opportunities through our 18 Workforce  
9 One Career Centers. In fiscal year 22, we connected  
10 New Yorkers to 25,000 jobs with an average wage of  
11 \$18 per hour. Already in fiscal year 23. We have  
12 served 75,000 New Yorkers with resume help, honing  
13 interview skills, and job searches, putting us on  
14 track to reach our annual goal of 25,000 job  
15 connections once again.

16 We are excited to host a major career fair in the  
17 Bronx at Yankee Stadium on May 22, and invite the  
18 Council to join us and share our workforce one  
19 resources with your constituents. Our NDD division  
20 oversees and guides our network of 76 business  
21 improvement districts or BIDs, which together make up  
22 nearly 300 miles of commercial corridors. On May 9,  
23 SBS celebrated the first ever NYC BID day to  
24 recognize the extraordinary impact of BIDs on our  
25 neighborhoods and commercial corridors. For example,

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2 in fiscal year 22, BIDs collected 4 million trash  
3 bags, removed 440,000 instances of graffiti,  
4 maintained 176 public spaces, and helped draw over 30  
5 million people into commercial corridors through  
6 public events.

7 In fiscal year 23 NDD deployed several new grant  
8 programs including awards of nearly \$5.3 million  
9 dollars to support the formation of new BIDs and  
10 strengthen the operations of our small BIDs-- smaller  
11 BIDs along with \$2 million to lift up merchants  
12 associations. We also awarded \$3.8 million to 24  
13 community-based development organizations working in  
14 low-to-moderate-income neighborhoods through our  
15 longstanding programs, Avenue NYC and Neighborhood  
16 360. SPS's fiscal year 24 executive budget furthers  
17 our worked with BIDs and community-based development  
18 organizations with a \$1.5 million expansion of  
19 Neighborhood 360 to create new, inventive lighting  
20 projects, addressing public safety, quality of life,  
21 and drawing visitors to shop and spend in their  
22 neighborhoods. At SBS, every month is Small Business  
23 Month, and we believe that every day is an  
24 opportunity to help more New Yorkers access our free  
25 services. Our new agency wide outreach team has been

2 pounding the pavement to reach over 6,000 New Yorkers  
3 in the last year at more than 200 events, including  
4 dozens of business roundtables and mobile outreach  
5 events. Just last Thursday, our team partnered with  
6 the public engagement unit and the Queen's Chamber of  
7 Commerce to promote our business resiliency services  
8 to nearly 300 local businesses.

9 We believe that every dollar a small business  
10 spends on a penalty is a dollar That could have been  
11 invested in staff or passing along savings to  
12 customers. That's why we are pleased to work with  
13 Chair Menin and the Council to advance Intro 845,  
14 which implements Mayor Adams's small business forward  
15 initiative aims to save small businesses millions per  
16 year. We look forward to seeing this effort pass  
17 into law.

18 Today, the work of Small Business Forward  
19 continues through the development of the New York  
20 City Business Portal, a one-stop shop for local  
21 entrepreneurs to navigate multiple city agencies as  
22 we continue to make New York City a city of yes for  
23 small businesses, as well as mayor Adams Small  
24 Business Advisory Commission. For example, SBAC and  
25 SBS recently worked with the Department of Sanitation

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2 to ensure a 30-day warning period for businesses in  
3 the implementation of the new curbside trash pickup  
4 rules. This gave businesses time to prepare and  
5 comply with the new standards that will keep-- that  
6 will help keep trash off our streets.

7 Last but certainly not least, earlier this year,  
8 SBS successfully rolled out the New York City Small  
9 Business Opportunity Fund, the fund made possible by  
10 a historic public private partnership between the  
11 city of New York Goldman Sachs and MasterCard Center  
12 for Inclusive Growth, as well as eight Community  
13 Development Financial Institutions, or CDFIs, as the  
14 single largest public-private loan fund directed to  
15 small businesses in the city's history with a market  
16 leading interest rate of 4%.

17 As a credit to our outreach team, SBS deployed  
18 dozens of staff and volunteers going door-to-door to  
19 over 500 businesses in less than two weeks, including  
20 over 100 businesses in the Bronx on the day of the  
21 announcement.

22 In closing, we at SBS are dedicated to fulfilling  
23 Mayor Adams's clear and bold economic agenda, which  
24 is based on equity and inclusivity, and with small  
25 businesses leading our recovery. I look forward to

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2 our continued partnership with this Council and  
3 welcome any questions you may have for me or my team.  
4 Thank you.

5 CHAIRPERSON BRANNAN: Thank you, Commissioner.  
6 We've also been joined by Councilmember Brewer. I  
7 want to ask quickly about MWBEs, since you mentioned  
8 it. Can you tell us what percentage of city  
9 contracts went to MWBE's last year?

10 COMMISSIONER KIM: In terms of dollar amounts, or  
11 in terms of the number of awards?

12 CHAIRPERSON BRANNAN: The number of awards.

13 COMMISSIONER KIM: So if you look at the Local  
14 Law 1 numbers, it was approximately 1,600 MWBEs that  
15 received the awards.

16 CHAIRPERSON BRANNAN: Okay. And I know there was  
17 a-- this goal may have changed, but I know there was  
18 a goal to reach 30% of MWBE's rewarded with contracts  
19 by 2025. Are we still on target for that?

20 COMMISSIONER KIM: Uh, so there was a 10-year  
21 goal of achieving \$25 billion in MWBE awards by the  
22 year 2026? [background voices] 2025. And we were  
23 able to achieve that goal three years ahead of time.  
24 And we were able to get to that \$25 billion, which is  
25 why Mayor Adams set a more aggressive goal of

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2 achieving \$25 billion more by the year 2026 as well  
3 as achieving \$60 billion in awards by the year 2030.

4 CHAIRPERSON BRANNAN: With regard to the end of  
5 the federal funding related to the COVID emergency:  
6 How is SBS using the remaining funds in a drawdown so  
7 it doesn't negatively impact small businesses?

8 COMMISSIONER KIM: The COVID funding was  
9 instrumental in helping us prop up the emergency  
10 services that were needed to help small businesses at  
11 the time. Currently, in our fiscal year 24 budget,  
12 we will have no program cuts, no reduction of active  
13 lines, and so we feel we are very well positioned to  
14 continue the work that we've been doing for years on  
15 end, but in particular, since the start of the Adams  
16 administration to support small businesses, job  
17 seekers and help the commercial corridors thrive.

18 CHAIRPERSON BRANNAN: What loans and grants is  
19 SBS currently provided, or what grants are available  
20 for small businesses right now?

21 COMMISSIONER KIM: So the current-- in fisc--  
22 right now, if you're talking about the programs in  
23 fiscal year 23, this Small Business Opportunity Fund  
24 was the signature program that we had, but every day  
25 our capital access team and our Division of Business

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2 Services, they work with over 40 CDFI partners, to  
3 tailor and get access for small businesses to a  
4 number of different types of loan products. But in  
5 terms of the access of knowledge of knowing what are  
6 the federal and state grant programs are available  
7 anytime they come out, the capital access team at DBS  
8 is-- is getting that information out to the small  
9 business community.

10 CHAIRPERSON BRANNAN: What's the current funding  
11 level for the Commercial Lease Assistance Program?

12 COMMISSIONER KIM: It's \$5 million. And what we  
13 did was we took federal-- what had been a federal  
14 program, and we understood how important that was and  
15 how much of a need retail stores had for this kind of  
16 pro bono legal service, and so we prioritized it and  
17 put it into the CTL budget, the executive budget,

18 CHAIRPERSON BRANNAN: What other assistance  
19 programs are available for small businesses that are  
20 struggling with steep rent increases?

21 COMMISSIONER KIM: We provide a lot of-- I  
22 guess, the CLA is-- the Commercial Lease Assistance  
23 Program is the primary focus because that allows us  
24 to get to the small business owners who don't have  
25 the legal sophistication to have to go in and

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2 negotiate with a landlord who usually is much better  
3 equipped with resources to hire attorneys. And so  
4 the partnership we have with our nonprofit  
5 contracting service with-- to provide that pro bono  
6 service has been instrumental in really helping small  
7 businesses.

8 Other than that, we've really focused on  
9 educating versus punishing small business owners in  
10 this administration. So the number of programs--  
11 starting with on day four of the administration, as  
12 you all probably know, the Executive Order 2, where  
13 Mayor Adams said we are going to find ways to either  
14 give cure periods, warning periods to small  
15 businesses, or to eliminate certain violations that  
16 were overly burdensome on small businesses. And that  
17 effort along with Chair Menin, you know, we are  
18 looking to save millions of dollars every year for  
19 small businesses.

20 CHAIRPERSON BRANNAN: One of the things in the  
21 Council's budget response was a call to improve  
22 access to training and apprenticeship programs. The  
23 Council called upon the Administration to restore \$10  
24 million in funding for various SBS workforce



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2 development programs. This funding was not included  
3 in the executive plan. Do you know why that is?

4 COMMISSIONER KIM: We have the federal funds to  
5 be able to replace most of that, and be able to cover  
6 the funding that's necessary to continue those  
7 programs. In the case of the stipends, for example,  
8 we were-- Also-- I guess that's not part of this  
9 thing. But, oh yes, fund stipends, we were able to  
10 realign the allocation of the funds over a three year  
11 period versus all at once. Because when people are  
12 in job training programs, you kind of need it over  
13 time versus it being up in front. So what we did was  
14 a combination of using federal funds. We took the  
15 opportunity to realign programming and the timing of  
16 when the money will be distributed. But there'll be  
17 no impact on the programs.

18 CHAIRPERSON BRANNAN: With regard to BIDs, the  
19 Council called on the administration to restore the  
20 funding for the BIDs to its FY 23 level to providing  
21 an additional \$5.3 million allocation. That funding  
22 was also not added in the executive plan. Do you  
23 know why?

24 COMMISSIONER KIM: We're continuing conversations  
25 with OMB on that. The amount of it investment that

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2 we put into BIDs in the past year is something that  
3 has had a great impact, a beneficial impact, a  
4 positive impact. We've been able to really highlight  
5 the work that they do, as I mentioned in the  
6 testimony, through our NYC BID Day, which activated  
7 25 BIDs, which also had 50 other BIDs-- 50 BIDs in  
8 total, provide different types of programmings, and  
9 allow for the general community to plug in as  
10 volunteers, as part of that NYC BID day.

11 So the work that we're doing, including with the  
12 \$1.5 million added to do holiday lighting program--  
13 I'm sorry, not holiday lighting, a lighting  
14 initiative-- is something that we think would also  
15 benefit BIDs for-- for years to come.

16 Just on that lighting initiative: Other cities--  
17 We took-- We looked at models, for example, on Santa  
18 Monica Boulevard in West Hollywood, and they were  
19 able to create a destination place for the commercial  
20 corridor to really feature all of their businesses.  
21 And we are looking to replicate some of that here in  
22 New York City.

23 CHAIRPERSON BRANNAN: What other cities do you  
24 think are doing innovative-- something innovative  
25 with small businesses?

2 COMMISSIONER KIM: I think a lot of what we've  
3 been doing that's been innovative, is coming down the  
4 pipeline too, with the NYC Business Portal. That is  
5 something that's on track to be rolled out later this  
6 year. We think that, again, saving businesses time  
7 means saving businesses money, and the way that  
8 they'll be able to navigate all of this various city  
9 regulatory agencies to get to where they want to be,  
10 which is to just be operating their business.  
11 That'll be something that-- the impact of it will be  
12 seen later this year and for years to come.

13 CHAIRPERSON BRANNAN: Last question for me, what  
14 is the budget that is earmarked for outreach and  
15 letting small businesses know that SBS exists?

16 COMMISSIONER KIM: So that has been a top  
17 priority of this administration, and a personal top  
18 priority of mine. When I came in, I wanted to ensure  
19 that historically underserved communities first of  
20 all knew about our knew about all of our services.  
21 There was a big push on the language access piece as  
22 well. We made it a point to really hit the  
23 community, pound the pavement. And within the agency  
24 itself, I realigned the structure of the organization  
25

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2 to have a dedicated outreach team that we had never  
3 had.

4 And through that, and the funding as part of the  
5 blueprint economic recovery plan for fiscal year 23,  
6 we were able to get all the different ways to get to  
7 the community, and the numbers I read out in the  
8 testimony is one example of it.

9 Another example of it as part of the outreach  
10 program has really been to emphasize social media.  
11 And if you look at our social media numbers, for  
12 example, we've had almost a 900% increase in the  
13 video views, which I think is critical, because these  
14 days, the way to get information out isn't always  
15 necessarily through the paper press releases. I  
16 think that you need to be able to be adaptive, and  
17 the social media angle, and the push we've made to  
18 have people hired solely for focusing on social media  
19 has also had a great impact, beneficial impact on our  
20 outreach efforts.

21 CHAIRPERSON BRANNAN: I'm going to turn it to  
22 Chair Menin. Thank you, Commissioner. Thank you,  
23 Commissioner.

24 COMMISSIONER KIM: Thank you.  
25

2 CHAIRPERSON MENIN: Great, thank you so much  
3 Chair. I just wanted to follow up on what Chair  
4 Brannan was asking about MWBEs.

5 COMMISSIONER KIM: Sure.

6 CHAIRPERSON MENIN: Because I-- obviously I  
7 understand the numbers that you mentioned. But one  
8 concern I have is according to the latest  
9 comptroller's report, black and Latino own biz small  
10 businesses each received under 2% of city contract  
11 dollars in fiscal year 22, and only 5% of all new  
12 city contracts, and purchase orders registered during  
13 that same period went to City certified Minority or  
14 Women-owned Business Enterprises. So what can we do  
15 to try to boost those numbers? And is the problem  
16 really outreach? That we're not reaching enough  
17 businesses to let them know about this economic  
18 opportunity?

19 COMMISSIONER KIM: I think there's a multi-  
20 pronged approach that's needed here. I think the  
21 Mayor has taken a big step by naming the first ever  
22 Chief Business Diversity Officer in Michael Gardner  
23 who brings a wealth of experience from his days at  
24 the MTA and SCA, successfully running the MWBE  
25 program. And with him coming on board, it's also

2 been an alignment of MOCS, Mayor's Office of Contract  
3 Services, and SBS working closely together to improve  
4 the numbers. But I think outreach is a big factor of  
5 it. And I think all the things that I just talked  
6 about, and how we realigned our organization to focus  
7 heavily on outreach to those particular communities  
8 that we want to see an improvement of not just the  
9 numbers, but the real improvement in opportunity. I  
10 think that'll also be following everything that we've  
11 done.

12 On the MWBE side, we also have the black  
13 entrepreneurship BE NYC program at SBS, that we've  
14 also been looking to engage more. Traditionally,  
15 they've been doing entrepreneurship emphasis, but we  
16 also understand that once businesses hear about the  
17 opportunity, they need to have the proper support for  
18 capacity building, the technical assistance, and  
19 that's everything that our DFO Team is working  
20 everyday to-- to commit to get done.

21 CHAIRPERSON MENIN: Okay. I know you and I've  
22 had so many conversations about it. So anything that  
23 we can do in the council aside? I think working with  
24 every councilmember, having fairs in each council  
25 district, making sure that we're including it in our

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2 newsletters giving us the tools we need to be able to  
3 communicate that out to our respective districts will  
4 be very helpful.

5 You talked earlier about the Small Business  
6 Portals. As you know in-- earlier last year, the  
7 Council passed my bill to create this one-stop-shop  
8 portal. So I'm very curious to hear about any kind  
9 of update on when it will be operational, because  
10 under the bill, it states that it needs to be  
11 operational by November of 2023. So I just want to  
12 understand if we're on target and if it's been beta  
13 tested?

14 COMMISSIONER KIM: Sure. We are-- as far as I  
15 know, we are on track right now for late summer first  
16 phase to be rolled out. And-- and by November 2023  
17 we should be able to meet the targets that were laid  
18 out in the bill.

19 CHAIRPERSON MENIN: And what's the current  
20 funding level for this in fiscal 2023, 24, and in the  
21 out years?

22 COMMISSIONER KIM: [TO OTHERS:] 3.3?

23 DEPUTY COMMISSIONER GROSS: The total funding,  
24 we'd have to get back you, because it's a-- it's a

25

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2 joint project between us and OTI. Our funding is \$2  
3 million in the out years, is next year.

4 CHAIRPERSON MENIN: Okay, and how is the-- how is  
5 SBS working with other city agencies who need to be  
6 providing data for that portal to truly be effective?

7 DEPUTY COMMISSIONER GROSS: We are working very  
8 closely with all of the agencies. They've been very  
9 great partners and have-- We have weekly meetings  
10 essentially to ensure that we have are all set up to  
11 do the data exchanges that will be necessary to  
12 aggregate the data in one place.

13 CHAIRPERSON MENIN: Okay. In terms of headcount  
14 and hiring. So the fiscal 2024 executive plan  
15 includes a net increase in headcount of 11 positions  
16 since fiscal the 2024 prelim plan. What is going to  
17 be the role of the additional staff members?

18 COMMISSIONER KIM: The agency is organized in a  
19 way to effectively do outreach, for example, but I  
20 don't think the headcount correspond directly to any  
21 particular agency division at this point.

22 I'm sorry, could you just--

23 CHAIRPERSON MENIN: Yeah, yeah. Budgeted  
24 headcount. So we're just trying to get a sense of  
25 its' budgeted headcount.



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2 DEPUTY COMMISSIONER GROSS: You're asking the  
3 additional head--

4 CHAIRPERSON MENIN: Yeah, yeah. Yes.

5 DEPUTY COMMISSIONER GROSS: -- this year, where--  
6 where-- so most of it is for the Office of Talent  
7 and Workforce Development. And then there-- I think  
8 there are three positions that are associated with  
9 Workforce Development Division on our team.

10 CHAIRPERSON MENIN: And how many vacancies do you  
11 have right now?

12 COMMISSIONER KIM: Effectively, since the last  
13 time we met when we had a preliminary budget hearing,  
14 we had-- we had 67 vacancies, but we've been on a  
15 hiring sprint since then, and we have currently 26  
16 People in the pipeline to start working in the next  
17 few weeks. Since the last string, we've hired and  
18 made offers to 37 folks. This week alone, we have  
19 five new SBS'ers start. So at this point, we're  
20 actively recruiting for the 48 vacancies.

21 CHAIRPERSON MENIN: And what's the average period  
22 of time that these positions have been vacant?

23 COMMISSIONER KIM: I don't-- actually-- Yeah,  
24 because I think the average time-- Well, I think  
25 since the hiring halls have been instituted, Mayor

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2 Adams, DC 37, Henry Greedo, DCAS Commissioner Don  
3 Pinnock, I think when they came up with the hiring  
4 hall concept, it's been a real help for all the  
5 agencies but in particular ours. I know that city  
6 wide it's over 1000. I think at SBS, we must have at  
7 least half a dozen hires through those programs in  
8 the last month. So the average has been getting much  
9 shorter since all the innovative ways to get people  
10 hired.

11 CHAIRPERSON MENIN: Okay. If you could just get  
12 our respective committees that information--

13 COMMISSIONER KIM: Sure.

14 CHAIRPERSON MENIN: --because the concern I have  
15 is that, from what I'm hearing, is that these  
16 positions have been open for a while. It's not just  
17 this agency; it's across all sub agencies. And that  
18 OMB is taking a long time to get people processed  
19 through the system. So we're very interested in  
20 getting these positions filled as soon as possible.

21 I want to switch to Cannabis NYC. I have a  
22 couple of questions about overall Cannabis NYC and  
23 the total funding for this program, if you could  
24 speak a little bit about that.

25

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2 COMMISSIONER KIM: Sure. So we had \$4 million in  
3 funding for this year. As you know, we launched  
4 Cannabis NYC in August of 2022. We aligned it with  
5 the State, starting to issue the applications for the  
6 card licenses. We were able to outreach and touch  
7 over 1000 people interested in applying for that  
8 initial set of licenses. We have success stories of  
9 people that we've helped to apply and actually get a  
10 license as well.

11 I think in terms of the funding, the fiscal year  
12 24, there's going to be \$3 million for Cannabis NYC.

13 CHAIRPERSON MENIN: And how specifically is the  
14 agency assisting small business owners with economic  
15 opportunities in this field?

16 COMMISSIONER KIM: We have a real expert leading  
17 Cannabis NYC in our executive director, Dasheeda  
18 Dawson who comes from the Portland regulatory world,  
19 And she has made it a point to outreach to all  
20 corners of the city to really focus in on getting the  
21 legacy market understanding the benefits of becoming  
22 part of the regulatory legal market, and the outreach  
23 through-- We've had events through NYCHA  
24 partnerships. We've been in a number of schools. I  
25 think there's 40 events in the past couple of months

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2 that have been organized. There was also the 50th  
3 anniversary of The NYC Cannabis parade that turned  
4 out thousands of people. And at those events, we had  
5 our mobile unit we had our outreach team, we had a  
6 lot of volunteers there to give all the information  
7 on the emerging opportunity of the cannabis industry.

8 And what is-- In terms of -- I know this is not  
9 SBS's chief role in it; there are many agencies  
10 involved in it -- But what is SBS's involvement in  
11 helping in terms of the unlicensed smoke shops and  
12 making sure that they are not (which they are)  
13 completely undercutting the licensed businesses?

14 COMMISSIONER KIM: I think at SBS and throughout  
15 the city agencies, we all understand that for the--  
16 for the legal market to be successful, we do have to  
17 address the businesses that are operating illegally.

18 California, for example, even after years of  
19 being legal in the industry, 75% is reported to be  
20 the black market. And so we've learned lessons from  
21 other-- other jurisdictions, other attempts at trying  
22 to get this right.

23 And so using all those lessons, I know that we're  
24 working very closely with the Office of Cannabis  
25 Management, which is a State agency on understanding

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2 how we can try to facilitate the legacy market to  
3 come and move into the regulatory market.

4 CHAIRPERSON MENIN: Okay, before I move to  
5 another topic, I want to just acknowledge we've been  
6 joined by Councilmember Krishnan. Councilmember  
7 Velázquez was just here, Councilmember Stevens,  
8 Councilmember Fariás, Majority Whip Brooks Powers. I  
9 think that is it.

10 Okay, I'm going to move to Center for Workplace  
11 Accessibility and Inclusion. So \$1.3 million in city  
12 funds were budgeted for the disability plan in fiscal  
13 2024. With these funds, SBS will establish the  
14 center for workplace accessibility and inclusion.  
15 Can you provide details on this center and the work  
16 specifically that it is going to be doing?

17 DEPUTY COMMISSIONER GROSS: That, actually,  
18 initiative is going to be led by the-- the Mayor's  
19 Office of Talent and Workforce Development. We will  
20 play a supporting role, I'm sure, as we always do,  
21 and work pretty closely with them, but it's really  
22 their-- their initiative to lead.

23 CHAIRPERSON MENIN: So will SBS be doing-- I know  
24 you say we'll be working closely, but will-- in what  
25 specific way then--

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2 DEPUTY COMMISSIONER GROSS: I suspect that they  
3 would-- we would be leveraging the Wworkforcel Career  
4 Centers and-- and the training programs that we have  
5 to-- aiming at that population. But it's really  
6 their-- their initiative.

7 CHAIRPERSON MENIN: Okay. The New York City  
8 Small Business Opportunity loan funds. So you spoke  
9 earlier, Commissioner, about the loan fund, and I was  
10 at that announcement. I want to understand. It is  
11 under-- It's on temporary pause. So can you talk  
12 about why it's on pause, have the funds been  
13 exhausted? And when will it be up and running again?

14 COMMISSIONER KIM: It's on pause because the  
15 demand was great. We wanted to make sure that we  
16 could process the people who had submitted their  
17 applications, and to see that the number of  
18 applicants could be controlled in a manner, so that  
19 we don't end up in a situation where you're  
20 continuing to take applications when the money will  
21 have been run out.

22 So we are looking to process these-- or the CDFI  
23 partners that we have-- the eight CDFI partners that  
24 we have are looking to process all the applications  
25 that they have as quickly as possible, and looking to

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2 distribute the money sometime later-- by the end of  
3 this year.

4 CHAIRPERSON MENIN: So no loans have been  
5 disseminated yet, but they are in process?

6 COMMISSIONER KIM: No loans have been  
7 disseminated, and they continue to be disseminated,  
8 but not all the funds have been distributed yet.

9 CHAIRPERSON MENIN: And what is the borough  
10 breakdown of these loans?

11 COMMISSIONER KIM: Uh, we can get you the  
12 information. I don't have the current-- current  
13 information right now.

14 CHAIRPERSON MENIN: I'd love to see the borough  
15 breakdown in Council district breakdown.

16 COMMISSIONER KIM: So I have more questions, but  
17 I'm going to pause now to have colleagues ask  
18 questions. So. [TO OTHERS:] Do you have a list of  
19 who...? Okay, great.

20 CHAIRPERSON BRANNAN: We're going to start with  
21 Councilmember Brooks-Powers, followed by Krishnan.

22 COUNCILMEMBER BROOKS-POWERS: Thank you, Chairs.  
23 And hello Commissioner and SBS team. First, I'd like  
24 to, again, thank you for all of the work that you  
25

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2 have been doing in my district supporting our small  
3 businesses. Just a few brief questions.

4 As you know, I have long been an advocate of the  
5 MWBEs. And when you were here last year during the  
6 preliminary budget hearings, I asked you all how--  
7 Excuse me. I asked how you all were prioritizing  
8 MWBE is in this year's budget. So does the executive  
9 budget provide any further support to MWBEs beyond  
10 the allocations made in the preliminary budget? And  
11 in our budget response, the Council urged the  
12 administration to provide \$1 million to fund  
13 Community Development Financial Institutions, also  
14 known as CDFIs, to create programs that specifically  
15 support underrepresented entrepreneurs. Why wasn't  
16 this request for funding accepted by the  
17 administration? And then I'll have two more  
18 questions, but we can start there.

19 COMMISSIONER KIM: On the question of CDFIs, we  
20 share your value in knowing and appreciating how big  
21 of a role they play in the community, their local  
22 community, and what specific communities that they  
23 often have customer bases that they cater to.

24 That's why when we did the New York City  
25 Opportunity Loan Fund, the largest public-private



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2 partnership loan fund directed just to small  
3 businesses, we intentionally went out of the way to  
4 be as inclusive as possible to see which CDFI  
5 partners would be involved.

6 And so oftentimes, I think in a situation like  
7 this, you can take the three or four biggest ones and  
8 kind of go with it and be done for the day. But we  
9 intentionally wanted to make sure that we included a  
10 total of eight, which meant that we were expanding  
11 out, looking for specific partners that could serve--  
12 or that primarily serve particular communities that  
13 hadn't had this inclusion previously. And so through  
14 that process, we know that the CDFIs will greatly  
15 build their capacity and have this exercise of being  
16 a part of such a robust and large program. And so  
17 through a number of other ways, we work with the  
18 CDFIs on a daily basis to try to continue to support  
19 the capacity building. And I think through that, as  
20 they build capacity, the community benefits the most.

21 COUNCILMEMBER BROOKS-POWERS: So...

22 COMMISSIONER KIM: Oh, sorry. Just on the CDFIs,  
23 the one other program that we specifically wanted to  
24 work with CDFIs is in the MWBE program of Contract  
25 Financing Loan Fund, where we loan up to \$1 million

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2 at 3% to MWBEs who end up getting a contract with one  
3 of our city agencies. Oftentimes you find that it's  
4 hard enough to get the contract, but once you get the  
5 contract, some of the smallest companies are not able  
6 to have the capital to even perform on the contract.

7 So we created this program called Contract  
8 Financing Loan Fund to up to \$1 million upfront money  
9 so that they can actually perform on the contract,  
10 the contract itself becomes a guarantee of sorts.  
11 The CDFI plays a role, again, capacity building.  
12 They win. The business wins. And I think the City  
13 of New York wins by having the successful program  
14 implemented for MWBEs.

15 COUNCILMEMBER BROOKS-POWERS: Chair, can I ask my  
16 last one? Okay. So, excuse me, I also asked last  
17 time about the Small Business Residents Fund, which  
18 would establish a grant program for MWBEs to assist  
19 them to compete in their industry. At the time the  
20 money had yet to be spent, have those funds been  
21 dispersed?

22 DEPUTY COMMISSIONER MALLON: Good afternoon,  
23 Councilmember. And thank you again for your interest  
24 in that program. The funds have not been dispersed.  
25 Establishing a grant program for small businesses as

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2 opposed to, you know, a program for nonprofits is a  
3 legally complex and time-consuming process. It  
4 requires us to go through a rulemaking process. We  
5 did not have sufficient time or, you know, the full  
6 resources to-- to do that work this year. Generally,  
7 you know, we're investing that-- that work when we  
8 can establish a grant program, you know, worth  
9 several million dollars. So for \$75,000, we're  
10 looking to repurpose those funds for other purposes  
11 in the MWBE program. And we'd be happy to share more  
12 details on that as we move forward.

13 COUNCILMEMBER BROOKS-POWERS: So your point, in  
14 terms of the resource and the-- what it all will  
15 entail. In the fiscal 24 proposed budget, is there  
16 any, like, space that the Administration is looking  
17 to shift funds to help with this fund at all and help  
18 to get it disseminated?

19 DEPUTY COMMISSIONER MALLON: Uh, I don't believe  
20 there's additional funds in FY 24 specifically for  
21 MWBE grants. As I said, it's a complicated process  
22 at any time, like, to create a grant program for  
23 small businesses, especially for small businesses  
24 that are potential vendors to the city. But we'd be  
25 happy to have a further conversation about the needs

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2 of MWBEs that could be supported with a grant  
3 program, and possible ways to secure other sources of  
4 funds for those needs.

5 COUNCILMEMBER BROOKS-POWERS: In that same vein,  
6 you mentioned-- you all mentioned the last time that  
7 you are excited and the City-- at the City's  
8 commitment to MWBEs reflected on the appointment of  
9 Michael Gardner. When you look across the executive  
10 budget, what do you see as the most important  
11 investment in MWBEs that the administration is  
12 proposing here? And where could we invest further?

13 DEPUTY COMMISSIONER MALLON: I would say that  
14 from the inception of this program in the 90s, under  
15 Mayor Dinkins, capacity building and technical  
16 assistance has been essential. We're attempting to  
17 overcome a gap for firms that have been historically  
18 excluded from government contracting. And we realize  
19 that those exclusions have long-term impacts on those  
20 businesses and we need to give them a helping hand.  
21 That's why we're proud and share the stat that three  
22 quarters of the firm's that received contracts in FY  
23 22 had benefited from a SBS Capacity Building  
24 Service. So we will continue to provide one-on-one  
25 technical assistance on individual bids, you know,

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2 technical assistance on registering at different  
3 levels of government. And it I think those technical  
4 assistance services will continue to be critical for  
5 MWBEs.

6 COUNCILMEMBER BROOKS-POWERS: Thank you.

7 CHAIRPERSON BRANNAN: Now we have Councilmember  
8 Krishnan followed by Brewer.

9 COUNCILMEMBER KRISHNAN: Well good afternoon.  
10 And thank you, Commissioner and your team for-- for  
11 testifying today and for all your good work, and for  
12 coming out to my district before too, to visit some  
13 of our immigrant-owned small businesses and talk  
14 about language accessible resources for them as well.

15 I've got a few questions on a couple of different  
16 topics. My first one is about legal services for  
17 small businesses. I know there's the Commercial  
18 Lease Assistance Program, but I also mean more-- more  
19 generally too. One issue that we've been working on,  
20 and I appreciate your an SBS's attention to it, is  
21 the Small Business Nepali Bhancho Ghar in Jackson  
22 Heights that you visited. That was in the New York  
23 Times just last week because they're extraordinarily  
24 behind in rent with their landlord, in desperate need  
25 of help.

2 And one thing that highlights is the need for  
3 more comprehensive legal representation for small  
4 businesses in negotiations with landlords. It's just  
5 not a level playing field when you don't have it. I  
6 obviously come from the civil legal services housing  
7 side, where we fought hard for a right to counsel.  
8 But it's as critical if not even more urgent now, in  
9 the commercial contract where that doesn't really  
10 exist. And commercial leases are often very one  
11 sided. And then you have situations like with Nepali  
12 Bhanchha Ghar, where they fall really behind in rent,  
13 and are really subject to displacement, closure,  
14 eviction, harassment.

15 And so do you feel that the executive budget  
16 currently provides adequate resources for a more  
17 robust, full representation legal services program?  
18 Because I think the brief advice one doesn't go far  
19 enough, given the magnitude of the crisis here. Do  
20 you feel this budget funds those services? And if  
21 not, what are the ways in which SBS can work to  
22 really expand representation available for small  
23 businesses?

24 COMMISSIONER KIM: Well, thank you,  
25 Councilmember, for that question. We share your

2 value that it is a tough situation to be in when  
3 you're a tenant, a small mom-and-pop shop that  
4 sometimes has language limitations, and not really  
5 fully understanding the legal system. If you don't  
6 have legal representation, and you're going up  
7 against somebody with more resources, who has more  
8 experience in-- in the legal-- legal representation  
9 angle.

10 That's why I think that commercial lease  
11 assistance has been such a success, and has been one  
12 of the most popular programs. And that's why the  
13 city has prioritized using City funding, once the  
14 Federal funding had-- is running out on that. And  
15 the number of businesses we've been able to work with  
16 to help them in these situations has been very  
17 impactful.

18 I think that the critical piece to this is that  
19 the outreach that we're doing earlier to these  
20 businesses, before they get into a situation where  
21 there's almost a point of no return, when you end up  
22 with arrears at a certain level, then the landlord  
23 isn't even open to speaking. That's why I think the  
24 outreach piece for me is so important, because we  
25 want everyone to know earlier on when, when they're

2 starting to get into a situation where they need the  
3 professional help, that they can come to us, and we  
4 can connect them sooner. So that, you know,  
5 hopefully, you can avoid some more of these  
6 situations.

7 COUNCILMEMBER KRISHNAN: Thank you. I just have  
8 two more questions, if the chairs will allow.

9 So now switching topics to street vendors. You  
10 know, it's a big issue in our city now. And no  
11 matter where anyone is on the issue, I think what is  
12 indisputable is that the number of both licenses  
13 available for street vending is far less than what's  
14 needed, and if we had license-- licenses available  
15 (and not only that, but a much more simple, less  
16 bureaucratic process to get the licenses and access  
17 to them, which I know has been a big issue) that  
18 would really address concerns as well.

19 So a couple questions I have on this point are:  
20 On the education front and the outreach front does  
21 SBS conduct Small Business Services Outreach and  
22 consultations to street vendors to inform them of  
23 city rules and regulations on street vending? If so,  
24 can you describe the manner it takes place and how  
25 often this educational outreach work is done?



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2 COMMISSIONER KIM: Sure. And thank you for that  
3 comment. We agree wholeheartedly. At SBS street  
4 vendors are entrepreneurs, and we provide access to  
5 all of our services to street vendors. We all want  
6 to work together to, as you said, focus on educating  
7 and having compliance on the rules. But at the same  
8 time, I think, you know, we understand some of the  
9 challenges that exist with operating in certain  
10 spaces. So our NDD team spends a lot of time working  
11 very closely with organizations like the street  
12 vendor project. I've personally gone and visited  
13 their offices as well and had discussions, and will  
14 continue to provide support for street vendors, as  
15 entrepreneurs, so that they can find ways to succeed  
16 and, you know, feed their families here as well.

17 COUNCILMEMBER KRISHNAN: And so what support?  
18 Because I do think that education outreach is really  
19 important, and so vendors are aware of the resources  
20 available to them. What would you say is the  
21 estimated cost to SBS currently, providing  
22 educational services to street vendors? And what  
23 support and resources would you need to be able to  
24 expand that more to have the staffing to do so?

25

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2 COMMISSIONER KIM: Yeah. I know at SBS  
3 specifically, we've done a mailing to over 22,000  
4 street vendors to share all of SBS services. At our  
5 Business Solution Centers (there's seven around the  
6 city) we also offer 30-minute pro bono legal clinics  
7 and counsel to street vendors. Those are a couple of  
8 examples of programs that we specifically want to  
9 target to street vendors.

10 COUNCILMEMBER KRISHNAN: Do you have a sense of  
11 the cost or how much more you would need to really  
12 reach the vendors across the city?

13 COMMISSIONER KIM: I don't. We can try to get  
14 that number for you.

15 COUNCILMEMBER KRISHNAN: Sure. I'd appreciate  
16 that. Thank you Chair Brannan and Chair Menin.

17 CHAIRPERSON BRANNAN: Questions from  
18 Councilmember Brewer followed by Farías. She's not  
19 here? Okay, we'll go to Councilmember Farías.

20 COUNCILMEMBER FARIÁS: Thanks folks. I wanted to  
21 just ask some questions around the PEG target and SBS  
22 PEGs. Did SBS hit its PEG target this cycle?

23 COMMISSIONER KIM: Yes, we did.

24 COUNCILMEMBER FARIÁS: Okay, great. And will the  
25 PEGs reflected in the executive plan for SBS affect

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2 the agency's ability to fulfill its mission, and will  
3 there be any programmatic input?

4 COMMISSIONER KIM: No. We are not going to have  
5 any program cuts, and we are not getting rid of any  
6 active lines. So we will be able to continue to do  
7 the great work that our team does to support  
8 businesses, job seekers, and neighborhoods.

9 COUNCILMEMBER FARIAS: Great. That's really  
10 great to hear. The Business Preparedness and  
11 Resiliency Risk Assessment and Grant Program was  
12 established in 2015 to help small businesses prepare  
13 for emergencies due to severe weather. The executive  
14 plan included a PEG of \$500,000 in fiscal 24, and  
15 \$225,000-plus in fiscal 25. How are the savings  
16 amounts determined? And what impact will the PEG  
17 have on B-PREP?

18 COMMISSIONER KIM: The Business Resiliency  
19 Program is something that we've been focused on ever  
20 since the disasters that the city has encountered  
21 over the years. I think business resiliency comes in  
22 the form of many ways. But on a basic level, it's--  
23 if we're able to explain to the business owner of  
24 something as simple as "don't keep all your  
25 paperwork, important documents right at your place of

2 work", because if there's a fire, if there's a  
3 hurricane, flooding, and you lose that with your  
4 place of business, then it would cause a lot of  
5 challenges when they're trying to get an insurance  
6 claim, for example.

7 So it starts as easy as that. But what we've  
8 done is we've created a self-assessment tool, so that  
9 people can do this exercise to understand for their  
10 particular business what the vulnerabilities are.  
11 And then from there, we bring in a person, an actual  
12 person to be able to go over their specific needs  
13 after they've done the self assessment. And then  
14 this program that you're mentioning is allowing for  
15 grant money to be available. Then to do the next  
16 step, which is to address those vulnerabilities and  
17 how can you avoid, or be in the best position you  
18 possibly can if a disaster or an emergency--  
19 unexpected emergency were to hit your business.

20 COUNCILMEMBER FARIÁS: Okay. The executive plan  
21 also includes a funding swap for sustainability  
22 training, which replaces city funds with federal  
23 funding. In fiscal 24, nearly \$900,000 and city  
24 funds were swapped out, and then the out years \$1.4  
25 million is swapped. What program or initiative does

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2 this relate to? And what is the source of the  
3 federal funding?

4 DEPUTY COMMISSIONER GROSS: Hi. Um, the two  
5 problems you're-- you're mentioning are our CoolRoofs  
6 Program--

7 COUNCILMEMBER FARÍAS: Ah, got it.

8 DEPUTY COMMISSIONER GROSS: --and building  
9 operator and supervisor training, and that we will--  
10 it is being swapped to support them in the future.

11 COUNCILMEMBER FARÍAS: Got it. Chairs, if you  
12 don't mind, two last questions?

13 CHAIRPERSON BRANNAN: Councilmember Brewer, do  
14 you have questions?

15 COUNCILMEMBER FARÍAS: She's giving me her time.

16 [LAUGHTER]

17 CHAIRPERSON BRANNAN: Sure. Okay. Yeah, go  
18 ahead.

19 COUNCILMEMBER FARÍAS: She says the Bronx  
20 deserves more time. Just-- Just two final and then  
21 Councilmember Brewer can go. The executive plan  
22 includes a funding swap for wage adjustment, which  
23 replaces city funds with federal funding in FY 24  
24 %665,000 plus, and city funds are swapped. In fiscal  
25 25 over \$440,000 were swapped, and in the out years a

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2 bit over \$500,000 were swapped. What exactly does  
3 this adjustment relate to? How is it calculated?  
4 What is the federal funding source, and why does the  
5 amount decrease in the out years?

6 DEPUTY COMMISSIONER GROSS: The swap is, once  
7 again for WIOA, and that-- those dollars are used to  
8 in general to fund in part our Workforce1 Career  
9 Centers.

10 COUNCILMEMBER FARÍAS: Got it. Okay. And then I  
11 just noticed, uh, there's a difference in FY 24, in  
12 the executive plan between 23 and 24 for the contract  
13 services for the Economic Development Corporation.  
14 Can you explain those a little bit?

15 COMMISSIONER KIM: That's a pass-through budget  
16 item, so the EDC would be able to best answer that.

17 COUNCILMEMBER FARÍAS: I will get that from them.  
18 Thank you Chairs, Councilmember Brewer?

19 COUNCILMEMBER BREWER: Thank you Bronx. So the  
20 New York Times had the story the other day about the  
21 rent. And it was kind of a strange story. It said  
22 rent in other-than-Manhattan had gone up for  
23 commercial storefronts and Manhattan had not. I  
24 don't know that that's correct, but it is an issue.

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2 I know that over the last 40 years, SBS has not  
3 been able, or couldn't deal with the rents. Is that  
4 anything that you're thinking about in terms of any  
5 programs that you have? People don't want loans, as  
6 you know. They want grants or nothing. But the rent  
7 is the number one issue.

8 COMMISSIONER KIM: I think the \$5 million  
9 commitment to our Commercial Lease Assistance Program  
10 is the primary way we've been trying to help small  
11 businesses, and again, trying to get them this  
12 information early on, instead of when the arrears  
13 piles up, is-- is something that is critical in our  
14 outreach program. And the emphasis on outreach that  
15 we've done over the past year, hopefully, will help  
16 alleviate this issue in some way.

17 COUNCILMEMBER BREWER: The New York Times didn't  
18 mention any of that. You know that, right? They  
19 didn't say anything that you're doing. Okay. I  
20 mean, I still think it's a big problem, despite what  
21 you're trying to do.

22 Vacancies: So I've been focused on this. We  
23 passed a bill a long time ago stating that the  
24 vacancy have to be calculated by finance. But you  
25 also have a program that I think Blaze did, the \$1.6

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2 million and then working with XYZ, et cetera. I call  
3 it the Blaze Program. So I'm wondering where is  
4 that, et cetera? Because at least if you know where  
5 the vacancies are-- Now, when I was just on the  
6 phone with the head of the Office of Management--  
7 Cannabis Management, and I assume that they'll soon  
8 be another 1400 or 1500 vacancies within the next few  
9 months, because they're on a mission. So then you're  
10 going to have more vacancies if they get rid of all  
11 the illegals. So just generally, how are we going to  
12 deal with vacancies? What can we do to support the  
13 owners in that effort? And I would put art-- at  
14 least put art in the windows. Do something.

15 COMMISSIONER KIM: Yes. The Live XYZ program is,  
16 I think, what you're referring to--

17 COUNCILMEMBER BREWER: I am.

18 COMMISSIONER KIM: --in terms of the program that  
19 we are excited to be working with them. And we're  
20 waiting for the dashboard to be up and running very  
21 shortly, maybe in a month or two. And that's  
22 something that the city agencies will all share and  
23 be able to identify vacancies in their particular  
24 corridors. The BIDs, as well, we'll also have access  
25 to that and they'll be able to continue to partner



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2 with us, identify where the greatest vacancies are.

3 Having vacancies is not just an economic issue. We

4 recognize it's a public safety issue. And it is a

5 top priority of this Administration to address that.

6 So we look forward to getting that data. And as you

7 said, coming up with solutions to that issue. Once

8 you know where the vacancies are, I think the

9 nonprofits you mentioned-- we've worked with

10 Chashama, for example.

11 COUNCILMEMBER BREWER: I just put them in a

12 vacant storefront. It's my most proud moment. It's

13 fabulous. It's got art, Chashama, and the vacancy,

14 and people living outside, homeless, graffiti, drugs,

15 all gone.

16 COMMISSIONER KIM: Wow. I visited one of their

17 locations over at Oculus. They actually have two,

18 and one of them has a collection of I think 12

19 diverse women owners who have different fashion

20 designs all in one little store, and they kind of all

21 hang out there too. And so when somebody comes in,

22 to look around, they actually get to talk to the

23 owners themselves, but also get to see such a diverse

24 array of fashion clothing right in a smaller store

25 space.

2 And so we've been talking with them and others on  
3 how to activate vacant storefronts.

4 COUNCILMEMBER BREWER: Okay. I totally agree  
5 with that. The other thing on BIDs. I don't know if  
6 this is just in my area, but the issue is, very  
7 quickly, I assume that if we convert some of these  
8 hotels, et cetera, et cetera, where you have a BID,  
9 then you're going to end up with more residential  
10 than commercial in terms of the access to funds for  
11 the BIDs. I don't know if that's a citywide issue.  
12 But I think it's something to be looked at. Because  
13 right now, as you know, we don't assess residential,  
14 just commercial. And obviously, Lincoln Square with  
15 ABC leaving has to think about that. But I'll just  
16 assume-- I'd love to hear at some point if that's  
17 citywide, and how are we thinking about it? Because  
18 I don't want the BIDs to go away. They do need  
19 funding and what is the new scenario if it is  
20 residential more than commercial?

21 COMMISSIONER KIM: Yes. And we are already  
22 talking with the BIDs on how they can adapt to this  
23 program. If we have more of a comprehensive plan,  
24 we'll definitely want your input and we'll share that  
25 with you.

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2 COUNCILMEMBER BREWER: Thank you.

3 COMMISSIONER KIM: Thank you.

4 CHAIRPERSON MENIN: Okay, I just have a couple  
5 additional areas of questions, um actually relating  
6 to BIDs. So a perfect segue.

7 So as you know, last year, I approached the  
8 Administration to, for the first time, provide direct  
9 funding to smaller BIDs. So I wanted to get an  
10 update on where we are with that funding. Was this  
11 included in the executive budget, and how many grants  
12 specifically were given out?

13 COMMISSIONER KIM: I know that we've identified  
14 all the awardees of the grants that were designed  
15 specifically for the BIDs. I think in terms of  
16 whether the money's actually been distributed. As  
17 you know, there's a process where the BIDs would  
18 spend the money and then send over the invoicing. So  
19 I don't know exactly where we are on that front. But  
20 we can get that to you.

21 But the contracts are all signed with the  
22 awardees of the money. And we know that this is  
23 going to lay a foundation for all the BIDs,  
24 especially the smaller BIDs that really need the--  
25 the back office kind of basic business support.

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2 We're going to ensure that they get what they're  
3 getting this time around, and really using that as  
4 their foundation to be able to launch to a bigger and  
5 stronger operation over the years to come.

6 CHAIRPERSON MENIN: Great. Yeah, if you could  
7 get to both of our committees the-- which BIDs  
8 received the awards, in what amounts, what is the  
9 overall funding and how much remains in the fund that  
10 has not yet been spent? And what are the plans for  
11 the unspent funds? That would be great.

12 A different category: There was news recently  
13 regarding small businesses fraudulently claiming to  
14 be MWBEs. So I wanted to get a sense of what the  
15 agency is doing to address this problem.

16 DEPUTY COMMISSIONER MALLON: Thank you,  
17 Councilmember Menin. We have a robust audit program.  
18 We employ MWBE auditors. They review a certain  
19 number of applicants every year, and any case where  
20 the majority ownership of the MWBE applicant is  
21 narrow, we look at those more closely. The team also  
22 conducts-- conducts site visits on at least 5% of  
23 applicants a year. And we investigate any complaint  
24 of fraud, whether that is from law enforcement

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2 authorities, from other firms in the market. We look  
3 closely into the business dealings of those firms.

4 So through those resources, we're guarding  
5 against fraud. In an instance like the one that was  
6 reported recently, I believe that was regarding the  
7 investigation launched by the Manhattan DA. We will  
8 look specifically into those firms and consider, you  
9 know, whether or not they should continue to be part  
10 of the program.

11 CHAIRPERSON MENIN: Okay. Neighborhood 360  
12 expansion. So I understand that \$1.5 million in city  
13 funding was budgeted and the exact plan for the  
14 expansion of neighborhood 360. The purpose of the  
15 program is to address needs for lighting improvement  
16 in areas. And I know, Commissioner, you spoke about  
17 that earlier in your testimony.

18 Can you speak a little bit about how  
19 organizations are able to apply for the grants, what  
20 is the process, and how many specifically have been  
21 awarded?

22 COMMISSIONER KIM: I think the application period  
23 is still open, right? [DEPUTY COMMISSIONER MALLON:  
24 It just closed.] The application period just closed,  
25 and it was a manner by-- the process which we run

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2 through any of our grant programs, people are  
3 informed about the opportunity, organizations could  
4 come in and apply for it. The BIDs knew about it.  
5 And it'll be grants of up to \$100,000 per year. And  
6 the grantees will be responsible for designing,  
7 planning and really marketing the idea of-- of how  
8 they would use lighting to be creative to attract  
9 businesses or customers and tourists to come to their  
10 commercial corridor for the purpose of seeing the  
11 lighting, but at the same time while they're taking  
12 advantage of all the small businesses that are  
13 operating in that corridor.

14 CHAIRPERSON MENIN: And to make sure we have both  
15 equity and are focusing on under-resourced  
16 neighborhoods, can we get a breakdown of where these  
17 awards are? By borough and by community?

18 COMMISSIONER KIM: Yes. We will get that to you.

19 CHAIRPERSON MENIN: Okay. My last question--  
20 area of questioning is on federal funding. I know  
21 Chair Brannan talked a little bit about this. But I  
22 want to understand how the reduction in federal funds  
23 is going to impact the agency's programs and  
24 performance.

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2 DEPUTY COMMISSIONER GROSS: The short answer is  
3 it's not. The-- You're talking about like around  
4 \$65 million dollars between today's budget and next  
5 year's. \$10 of that is EDC. \$30 of that is in the  
6 opportunity fund, so one time and \$15 or so is in the  
7 workforce, which is going to come back to us when--  
8 when the real budget gets adjusted, because the  
9 federal-- federal budget is a different calendar than  
10 ours. And so we really will have little to no  
11 impact.

12 CHAIRPERSON MENIN: And does the agency still  
13 feel there's a need for federal funding for COVID  
14 related programs?

15 COMMISSIONER KIM: I mean, I think what has  
16 happened was that during COVID, those emergency funds  
17 were critical in creating a stopgap for some of the  
18 challenges of businesses going out of business at the  
19 time. There was a storefront vacancy grant program.  
20 There were other programs that were desperately  
21 needed at that time. We feel that the economy is  
22 getting stronger, it's recovered. I shared some of  
23 the numbers before. One and nine businesses that  
24 exist today started in the past year. And I think  
25 that people are seeing New York City again as a city

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2 of yes, for small businesses, a land of opportunity.

3 And so I think we're very positive on our outlook of

4 what this next fiscal year looks with the current

5 budget we have.

6 CHAIRPERSON MENIN: Okay, that those are my last  
7 questions. Any last takers?

8 CHAIRPERSON BRANNAN: Commissioner and your team,  
9 thank you so much.

10 COMMISSIONER KIM: Thank you.

11 CHAIRPERSON BRANNAN: We look forward to working  
12 with you.

13 COMMISSIONER KIM: Thank you.

14 CHAIRPERSON BRANNAN: Okay, with that, day-- day  
15 six of executive budget hearings is adjourned.

16 [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date 05/31/2023