

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE, EDUCATION AND ENVIRONMENTAL  
PROTECTION - EXECUTIVE BUDGET

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May 17, 2011  
Start: 10:00 am  
Recess: 3:00 pm

HELD AT: Council Chambers  
City Hall

B E F O R E:

DOMENIC M. RECCHIA, JR.  
ROBERT JACKSON  
JAMES F. GENNARO  
Chairpersons

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Council Member Gale A. Brewer  
Council Member Fernando Cabrera  
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Council Member Daniel R. Garodnick  
Council Member Vincent J. Gentile  
Council Member David G. Greenfield  
Council Member Vincent M. Ignizio

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

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Council Member James Vacca  
Council Member Peter F. Vallone, Jr.  
Council Member James G. Van Bramer  
Council Member Albert Vann  
Council Member Mark S. Weprin

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

Kathleen Grimm  
Deputy Chancellor for Operations  
Department of Education

Lorraine Grillo  
President and CEO  
School Construction Authority

Jamie Smarr  
Executive Director  
Education Construction Fund

Ling Tan  
Executive Director, Capital Reimbursement Program  
Department of Education

Caswell Holloway  
Commissioner  
Department of Environmental Protection

CHAIRPERSON RECCHIA: Testing, one,  
two. Everyone kindly find their seats, we're  
about to begin. [pause, background noise] Good  
morning, and welcome to the third day of the City  
Council's Hearing on the Mayor's Executive Budget  
for Fiscal Year 2012, my name is Domenic M.  
Recchia, Jr., and I'm the Chair of the Finance  
Committee. Before we move forward, I would just  
like to recognize all the members who have joined  
us here today. It's a busy day, there are other  
hearings going on, so Council Members will be  
coming in and out. To my left, we have Council  
Member Weprin; to my right we have Council Member  
Fidler, Council Member Brewer, and of course our  
wonderful Chair of our Education Committee, Rob  
Jackson; and we also have been joined by Council  
Member Debbie Rose. Yesterday, we heard from the  
Fire Department, the Department of Corrections,  
the Criminal Justice Coordinator, and Legal Aid.  
Today, we'll be first be joined by Committee on  
Education, Chaired by my colleague Rob Jackson,  
who does a great job, and he's a strong leader for  
our education for our children. We will hear from  
the School Construction Authority regarding the

Five Year Capital Plan, then the Finance Committee will be joined by the Committee on Environmental Protection, chaired by my colleague, Council Member Jim Gennaro, to hear from Department of Environmental Protection. Before I turn the mic over to my Co-Chair, Robert Jackson, I want to quickly highlight some of the changes that have occurred with the Five Year Capital Plan. Five Year Plan experiences a \$600 million decrease in total funding from the current plan. Funding for capacity also decreased, which would mean a 1,500 seat reduction for New York City schools. The School Construction Authority has told us that the decrease in new capacity is associated with increases in class size and enrollment trends. We look forward to hearing from the School Construction Authority on these issues, as well as hearing details about the increase in technology spending and PCB remediation and spending, since details were lacking in the plan. Before I turn the chair over to my Co-Chair, I want to recognize we've been joined by Al Vann and Jimmy Vacca. Okay. I know my Co-Chair Council Member Robert Jackson has a lot to say to the School

1  
2 Construction Authority, and to the taxpayers of  
3 the City of New York. So at this time, I turn it  
4 over to our wonderful Education Chairman, Robert  
5 Jackson.

6 CHAIRPERSON JACKSON: Well, good  
7 morning everyone, and thank you for coming. I'm  
8 sure that you're wet just like I am, and--but  
9 we're here, we're here and we made it. So, good  
10 morning and welcome to today's joint hearing of  
11 the Education and Finance Committees on the  
12 Mayor's Fiscal Year 2012 Executive Capital Budget  
13 for the Department of Education, and a revised  
14 proposed amendment to the Fiscal Year 2010-2014  
15 Five Year Capital Plan. The Department of  
16 Education proposed an amendment to the Five Year  
17 Capital Plan last November, and again this  
18 February. The February Amendment projected deep  
19 State funding cuts, which was ultimately rejected,  
20 and not included in the adopted State Budget. The  
21 DOE released its second revised amendment in  
22 April, just last month. This April proposed  
23 amendment will be revised today. The proposed  
24 amendment of \$11.1 billion is \$600 million  
25 decrease from the current plan, which was adopted

in June of 2010, and totals \$11.7 billion. This is far too short of meeting the needs of the City's public school system, and the 1.1 million children it serves. Our schools are suffering from overcrowding and increasing class sizes, and their maintenance and repair needs are tremendous. I am concerned not only about the Department of Education's prioritization of students' needs, but also about the lack of information it has provided for two areas of spending: technology and PCB remediation. The proposed amendment includes 28,866 seats in its new capacity program, 1,500 less than in the current plan. 2,300 seats would be funded only for design, leaving fewer than 26,600 funded for construction. Meanwhile, the Department of Education cited a need for 50,000 seats in the November amendment. I understand the fiscal constraints that this administration faced when developing the Fiscal 2012 budget, and realized that all City agencies will feel the squeeze; however, it is inexcusable to me that given increases in enrollment and continuously increasing class sizes, the Department of Education chose to cut its new

capacity program by \$550 million or 14 percent, and reduce the number of seats in the Capital Plan from 30,000 to few than 29,000. Given that the proposed amendment falls short of addressing needs by at least 20,000, today I call on the Department of Education to provide the Council with an alternative plan to show how it would accommodate those 20,000 additional seats. [pause] I am especially concerned about the cut to the capacity program when the Department of Education has found the funding to add \$177 million to the Capital Plan's technology program. Technology spending is nearly \$1 billion in the proposed amendment, a 21 percent increase from the current plan. What's more, the Department of Education would spend 57 percent of this, or \$542 million in Fiscal Year 2012 alone. To be clear, I understand the importance of technology in schools, and its value to educating our students as a tool. But if students don't have a desk to sit at, how will they benefit from wireless internet access? What is also alarming is that though the Department of Education is asking for nearly \$1 billion in funding for technology projects, it has indicated



1 that it does not have a concrete project by  
2 project plan for this money. How does the  
3 Department of Education know how much funding it  
4 needs if it has not finalized its own spending  
5 plan. Scuze me, please, quiet, please. [pause]  
6 Scuze me, Nick? Can you, can you ask him outside?  
7 I don't want any disturbances while I'm giving my  
8 statement, please. Thank you. Without the  
9 Council having the information, approving the  
10 proposed amendment will be comparable to writing a  
11 blank check to the Department of Education. I,  
12 for one, am not willing to write a blank check to  
13 anyone. The Department of Education has also  
14 provided little information on its plan for PCB  
15 removal. The Administration has developed a ten  
16 year comprehensive plan for improving energy  
17 efficiency in schools. I have made it clear that  
18 I believe this time frame is totally unacceptable  
19 to me, and in my opinion totally unacceptable to  
20 the parents of our children, and should be cut in  
21 at least half. But this is not the topic of  
22 discussion here today. The ten year plan includes  
23 \$708 million from the Department of Educations'  
24 budget to replace inefficient PCB contaminating  
25

light fixtures in older light systems in 772 schools, as well as replacing old boilers in some schools. The proposed amendment to the Five Year Capital Plan includes \$141 million of this amount. Yet, there has been little detail to provide the Council on the plans for this spending. We have not received an explanation of how the costs of the plan was determined or which schools are included in the proposed amendment to the Fiscal 2010-2014 Five Year Capital Plan. Even in the Department of Education's quarterly schedule and Budget Report released in March of this year, the Department of Education has not made clear which lighting projects are associated with PCB contamination, PCB remediation. As I stated earlier, I understand the tough fiscal climate faced by this Administration, when developing its executive budget for Fiscal Year 2012. However, it is the responsibility of the Administration, the City Council and the Department of Education, and the School Construction Authority, to work together to ensure that our 1.1 million schoolchildren continue to receive a quality education. Cutting the Capital Plan's new

capacity program will lead to even greater increases in class sizes, resulting in a diminished quality of education. What's more, despite the overall \$600 million reduction to the Capital Plan, the Department of Education has chosen to increase spending on technology instead of investing in its new seat construction. The details of spending on technology and PCB remediation remains unclear. I hope the Department of Education and SCA, the School Construction Authority, have come prepared today to give the City Council more information on these spending areas, as well as an explanation how they will accommodate the growing number of children in the New York City Public School System, given the proposed amendments reductions to the new capacity program. So, I look forward to hearing from all of you and knowing that there are going to be many members coming, we've asked our members to keep their questions and response from the Department of Education to five minutes on the first round, and if necessary, and if time allows, there will be a second round. And with that, we'll turn back, turn back to my Co-Chair Domenic Recchia,

Chair of Finance Committee.

CHAIRPERSON RECCHIA: Yeah, just before we hear from the School Construction Authority, I want to introduce those members who have joined us: Council Member Chin, Council Member Ignizio and Council Member Dan Garodnick. Well, welcome Deputy Chancellor Kathleen Grimm. It's good to see you and Lorraine Grillo, and the rest of the team. It's your show, we have a lot of questions for you.

KATHLEEN GRIMM: Well, that's what we're for, to answer your questions, we hope. Let me say good morning both to you, Chair Recchia, and to Chair Jackson, and all the members of the Education and the Finance Committees who are here today. My name, for the record, is Kathleen Grimm, Deputy Chancellor for Operations for the Department of Education. I am--thank you very much. I am joined here at the table by Lorraine Grillo, who is President and CEO of the School Construction Authority, and Jamie Smarr, who's Executive Director of the Education Construction Fund. I'd also like to point out some other staff who are here, who we may call on, in terms of

1  
2 whatever your questions are: Liz Bergen, I think  
3 you all know the Vice President of the School  
4 Construction Authority--raise your hand, Liz, so  
5 we know who you are; Ling Tan is here, she's the  
6 Executive Director of our Capital and Reimbursable  
7 Funding Streams, and very involved in our  
8 technology projects; and also, Arthur VanderVeen,  
9 Chief Executive of the Office of Innovations. So,  
10 maybe we'll hear from them a little later, we're  
11 all here to answer your questions. We are  
12 currently, as the Chair said, in the second year  
13 of our Five Year Capital Plan. And as in past  
14 years, we have proposed an amendment based on  
15 evolving needs, and available resources. As you  
16 know, the Capital Plan is divided into two major  
17 categories: Capacity and Capital Investment. The  
18 first category includes new school buildings,  
19 additions, leases, replacement space and charter  
20 partnership facilities. The second category  
21 includes our critical upgrades, capital repairs  
22 and enhancements to our existing facilities and  
23 infrastructure. We're delighted to report that  
24 since our appearance here last May before both  
25 Committees, we've opened 26 new buildings and

annexes, adding more than 17,500 seats--the most classroom seats to come online in any one year since the SCA was created in 1988. Indeed, since 2011, the Administration has added more than 100,000 new school seats citywide. This includes approximately 25,000 in The Bronx, 24,500 in Brooklyn, 13,000 in Manhattan, 32,500 in Queens and 5,600 in Staten Island. I'd like to thank the City Council for its very strong support of this historic accomplishment. And for each Member's support of our schools through your generous allocation of Reso A funding. Last June, the City Council approved our first amendment to this current plan. That amendment included \$11.7 billion in total funding, \$5.4 billion for new capacity, \$6.3 billion for capital investment projects; in total, it funded 30,377 seats. However, the City's fiscal condition has changed since then, and all City agencies have been asked to amend their capital plans to reflect current economic realities. In addition, given the uncertainty of the State Budget this year, the Department and the School Construction Authority were forced to issue three proposed amendments.

One in November, February and April, as opposed to our traditional two amendments in November and February. By way of background, our first amendment, released in November '10 did indeed propose a significant increase in new capacity and capital investment. This plan was based upon our annual review of demographic trends and facility needs. But by February 2011, when we released our second amendment, we were looking at the current state of affairs with the City and the State Preliminary Budgets. As you will recall, the State's proposed budget originally outlined a massive reduction in capital dollars that would've brought many critical construction and renovation projects to a complete halt. Thankfully, this proposal was rejected in the State's adopted budget, maintained the State's 50 percent commitment to the cost of our School Construction. That arrangement was something that you all fought very hard for with us, you'll remember. As a result, we were able to restore the vast majority of seats contained in the current plan, which is what is reflected in the April 2011 amendment before you today. The proposed amendment, which

has been approved by our Panel for Education Policy, totals \$11.1 billion in funding. It includes \$4.7 billion for capacity and \$6.5 billion for capital investment. The amendment represents a reduction of nearly \$700 million from last year's adopted, which is the result of current fiscal constraints, which we face as a City. This represents roughly six percent, as compared to the larger reductions that other City agencies have had to make to their capital plans. With regard to the capacity category, this amendment includes funding for 20,866 new seats. When we realized that the State Budget was not going to have this dire cut, we took all of that State funding and applied it to capacity. So we were able to fund all projects where a site has been purchased or even just identified. All of those projects included at design and construction. For a few projects, about 2,300, where we do not yet have a site, we have included money for design on the theory that over the next couple of years, hopefully we'll be able to identify a site. This was done to ensure that once a site is identified, we can still move



forward. Since the design process typically takes a year to complete, if we identify a site even this year, we can include funding for the construction portion of the project in new year's amendment as funds become available. We have included a district by district breakdown of the new seats on the table, which is attached to our testimony. Of the \$4.6 in capacity, approximately \$3.45 billion is dedicated to the 28,000 plus new seats; \$940 million is allocated toward replacing facilities whose leases expire during this plan, and \$210 million is allocated toward our charter partnership projects. Under that program, the City commits partial funding to support the construction of a small number of charter or partner sponsored district school facilities; while nongovernmental entities cover the balance of those costs with private funds. These facilities, of course, enroll public school students, and this program enables us to leverage private dollars to partially underwrite the increase of total public school capacity, and thereby, therefore, alleviating overcrowding at a reduced cost to taxpayers. The charter schools

participating in this program and this plan are the Dream Charter School in District Four, Harlem Promise Academy in District Five, Kip High School in District Seven, Icon Charter in District Eleven and Pave Academy in District 15. In order to help reconcile the fiscal limitations and growing demands for seats, the DOE employs other alternatives to help meet our needs. Realignment strategies, such as increasing the utilization of existing facilities, and adjustments to local school zones, will allow us to achieve the most efficient use of existing facilities. As the City's financial condition improves, we will continue to propose additional new capacity projects in alignment with demographic and enrollment trends. The proposed amendment also contains \$6.5 billion in much needed capital investments. Roughly 70 percent, or \$4.4 billion of these funds, underwrite critical capital improvement and mandated projects. Interior and exterior capital projects such as roof repairs, structural repairs, and keeping our buildings up to code, among other facility projects. These funds also include funding for the City's

comprehensive plan called greener, healthier schools, for the 21st Century. As we testified before the Education and Environmental Protection Committees last month, this is an unprecedented effort to dramatically increase energy efficiency and improve environmental quality in 772 public schools, including the removal and replacement of all PCB containing light fixtures throughout the entire school system. Notably, it also includes energy savings, savings measures, such as replacing boilers that burn number four and number six oil with boilers that use cleaner number two fuel oil, or natural gas. The remaining 30 percent of our capital investment dollars, \$1.7 billion, fund our Children First initiatives. This includes \$700 million for facility enhancements, such as new science labs, libraries and playgrounds. It also includes \$957 million for technology. Simply put, if we want our students to be prepared for life after high school in the 21st Century, we need to consider technology a basic element of public education. Electronic content and digital interactivity are everywhere except in most public school

classrooms. It is critical that we are able to bridge any existing disconnect between education and technology, and provide seamless technology enhanced learning environments that serve the increasing needs of our students. I'd like to break down the \$957 million in technology for you, to see, to show you how we plan to accomplish our goals. A projected \$784 million, or 82 percent, will go towards equipping every single one of our existing buildings and classrooms, roughly 300 to 400 each year with the latest technology. Specifically, these funds will be dedicated to providing schools with improved connectivity and bandwidth capacity, wireless technology upgrades, classroom hardware and other network infrastructure upgrades. For example, in about 500 of our school buildings, it currently takes up to 40 minutes for ten students to load and view a short, three minute, high quality video, all at the same time. The current amendment proposed to upgrade our buildings to fiber connections that will enable those same ten students to load and view the same three minute, high quality video in 90 seconds. It is imperative that the connections

in all of our school buildings, and the connectivity within each classroom, are sufficient to support the administration of new online math and English language arts assessment. Aligned with the national common core standards, beginning in the 2014/15 school year, the preliminary list of these schools and related scope of work with associated estimated costs, is out--are outlined in the proposed April amendment. This list will be regularly appended and updated in subsequent annual amendments to the plan. In addition, \$40 million will be allocated to schools participating in our nationally recognized Innovation Zone, I-Zone, we call it. The I-Zone is a community of schools committed to personalizing learning to the needs, motivations and strengths of individual students. These funds provide schools, teachers and students with the digital content and technology tools required to better personalize instruction to each student's needs. Over 80 schools are participating in the I-Zone this year, and starting in the fall, the number of schools in the I-Zone will double, and eventually scale to 400 schools by the end of the 2013/14 school year.

And if any of you have not yet visited one our I-Zone schools, I urge you to do that and we'd be happy to arrange that for you. The remaining 14 percent of the technology money, or 133, is planned for addressing basic business system needs in our schools or central offices, such as the development of an integrated financial data warehouse, to support transactions and reporting requirements of schools, central administration and external stakeholders. Among other initiatives, this includes the expansion of point of--the point of sale system, for our school cafeteria operations, so we don't have the cash collection going on; also an enhancement of our OAR [phonetic] system, which is the reporting system our principals use for disciplinary matters. We understand that the public school system as a whole continues to experience pockets of overcrowding and we are working to address these concerns, both through new construction and through more efficient use of existing buildings. We remain focused on remedying these issues and will continue to rely on your feedback and your support as we do so. We hope that our efforts to

1 focus capital planning on a more local level will  
2 allow us to work more effectively toward our  
3 shared goal of expanding and enhancing public  
4 school facilities across the five boroughs. I  
5 want to thank you for this time. I'm now going to  
6 ask Lorraine Grillo to walk you through the  
7 specifics of the plan, and then Jamie will provide  
8 you with an update on our education construction  
9 funds. And then we'll all be happy to take your  
10 questions. Lorraine?

12 LORRAINE GRILLO: Thank you, Deputy  
13 Chancellor Grimm. Thank you, Chair Recchia and  
14 Chair Jackson, and Members of the Committees. I'm  
15 here to go over the details of the plan. Again,  
16 we're not going to get too granular, but any  
17 questions that you have we're happy to answer.  
18 Page two of the presentation, this is the change  
19 in funding from the February 2011 plan through, to  
20 the current amendment, proposed amendment. The  
21 total increase is \$1.75 billion; total amendment  
22 is \$11.1 billion, with a net increase of \$1.7  
23 billion that went directly to capacity. On page  
24 three, this is a further breakdown from the  
25 February 2010 Adopted Plan, which was \$11.7

1 billion, to the proposed amendment, which is now  
2 \$11.1 billion. From the, from the approved plan  
3 to the current proposed amendment the following  
4 increases are provided: \$141 million funding for  
5 projects to improve energy efficiency through  
6 FY'14, and \$177 million in additional funding for  
7 technology. The total plan is decreased by  
8 approximately \$700 million. And again, on page  
9 five, a further breakdown as the Deputy Chancellor  
10 mentioned, the Capital Plan is divided into two  
11 major categories: that's capacity and capital  
12 investment. And this shows the breakdown of those  
13 two categories. The following is a breakdown in  
14 capacity, in new capacity there is \$3.45 billion  
15 which is a total of 28,866 seats. That includes  
16 2,300 seats for design only. \$210 million in the  
17 charter partnership category, which has not  
18 changed from the adopted plan, and \$940 million in  
19 replacement projects. Those capacity dollars are  
20 broken down into 26,191 new PSIS seats, with 2,675  
21 ISHS seats. The capital investment portion of the  
22 plan is broken down into three large categories.  
23 Capital improvement, \$2.3 billion, which addresses  
24 the most urgent conditions. They are primarily  
25



projects rated number five in our building condition assessment survey. The Children First Initiative, \$1.7 billion, that includes the money for technology, and our mandated programs, which has to do with remediation and code issues and other fixed programs. The capital improvement program is further broken down with \$1.3 billion in exterior projects, \$793 million in interior projects, and \$132 million in other. That includes things like sidewalks and playgrounds and such. On page number ten, we talk a bit about the Children First Initiatives, and the \$957 million in technology. Here are some examples of what will be done with that funding: 498 buildings will receive high bandwidth circuit to the building; 800 school buildings will receive an upgrade in their existing wireless infrastructure; 692 school buildings will receive an upgrade in network infrastructure; and 1,100 buildings targeted to have their data and voice cabling upgraded from CAT 5 to CAT 6. And following that is a sample of the costs of each of these types of upgrades. Further, with Capital Investment, we have the Children First Initiatives, that is \$1.7

1 billion total, including restructuring science  
2 labs and the like, and our mandated programs, \$2.1  
3 billion total. Slide number twelve shows a  
4 citywide example of the 26 schools that were  
5 opened last September. Slide number 13 shows the  
6 additional seats that will open from this  
7 September through 2016. These are seats that have  
8 already been sited and are in some stage of either  
9 design or construction, and we hope to add some  
10 more to that. And following that, we just have  
11 some very nice pictures of some of the projects  
12 that opened in 2010, including Battery Park City,  
13 Eagle Academy, Queens Gateway of Health Sciences,  
14 PS 163 in Brooklyn, the Harbor School on  
15 Governor's Island, our Metropolitan Avenue Campus  
16 in Queens, our Cypress Hills Community School in  
17 Brooklyn, PSIS 263 in Manhattan, the addition to  
18 PSIS 79 in The Bronx, and our beautiful Mott Haven  
19 Education Campus in The Bronx (with four schools  
20 by the way) and then following that are some of  
21 the schools that will open this coming September  
22 including the Spruce Street Campus, right down the  
23 block in Manhattan, the new settlement community  
24 campus in The Bronx, PS 264 in Brooklyn, PS 71 in

1  
2 Staten Island--I'm sorry, that will be opening in  
3 2013--and PS 312 in Queens, also opening 2013.

4 Thank you very much.

5 JAMIE SMARR: I'll just continue.

6 Good morning. I am Jamie Smarr, I'm the Executive  
7 Director of the New York City Educational  
8 Construction Fund. I've been the Executive  
9 Director since 2002. I thank you for this  
10 opportunity to briefly update you regarding two  
11 projects in the City's Capital Plan that are  
12 sponsored by ECF. As you are likely aware, ECF is  
13 a public benefit corporation established in 1966  
14 by the State Legislature, to create schools for  
15 the New York City Department of Education. ECF  
16 shares offices and works closely with the School  
17 Construction Authority to create and deliver  
18 school facilities according to the priorities and  
19 needs established within the Department's Capital  
20 Plan. ECF creates schools in partnership with  
21 private real estate developers and uses revenues  
22 produced by the development to cover the cost of  
23 the school construction. As a result, while the  
24 seats created by ECF are included in the DOE's  
25 capital plan, the cost of those school building

seats--excuse me, the cost of building those school seats is not. I am pleased to report that the first ECF project since 1980, located at 331 East 91st Street in Community School District Two, was opened this school year as a new home for East Side Middle School, adding 500 new seats to the upper east side. A second and larger ECF project comprising 2,160 school seats for two schools--PS 59 and the High School for Art and Design--also located on the Upper East Side, is currently under construction. We anticipate that these two new schools will be completed in August 2012 for occupancy by these schools in September 2012. These two projects represent \$250 million in school construction activity and an additional \$400 million in private construction activity here in New York City. I might add during a badly, badly needed school construction and general construction activity during the recession that actually proceeded during the construction, and represents about 500 construction jobs. I'm delighted to have been a part of ECS rebirth, as an innovative option to support new school construction in New York City. These new projects

1 are clear evidence that the private sector, which  
2 will invest over \$100 million in equity in these  
3 development projects, once again has become an  
4 important partner in contributing to the future of  
5 our City through the education of its children.  
6 With two very successful new projects either  
7 committed--excuse me, either completed or nearing  
8 completion, ECF is now beginning to evaluate other  
9 sites that may be appropriate for development  
10 using the ECF model. As always, we are guided in  
11 this evaluation process by two important  
12 principles. First, we look at opportunities where  
13 land values make it economically feasible to  
14 develop municipal property and partnership with  
15 private developers; and second, and equally  
16 important, we look at those areas where we need to  
17 add seat capacity. Thank you again for giving us  
18 the opportunity to testify here today.

19  
20 CHAIRPERSON RECCHIA: Thank you.

21 We appreciate your PowerPoint presentation and  
22 your comments. We know a lot of Council Members  
23 have questions. I'm just going to ask one quick  
24 question. And but before I do that, I'd like to  
25 recognize those members that have joined us:

Council Member Diana Reyna, Council Member Eric Ulrich, Council Member Tish James, Council Member Rosie Mendez, Council Member Danny Dromm, Council Member Karen Koslowitz. It's great that you're going to put all this money in technology, I guess that means that all the Council Members in this year, you do not have to put any Reso A money in technology, 'cause the Department of Ed's going to do it for us. [background noise]

KATHLEEN GRIMM: No, no, no. If you thought I said that, I misspoke. [laughter]

CHAIRPERSON RECCHIA: Well, we just want clarification and when are you going to have the schedule public so all Council Members can see exactly what you're going to do in their district.

KATHLEEN GRIMM: We're actually, we're actually working, I think, with Finance staff now, to make sure that we're really aligned in terms of the money you, which we very much appreciate, and the schools appreciate. The money you put in, make sure that money is interlocked with the plans that we have for upgrading the schools.

CHAIRPERSON RECCHIA: Are we going

1  
2 to have those lists before we vote on this year's  
3 budget, since you want to approve this capital  
4 plan? [pause] Could you please talk into the  
5 mic? And identify yourself, please.

6 KATHLEEN GRIMM: We're going to  
7 have the beginning of the list. We'll have enough  
8 in terms of where, if you want, if you're  
9 selecting certain schools, for example, we'll be  
10 able to tell you, you know, if you want to wait on  
11 that school, you should. We won't have the list  
12 of all the schools that are going to be done over  
13 the next three years, but we'll have a good handle  
14 on next year's. So that you're, you're investment  
15 of your dollars will make real sense and be  
16 aligned with our investment.

17 CHAIRPERSON RECCHIA: Okay, becau--

18 KATHLEEN GRIMM: Not that these  
19 dollars you give us aren't your dollars, too, but--  
20 -

21 CHAIRPERSON RECCHIA: No, no,  
22 we're--so, clarification, you're going to put the  
23 infrastructure in, the wiring, the--

24 KATHLEEN GRIMM: Correct.

25 CHAIRPERSON RECCHIA: Correct.

1  
2 Okay. Well, I think it's important and that we  
3 get together and we like know, so Council Members  
4 know, like either this year or next year--

5 KATHLEEN GRIMM: Yes.

6 CHAIRPERSON RECCHIA: --that their  
7 schools and what schools are going to be receiving  
8 this.

9 KATHLEEN GRIMM: Yes.

10 CHAIRPERSON RECCHIA: Because--

11 KATHLEEN GRIMM: We have heard this  
12 from several delegations. So, we understand how  
13 important it is to you.

14 CHAIRPERSON RECCHIA: Of course--  
15 and but, we need is before we vote on this,  
16 because, you know, this Administration has a habit  
17 of wanting us to vote on things, and then giving  
18 us the list afterwards. And we're having this  
19 problem with the Fire Department. Okay, this was  
20 yesterday's hearing.

21 KATHLEEN GRIMM: Oh, dear.

22 CHAIRPERSON RECCHIA: So, what  
23 we're telling you--

24 KATHLEEN GRIMM: I wish I had gone  
25 first.



CHAIRPERSON RECCHIA: --and might not see--Kathleen Grimm, Deputy Chancellor has a bad seat to sit in. We're going to want a list, because the Council Members--

KATHLEEN GRIMM: I understand.

CHAIRPERSON RECCHIA: --have a right to know, so we can go back and work with our schools. And so we know where to put the Reso A money in.

KATHLEEN GRIMM: Exactly.

CHAIRPERSON RECCHIA: Okay. There's one other questions I just want to follow up before I turn it over to Jackson, is that last June, we entered into an MOU, which requires the School Construction Authority to provide various reporting information.

KATHLEEN GRIMM: Well, the--

CHAIRPERSON RECCHIA: You know, to post reporting, detailing scheduling, budget, on all capital projects. We haven't seen this. What's going on with this?

KATHLEEN GRIMM: Oh, no, no, we've gi--I think we're up to date on all our reports.

CHAIRPERSON RECCHIA: It's supposed

1  
2 to be on the website, and it's not, according to  
3 the MOU.

4 LORRAINE GRILLO: Yes, Council  
5 Member, I'm just being told that's being finalized  
6 to go, to be put on the web, very shortly.

7 CHAIRPERSON RECCHIA: What's  
8 shortly?

9 LORRAINE GRILLO: Within a week.

10 CHAIRPERSON RECCHIA: All right,  
11 what we need to do is, okay, because we entered  
12 into this MOU with you, and in June of last year,  
13 and we know it's, you know, I think someone  
14 should've gotten back to us and told us we can't  
15 put this up, because we're still working on this.  
16 But we would like to follow up with you and your  
17 office to see, make sure, because taxpayers and  
18 the Council Members have a right to know about  
19 capital projects, the costs, when it, where it's  
20 going, the proceeds of it, so they could follow it  
21 online. Just all those Council Members, we  
22 entered into an MOU last year with the Mayor, and  
23 with the Bloomberg Administration, that this  
24 information would be up online on the website of  
25 the DOE, so Council Members could find out what's

going on with the capital budget and the, the money that we put in.

LORRAINE GRILLO: You're absolutely correct, Council Member, and we will get that to you quickly.

CHAIRPERSON RECCHIA: And what--and what about the alternate site analysis? On the webs--

LORRAINE GRILLO: The alternate site analysis appears on the website.

[pause]

CHAIRPERSON RECCHIA: Okay. We just want to follow up on that, okay? All right, Council Member Jackson.

CHAIRPERSON JACKSON: Thank you. Let me just ask about the Capital Plan funding. And this is my understanding and if, if I'm wrong or have incorrect information, then please correct me. The April proposed amendment to the Five Year Capital Plan includes approximately \$600 million less funding than is included in the current Five Year Capital Plan. My understanding is the April amendment totaled \$1.1--\$11.1 billion, and that the current plan includes \$11.7 billion. The

1  
2 April amendment reflects a \$95 million cut in City  
3 funds, and a \$900--\$492 million drop in State  
4 funding. This overall reduction does not conform  
5 to the usual assumptions that the City and the  
6 State will split the costs of the Department of  
7 Education's Capital Plan. So, a) can you please  
8 explain why the April amendment shows a \$492  
9 million dollar drop in State support, despite the  
10 fact that the State did not change the building  
11 aid formula for New York City in the State's  
12 adopted budget for next year?

13 KATHLEEN GRIMM: We'll have to  
14 follow up with your staff, because I don't  
15 understand where those numbers are coming from.  
16 Your assumption is correct. Of that \$600 or \$700-  
17 -

18 CHAIRPERSON JACKSON: Comes from  
19 here.

20 KATHLEEN GRIMM: --half, half is  
21 City, half is State.

22 CHAIRPERSON JACKSON: The numbers  
23 come from here.

24 KATHLEEN GRIMM: Well, while we're,  
25 we continue, I'll ask staff to try to locate that

number.

CHAIRPERSON JACKSON: Mm. It's the "Building on Success 2010/14 Five Year Capital Plan Proposed Amendment to November 2010."

KATHLEEN GRIMM: That's November's plan, proposal.

CHAIRPERSON JACKSON: Yeah, I understand. And this one.

KATHLEEN GRIMM: Yeah.

CHAIRPERSON JACKSON: I mean, these are all your, your books.

KATHLEEN GRIMM: If they're, if-- we'll have to explain it to you, then, because the, your assumption is correct. The decrease is 50 percent City and 50 percent State.

CHAIRPERSON JACKSON: Okay, so given that the fact that the State did not reduce its support for DOE's capital projects, then why didn't the \$95 million net cut in City funds simply trigger an equal cut in the State funds? Is it because of the reimbursement formula? Is that why? Or what?

KATHLEEN GRIMM: No. We, we have to drill down on these numbers that you're quoting

to me, because I don't recognize them.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: Your assumption is correct: If the City reduces its investment, the State number should drop by the same amount.

CHAIRPERSON JACKSON: Right. And but, when you're talking about investments, so for example let's assume we're going to spend \$2 billion on new capacity.

KATHLEEN GRIMM: Mm-hmm.

CHAIRPERSON JACKSON: What happened is that we would submit our plan, our funding. We spent \$2 billion, State give us our \$2 billion now, and 50, in essence 50 percent, is that correct?

KATHLEEN GRIMM: \$1 billion.

CHAIRPERSON JACKSON: \$1 billion. 50 percent.

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: And that's after the fact, is that correct? It's not before the fact.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: Okay, so, in

1  
2 essence if we reduce our spending by X, then let's  
3 say \$100 million, then the, the State of New York  
4 is going to not reimburse 50 percent of what we  
5 spend, is that correct?

6 KATHLEEN GRIMM: Correct, correct.

7 CHAIRPERSON JACKSON: Okay. The--  
8 Do you know if the numbers that we're giving to  
9 you right? Or are they wrong? Or you have to get  
10 back to us on that?

11 KATHLEEN GRIMM: I, I don't know  
12 what they are.

13 CHAIRPERSON JACKSON: Okay.

14 KATHLEEN GRIMM: So I can't  
15 comment.

16 CHAIRPERSON JACKSON: Well, I'm  
17 going to, I'm telling you where the sources where  
18 we got the numbers.

19 KATHLEEN GRIMM: Well--

20 CHAIRPERSON JACKSON: We showed it  
21 to you. So if you look through that and get back  
22 to us, we appreciate it.

23 KATHLEEN GRIMM: We will.

24 CHAIRPERSON JACKSON: Then, let me  
25 ask them, what is the debt service savings with

the capital plan cuts? What will they produce for the City in Fiscal Year 2012/2013, if anything?

KATHLEEN GRIMM: I, well, we'd have to go to OMB to get that number for you.

CHAIRPERSON JACKSON: Okay, so--

KATHLEEN GRIMM: We can - -

CHAIRPERSON JACKSON: [interposing]  
As far as the debt service for DOE, you don't look into that, you don't formulate that? You just--

KATHLEEN GRIMM: That is totally handled by OMB.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: They issue the bonds, they pay the debt service.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: But we can get the information for you.

CHAIRPERSON JACKSON: Okay. Okay.  
All right, let's turn to our Members, then.  
Because, and debt service is important, and let me just tell you why. Because what we hear from OMB, and the Mayor's Office, is that pension and debt service makes up about, and I'm round off this number, about \$4 billion of spending at the



Department of Education. So--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --debt service and pension costs are extremely a huge chunk of money every year that we spend.

KATHLEEN GRIMM: Yeah, that is true.

CHAIRPERSON JACKSON: Okay, good. Let's turn to the Members, then. And Members, five minutes, so please if you're interested in going past five minutes, put your name down on the second round, if a second round is had, if we have time for a second round. So what you're going to hear, you're going to get called, five minute clock is going to go off, and we ask you to conclude. If not, we're going to have to pull the hook on you after 30 seconds. Okay? Thank you.

CHAIRPERSON RECCHIA: Okay, before we call the first member, I just want to follow up on that, the alternate site analysis. Four of our staff has just tried to go online and look for it. And we can't find it. We tried yesterday and we couldn't find it. So, I would like, if you could have one of your staffers right now, and I'll send

1  
2 somebody over there, if you could--All right, if  
3 you could just go there, all right, so I wouldn't  
4 have to interrupt this hearing. Okay? We'll  
5 start Council Member Weprin, then be followed by  
6 Council Member Brewer.

7 COUNCIL MEMBER WEPRIN: Thank you,  
8 Mr. Chairman. Chancellor, thank you for being  
9 here, and Ms. Grillo and everyone else. I want, I  
10 represent a district in Eastern Queens, and we  
11 have three of the most overcrowded high schools in  
12 the City--Bayside, Francis Louis Cardozo--which  
13 are popular high schools. What plans, are there  
14 any plans underway to try to build some new  
15 buildings there, or expand buildings, or anything,  
16 to try to help alleviate the overcrowding?

17 KATHLEEN GRIMM: I think there are  
18 some seats for high schools, aren't there?

19 LORRAINE GRILLO: And--Thank you,  
20 Council Member. Actually, when we plan for high  
21 schools, we plan on a borough wide basis, because  
22 as you know, high school students do travel.  
23 Those are very popular high schools, we do realize  
24 that. We've built a number of seats in Queens  
25 over the last several years. We are planning an

annex to Richmond Hill High School. But that's about it in te--we also have a high school plan for the Hunter's Point area, as well, in Queens.

COUNCIL MEMBER WEPRIN: Thank you, Ms. Grillo. You know, the problem with planning for Queens is Queens is a big, big county, fifth largest city in America. And--and the problems is, is that, you know, obviously those are the most popular schools. And then Jamaica High School, which is closed now, has now got four small schools in there, but we lost a lot of those Jamaica High School students, which has added to the overcrowding. And believe it or not, in the last round of, of school matches, I have a middle school where about half the eighth grade class did not match a single school. So the whole school, as dramatic as this sounds, was in tears the day those things came out. MS 172. 200 kids did not match a school. And, and no matches, and they were in complete craziness over there. And these kids, there was a story in the Times talking about one student, but these kids are comp--are convinced, you know, they did something wrong. Some kids doing with 90 something averages, did

1 everything right, never missed a day of school  
2 like they were told to do, and they're not  
3 matching a school, and they're convinced they did  
4 something wrong, and now they have to wait for a  
5 second round. And I don't know where they're  
6 going to end up. And while you, you know, is  
7 there statistics that show these kids are  
8 traveling in large numbers? 'Cause most of the  
9 parents I speak to don't want to go to Richmond  
10 Hill from Eastern Queens. Or don't want their  
11 children to go, or the children don't want to go.

13 KATHLEEN GRIMM: Thank you. I  
14 don't think we have any statistics on that. As  
15 you know, one of the things we did this year with  
16 our high school selection process, was that we  
17 added to the information that we produce, the  
18 graduation rates of our high schools. And we  
19 think that had a tremendous influence on where  
20 people were selecting as their options to go. It  
21 is very difficult for the children when they have  
22 to hit that second round, I understand that, and  
23 it's quite a big number for one school. I'll ask  
24 our enrollment people to take a look at that.

25 COUNCIL MEMBER WEPRIN: Please. I

1  
2 sent Anaya scrambling, I don't think she trusts my  
3 number but, but the--I was just curious. Now--

4 KATHLEEN GRIMM: I do, Council  
5 Member.

6 COUNCIL MEMBER WEPRIN: Okay, well,  
7 you know, I'm just basing it on what I've been  
8 told. I don't, I actually don't know that one  
9 first hand, but I was told by the principal and a  
10 couple of parents. Tech--the technology aspect,  
11 you know, Chairman Recchia mentioned the idea of  
12 working with us on the technology. The DOE while  
13 they talk a lot about technology, and the Mayor  
14 who's been great on technology in general, I still  
15 think that the DOE has been woefully behind in  
16 establishing a coordinated technology campaign in  
17 the schools. No, you know, we give smart boards,  
18 those smart boards should be able to communicate  
19 with parents and students at home, as well as in  
20 the classroom. And that technology is not there.  
21 We sometimes give technology and the school  
22 doesn't have the electrical, or the--

23 KATHLEEN GRIMM: Right, wiring.

24 COUNCIL MEMBER WEPRIN: --the ser--  
25 wiring in order to take care of that technology.

1 We, we need to have a plan. I really think it's  
2 important and imperative to have technology be  
3 given a priority. In trying to come up with a  
4 broad plan, I sometimes think we're so concerned  
5 about, you know, trying to evaluate schools that  
6 technology has fallen through the cracks a little  
7 bit. You agree with that, Chancellor?

9 KATHLEEN GRIMM: I think we, yes, I  
10 think we need to--Certainly what we're trying to  
11 do in this amendment is refocus our efforts on  
12 technology. And I think, part of that effort on  
13 our part, needs to be a clearer plan for your  
14 folks, no question.

15 COUNCIL MEMBER WEPRIN: Okay. And,  
16 and I, I would like to go and see a iZone school.  
17 I actually am a big believer in being able to use  
18 technology, I was fascinated by the New York Times  
19 article the other day about the Iowa school using,  
20 having kids use the computer sort of not exactly  
21 Twitter but to, you know, to make comments [time  
22 bell] online, as well as everything else.

23 KATHLEEN GRIMM: Very exciting.

24 COUNCIL MEMBER WEPRIN: Okay.

25 KATHLEEN GRIMM: Exciting.

COUNCIL MEMBER WEPRIN: Thank you.

KATHLEEN GRIMM: Thank you.

CHAIRPERSON JACKSON: Thank you.

We've been joined by Council Member Charles Barron of Brooklyn and Council Member David Greenfield of Brooklyn. And now we're going to turn to Council Member Gale Brewer of Manhattan. Council Member Brewer.

COUNCIL MEMBER BREWER: Thank you very much. I want to pick up on the technology issue. I guess there are, there's the connected learning, there's iZone, and then there's the program that's working with the innovative, innovation schools. How are these all working together, these three technology efforts?

KATHLEEN GRIMM: You want to talk about that?

LING TAN: Those three--those three program, technically, should be leveraging, and we're trying to leverage the three different program in terms of the funding and the, the strategy. In terms of the innovation, Arthur can speak to more of it. The connected learning, connected foundation, basically ensure the

1 continuation of the connect--that student being  
2 connected both in school and at home, so the  
3 training program that--

4 COUNCIL MEMBER BREWER: I know that  
5 program well, so--

6 LING TAN: Right, so the training  
7 functions of the connected learning is very  
8 valuable to the technology that is being infused  
9 in the school. As you probably know, as of this  
10 year, training is no longer CAPA [phonetic]  
11 eligible, so the issue of, for us putting out a  
12 lot of the technology, we constantly, it's a major  
13 struggle on providing the associated training as,  
14 you know, new uses are coming on board.

15 COUNCIL MEMBER BREWER: Okay, I  
16 mean, I guess a little bit picking up on Council  
17 Member Weprin, is it's my understanding that these  
18 pro--obviously the i--the connected learning and  
19 the innovations are federally funded. Is that, I  
20 assume they're 100 percent federally funded, is  
21 that correct?

22 LING TAN: No, the connected  
23 foundation and connected learning, we have a 21,  
24 20, 20-21 percent local match.



COUNCIL MEMBER BREWER: Okay. So, I, just in terms of the iZone, which I think is what Council Member Jackson was talking about, but it's about 10 to 15 percent of the billion dollars, is my understanding. And so I wanted to know if that amount of money will meet the needs of all schools, particularly as a national common core test move on line for all students in a few years. It's going to take a lot of bandwidth to do that, computing devices and training, as you suggested. So will this huge amount of money take care of this issue?

KATHLEEN GRIMM: I don't think it will take care of all of it. Our original estimate in the November plan, I believe, was for an additional billion dollars. We just don't have that money available now. So this is our, our best start.

COUNCIL MEMBER BREWER: Okay.

KATHLEEN GRIMM: And just as with capacity, as the City's economy improves, we hope we'll be able to devote more resources.

COUNCIL MEMBER BREWER: So who are all of these programs under? The Connected

Learning, what I call the, I guess you call the Foundation, and the iZone?

LORRAINE GRILLO: The innovation schools are under Arthur's jurisdiction. Ling works very, very closely in terms of the federal government reimbursement, and mapping those projects.

COUNCIL MEMBER BREWER: Okay, so there's two different departments, is what you're saying? These two--and Connected Learning and iZone are in one department and innovations is in another. Is that what you're telling me? I'm trying to understand.

KATHLEEN GRIMM: That is - -

COUNCIL MEMBER BREWER: As somebody who knows these programs well, it's still hard to understand, particularly with Bruce gone, and Ted.

LING TAN: The Connected Learning and Foundation actually is going to be under the purview of Office of Multiple Pathways.

COUNCIL MEMBER BREWER: Multiple Pathways.

LING TAN: Right. So, it's under--

COUNCIL MEMBER BREWER: Has anybody

else ever heard of that? Go ahead.

LING TAN: It's actually under the innovation, with the innovation team, there are coordinated effort in terms of project team discussion, and DIT, which is the IT division, is involved in all of that.

COUNCIL MEMBER BREWER: Okay, so picking up again on Council Member Jackson and Weprin, can we get like a flowchart as to who's in charge of what for this technology? Because really, it is hard to understand.

KATHLEEN GRIMM: Sure.

COUNCIL MEMBER BREWER: Before I understood it, but without Ted, I do not. And I think others would appreciate that.

KATHLEEN GRIMM: I think that's right. This is a big project, so it involves--

COUNCIL MEMBER BREWER: We know that.

KATHLEEN GRIMM: --a lot of people across a lot of different divisions, but we'll put that together.

COUNCIL MEMBER BREWER: I know, but that's going to be a problem, too, 'cause they're

not always talking to each other, and that's what I'm concerned about.

KATHLEEN GRIMM: Understood.

COUNCIL MEMBER BREWER: Okay. And then we can help them talk to each other. My other question is regarding the number six, number four and number two, maybe you gave us this, but what's the exact timeline and cost of that change? And then there's a lot of concern that is the number four really, is, you know, why'd we do number four? Is that because it's--I think you said, in the Manhattan Delegation it was \$4,000, I think, or something.

KATHLEEN GRIMM: That is correct.

In terms of the boiler replacements in our schools, we have a two prong approach. DF--our school facilities people, can go in and convert a number six boiler to a number four boiler.

COUNCIL MEMBER BREWER: Mm-hmm.

KATHLEEN GRIMM: Which our colleagues, the environmental and our health people tell us is a much better situation than the number six. That can be done, as you say, at \$4,000 a boiler. So we can complete all of those

1 conversions by 2015. [time bell]

2 COUNCIL MEMBER BREWER: Okay.

3 KATHLEEN GRIMM: Others, and we're  
4 going to change to two--

5 COUNCIL MEMBER BREWER: Mm-hmm.

6 KATHLEEN GRIMM: --that means a  
7 complete replacement of the boiler. And the SCA  
8 is going to do those replacements, and they will  
9 be completed 2018, I believe.

10 COUNCIL MEMBER BREWER: Okay, so  
11 you've given us a list, I think, of where the  
12 challenges are, where number six is. Are you,  
13 have you also given us a list of who's going to  
14 four, who's going to two, and by when?

15 KATHLEEN GRIMM: If we haven't, we  
16 will get that to you right away?

17 COUNCIL MEMBER BREWER: Okay. And  
18 then Mr. Chair, can we have second round, 'cause I  
19 know my time is up.

20 FEMALE VOICE: Yes, there's a - -

21 COUNCIL MEMBER BREWER: Thank you.

22 CHAIRPERSON JACKSON: Thank you.

23 Thank you, Council Member Brewer. Council Member  
24 Jimmy Vacca of The Bronx, followed by Council  
25

Member Debbie Rose of Staten Island.

COUNCIL MEMBER VACCA: Thank you.

Thank you, Mr. Chair. Thank you, Deputy  
Chancellor. Very quickly. Every time I look at  
educational variables, be they math, reading  
graduation, The Bronx is far behind the rest of  
the City. I look now at a study made by Class  
Size Matters, and they indicate one borough has a  
percentage of kindergartners in classes of 25 or  
more: Brooklyn twenty--28 percent, another  
borough 29, another borough 23. The Bronx has 42  
percent of their kids in classes of 25 or more in  
kindergarten.

KATHLEEN GRIMM: Kindergarten?

COUNCIL MEMBER VACCA: Is this  
true?

KATHLEEN GRIMM: I doubt it. I  
believe the contract calls for 25.

COUNCIL MEMBER VACCA: Well, I  
don't know what the contract calls for, but when I  
see a survey like this, I want to take exception  
to this. I don't understand how where we know  
where, we know we have a borough where the  
educational outcomes are so, so at variance with

1  
2 the rest of the city; yet when it comes to this  
3 type of situation, we lead the City in class size  
4 in kindergarten. And I'd like that to be looked  
5 into. If that's true, we have to do something,  
6 because--

7 KATHLEEN GRIMM: I can't respond to  
8 this study, I haven't seen it, and--

9 COUNCIL MEMBER VACCA: The outcomes  
10 just continue to be negative, when they start at  
11 this point. Can you look into this?

12 KATHLEEN GRIMM: I, I certainly  
13 will.

14 COUNCIL MEMBER VACCA: And I'd like  
15 to know if it's true, and I'd like to know what  
16 plan we have to address it.

17 KATHLEEN GRIMM: I certainly will.

18 COUNCIL MEMBER VACCA: All right, I  
19 take in part of District Eight in my Council  
20 district. That part of District Eight has been  
21 scheduled to receive between 318 and 375  
22 additional seats. Now that, that schedulization  
23 has appeared in the reports I've seen on this  
24 Committee for four years. There is still no place  
25 for the 318 seats that that part of District Eight

1 in my Council District is entitled to receive. We  
2 are nowhere with a new building, we are nowhere  
3 with a lease. We are nowhere. How much longer do  
4 we have to wait for the 318 seats that have been  
5 designated to us? Where are we with a lease or  
6 with a site?  
7

8 KATHLEEN GRIMM: Actually, those  
9 seats have been pushed out to the next plan.

10 COUNCIL MEMBER VACCA: The next  
11 plan. It doesn't say that here, it says that it's  
12 part of the--to the next plan when? When is the  
13 next plan?

14 KATHLEEN GRIMM: In three years.

15 COUNCIL MEMBER VACCA: In three  
16 years. So I'll be here in three more years saying  
17 "I'm still waiting for the 318 seats."

18 KATHLEEN GRIMM: That's, that's  
19 what the--

20 COUNCIL MEMBER VACCA: On what  
21 basis were they pushed out?

22 KATHLEEN GRIMM: 'Cause--

23 CHAIRPERSON RECCHIA: That's if you  
24 get reelected, Council Member. [laughter]

25 KATHLEEN GRIMM: There's no--



COUNCIL MEMBER VACCA: That's one reason. Tell me.

KATHLEEN GRIMM: There's no, there's no identified site. And we felt since we had very restricted resources, we put the capital money back into where we had sites for schools. We're now losing track of the need of the, when we come out with the November amendment, if things have improved, if we find a site, we'll certainly be taking another look at it.

COUNCIL MEMBER VACCA: You still have an ironclad policy against building what we call "portable classrooms." You're not building any more. You refused. Even, even in instances where there's no site for lease, and no site for no, for no new building; therefore, the overcrowding will persist indefinitely, because you have a policy of no new portable classrooms. Portable classroom is better than no classroom.

KATHLEEN GRIMM: I don't--

COUNCIL MEMBER VACCA: And for many years they have a good shelf life.

KATHLEEN GRIMM: Yes, I don't know if we have--In the last plan, when we had many

1  
2 more resources and great aspirations, we had hoped  
3 to actually eliminate all of the portable  
4 classrooms.

5 COUNCIL MEMBER VACCA: I know, that  
6 was when, I know, but that--

7 KATHLEEN GRIMM: That was then,  
8 then is now. I don't think we're as ironclad as  
9 we might appear.

10 COUNCIL MEMBER VACCA: Well, I want  
11 to meet with you, then.

12 KATHLEEN GRIMM: Okay.

13 COUNCIL MEMBER VACCA: I want  
14 something done in my community. School District  
15 Eleven, quickly, School District Eleven, I have  
16 brought it up to several people for some time now.  
17 We have an office at 1230 Zuriga [phonetic]  
18 Avenue, DOE office space.

19 KATHLEEN GRIMM: Right.

20 COUNCIL MEMBER VACCA: It is three  
21 blocks away from a school 130 percent utilized.  
22 That office space can go into Fordham Plaza where  
23 there is empty office space, where The Bronx  
24 houses their financial integrated, I don't know  
25 what it's called, but lose track of all the

titles. So, why can't we move those people from Zuriga in those offices, in--

KATHLEEN GRIMM: No, I--

COUNCIL MEMBER VACCA: --from Zuriga into Fordham Plaza, and give those children a ride to a classroom rather than being bused out, kindergarten waiting list--

KATHLEEN GRIMM: Yeah.

COUNCIL MEMBER VACCA: --and 130 percent of capacity? I raise this, I think it's cost effective, I think it can be done quickly. I just need to reach the right person who can effectuate this, rather than talking to people who just frustrate the process because I can't get an answer.

KATHLEEN GRIMM: There might be a very good reason, but I don't know of one. So we'll look at it.

COUNCIL MEMBER VACCA: Okay. Thank you, Mr. Chairman.

CHAIRPERSON JACKSON: Thank you, Council Member. Now we'll hear from Council Member Debbie Rose, followed by Council Member Tish James. But earlier we were joined, and he's

1  
2 in front of us, Council Member Steve Levin of  
3 Brooklyn. Council Member Rose of Staten Island.

4 COUNCIL MEMBER ROSE: Yes, Vice  
5 Chancellor Grimm, what are the enrollment  
6 forecasts for 2012 through 14 and beyond? And who  
7 made them? And was there a failure on DOE's part  
8 to foresee the increases in enrollment in 2010 and  
9 2011?

10 KATHLEEN GRIMM: No, I don't think  
11 so, I think we actually did forecast an increase  
12 in that year. I think what, I think originally  
13 we, the, pure demographics showed a decrease, but  
14 then when we ran it through the housing sieve  
15 [phonetic] filter, we showed actually an increase,  
16 so I don't think we missed anything.

17 COUNCIL MEMBER ROSE: Did you, in  
18 fact, take into consideration the housing  
19 increase?

20 KATHLEEN GRIMM: Always.

21 COUNCIL MEMBER ROSE: Because  
22 capacity in the middle and elementary schools are  
23 currently at 82 percent, and then the high schools  
24 at 95 percent. Will this utilization rate go down  
25 under your new plan?

1  
2 KATHLEEN GRIMM: Under the current  
3 plan, if we continue with it and receive  
4 absolutely no new funding over the next three  
5 years, some utilization rates will go up.

6 COUNCIL MEMBER ROSE: And could you  
7 tell me why there are no class size targets in  
8 this new plan?

9 KATHLEEN GRIMM: There never, we  
10 never have class size targets in the capital plan.  
11 The class size--

12 COUNCIL MEMBER ROSE: So, so,  
13 capacity and class size is not taken into  
14 consideration?

15 KATHLEEN GRIMM: No, no, in the  
16 capital plan, we build for an X number of  
17 capacity, in a classroom. The class size plan is  
18 a very, very separate plan, and it has to take  
19 into consideration the capital plan, not vice  
20 versa. And as you know, the State has no money,  
21 so we haven't been getting our children, or C for  
22 E [phonetic] funding, so the major class size plan  
23 is sort of on hold in abeyance, under an agreement  
24 with the State Education Department. And we are  
25 tracking class size in 75 schools in the City.

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And we can share those data with you if you like.

COUNCIL MEMBER ROSE: Okay, so only 75? And there are, you're, it's on hold--

KATHLEEN GRIMM: Oh, we, we keep track of every, every building, but in terms of the C for E agreement with the State, we're really looking at a pilot of 75 schools.

COUNCIL MEMBER ROSE: And could you tell me, is spending on the charter school construction, under the charter partnership program, equitable for, to the non-charter schools?

KATHLEEN GRIMM: Well, it's a much, much smaller amount than we're spending on our district schools. But what this does, actually, is provide us with seats with less taxpayer investment. Because we've got a private/public partnership, and there are private dollars that are coming in.

COUNCIL MEMBER ROSE: And what is the capacity that you're anticipating from this program?

KATHLEEN GRIMM: I think it's a couple of thousand. We can look that number up

and get it for you.

COUNCIL MEMBER ROSE: Thank you.

CHAIRPERSON JACKSON: So, Deputy Chancellor, in responding to our colleague, you said, I believe you said, and correct me if I'm wrong, that the five year capital plan, five year capital plan drives class size. Basically, I think you're wrong in that. The, the five year capital plan is supposed to reflect the needs, the needs of the students of the City of New York, not that they're, the students should fit the needs of the five year capital plan. So I beg to differ if you said that. And I'm asking you, what is the need? Should the five year capital plan, and also any out year plans, reflect the needs of the students of New York City as far as the numbers, or should the students reflect the needs of the five year capital plan? What are you saying?

KATHLEEN GRIMM: You--You know my answer to that.

CHAIRPERSON JACKSON: No, I, well, I heard your response earlier, and that's why--

KATHLEEN GRIMM: Then I misspoke.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: I know you didn't mishear me.

CHAIRPERSON JACKSON: Oh, okay, okay. [laughs] Because I do know, as you know, our population is growing, and in fact I was given a copy, this is not your document, Class Size Matters, of May of 2011, and I'm looking at, and I'll--Can we give her a copy of this?

KATHLEEN GRIMM: Yeah, let me have a copy of that.

CHAIRPERSON JACKSON: Huh? Can you give her a copy of this? And, oh yeah, give her that. Overcrowding is getting worse--

KATHLEEN GRIMM: Excellent.

CHAIRPERSON JACKSON: --2009 kindergarten waitlist as of July, 28 schools, 474 children. Okay, and then if you flip to the next page, and if you just look at the dots, not even the numbers, the dots here--

FEMALE VOICE: [off mic] What page are you one?

CHAIRPERSON JACKSON: I'm on like, it's where the yellow page is, Deputy Chancellor, where the, you have about ten or 15 dots. The



1 next page, you have about 50 to 60 dots on here,  
2 indicating that in 2010, kindergarten wait lists  
3 as of March, 99 schools with 2,217 students on  
4 waitlists. So--

5  
6 KATHLEEN GRIMM: We'll have to take  
7 a look at this.

8 CHAIRPERSON JACKSON: Oh, I'm sure  
9 you will.

10 KATHLEEN GRIMM: But, can I--Can I  
11 answer your qu--

12 CHAIRPERSON JACKSON: Go ahead,  
13 please.

14 KATHLEEN GRIMM: --your question?  
15 Obviously, the capital plan is not, you know,  
16 isn't--must take into account the needs of our  
17 children, and how we can reduce overcrowding.  
18 Frankly, we're not doing all of that in this plan  
19 because our resources are limited. But at least  
20 we know what the need is, and moving forward  
21 hopefully we can expand that. But class size  
22 reduction is much more complicated than just  
23 building a lot of seats, because we really need to  
24 have a very universal plan that includes not just  
25 the capital spending, but also the expense

1  
2 spending, because as you reduce class size you  
3 need more [time bell] teachers, for example. So,  
4 with the State money having pretty much dried up,  
5 remember the promises that were made based on the  
6 settlement of the suit that you began in 1993,  
7 that has gone away. And so our aspirations are  
8 less bright than they were in that area.

9 CHAIRPERSON JACKSON: Okay. I hear  
10 you loud and clear. I just wanted to clarify an  
11 earlier statement I thought I heard you say.

12 KATHLEEN GRIMM: I misspoke.

13 CHAIRPERSON JACKSON: Okay.  
14 Council Member Tish James, followed by Council  
15 Member Margaret Chin of Manhattan.

16 COUNCIL MEMBER JAMES: [off mic] So  
17 I recognize--

18 CHAIRPERSON JACKSON: --mic,  
19 please, Council Member. Oh, here, take this one.

20 KATHLEEN GRIMM: Here, take this  
21 one.

22 [technical, background noise]

23 COUNCIL MEMBER JAMES: I really  
24 don't need one. [laughter] So, the overcrowding-

25 -

CHAIRPERSON RECCHIA: We, we know.

[laughter]

COUNCIL MEMBER JAMES: Thank you, Mr. Chair. I take that as a compliment. So the overcrowding crisis in New York City obviously has gone unabated. And so, and I recognize that the capital plan has been reduced as a result of the financial crisis that we find ourselves in, in New York City. Let me throw out a, an alternative solution. A number of catholic schools have closed?

KATHLEEN GRIMM: Mm-hmm.

COUNCIL MEMBER JAMES: The schools are already built. They're empty, they're available. What about the possibility of leasing some of that space to address the overcrowded situation in New York City.

KATHLEEN GRIMM: Okay. Can I just say, overcrowding hasn't gone totally unabated. We have, this Administration has added 100,000 seats.

COUNCIL MEMBER JAMES: You're absolutely right, I apologize, but there still is-

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1  
2 KATHLEEN GRIMM: There's still more  
3 need.

4 COUNCIL MEMBER JAMES: There's  
5 still more need, we agree.

6 KATHLEEN GRIMM: No question about  
7 it.

8 COUNCIL MEMBER JAMES: Okay.

9 KATHLEEN GRIMM: We, we are very,  
10 very pleased with the relationship we have with  
11 both the Diocese and the Archdiocese. And we  
12 have, I think, already rented about 30 catholic  
13 schools.

14 COUNCIL MEMBER JAMES: Do we plan  
15 on renting anymore? Leasing anymore?

16 KATHLEEN GRIMM: We are--in areas  
17 where we have need, we are certainly exploring  
18 that. That's not, what that gives us, basically,  
19 is a site. For example, I think we have one where  
20 actually the Diocese sold it to us. Isn't that  
21 correct? One. They don't like to sell it to us,  
22 they like to rent. But we tore the building down  
23 because we usually have to put a lot of money in  
24 these schools.

25 COUNCIL MEMBER JAMES: So--

1  
2 KATHLEEN GRIMM: But it's certainly  
3 something we're, an avenue we're working on.

4 COUNCIL MEMBER JAMES: So I don't  
5 know--

6 KATHLEEN GRIMM: And using.

7 COUNCIL MEMBER JAMES: --this is  
8 not the time, but at some point in time, if you  
9 could share that list with me--

10 KATHLEEN GRIMM: Oh, sure.

11 COUNCIL MEMBER JAMES: --and with  
12 this Committee, there's a number of Diocese, a  
13 number of churches in my district in downtown  
14 Brooklyn, and in Central Brooklyn that have  
15 closed. As you know, in downtown Brooklyn, we've  
16 experienced an explosion in new real estate, in  
17 residential development.

18 KATHLEEN GRIMM: Yes.

19 COUNCIL MEMBER JAMES: And as you  
20 know, it, that raises some challenges in, in a  
21 variety of ways. But one of the issues is that  
22 most of the new residents who have moved into  
23 downtown Brooklyn are not satisfied with the  
24 public schools. And obviously would like to see  
25 much improvement in our public schools, and want

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other options.

KATHLEEN GRIMM: Mm-hmm.

COUNCIL MEMBER JAMES: And so, I know that there is some new, new development, and so my question is, are we speaking with developers on housing new schools? I know that we are doing a plan with Two Trees in Dumbo.

KATHLEEN GRIMM: Right.

COUNCIL MEMBER JAMES: It's my understanding that there's two additional development coming online. Are there any plans to build any schools? And let me begin with one project that I absolutely hate, and wish it, and hope it [background comment] thank you, and wish it would go away, but nonetheless the arena is coming along, but all the other--

KATHLEEN GRIMM: Yes, it is.

COUNCIL MEMBER JAMES: -- residential and commercial development has been halted because they do not have any money, and as a result of my eight years of fighting them through the courts. So, my question is, have we had any discussion with Forest City, Ratnor [phonetic] or any other developer in downtown

1  
2 Brooklyn to build a school as opposed to arenas  
3 and stadiums that we do not need?

4 KATHLEEN GRIMM: Well, we are in  
5 discussions with all major developers. I mean,  
6 it's an avenue that we have had some success with.  
7 As you say, not much is happening on that project  
8 right now, but we are talking to them.

9 COUNCIL MEMBER JAMES: Okay, so you  
10 are talking to them.

11 KATHLEEN GRIMM: Yes.

12 COUNCIL MEMBER JAMES: Okay. So,  
13 hopefully I will, since I'm talking to them these  
14 days, I will bring that up at a discussion. I've  
15 created a taskforce where we're discussing the  
16 issues in downtown Brooklyn--

17 KATHLEEN GRIMM: Good.

18 COUNCIL MEMBER JAMES: --related to  
19 the arena.

20 KATHLEEN GRIMM: That's great.

21 COUNCIL MEMBER JAMES: Including  
22 traffic, which will kill that project, hopefully.  
23 Let me just talk to you about kindergarten waiting  
24 lists, which has sharply increased over the last  
25 three years, from about 474 to over 3,000

1  
2 children, and the number of elementary schools  
3 with waiting lists have, has risen in the City of  
4 New York from 28 to about 155. My question is do  
5 you agree with the, do you--I mean, I know you  
6 don't have the data in front of you, but is that  
7 number--

8 KATHLEEN GRIMM: I don't have the  
9 data in front of me.

10 COUNCIL MEMBER JAMES: --about  
11 right?

12 KATHLEEN GRIMM: I don't have the  
13 data in front of me, but we can check it and get  
14 back to you. But let me say this: The  
15 kindergarten waitlists are a moving target. They  
16 really are. We expect, just like last year, at  
17 the end of the process, that every child, most  
18 children will be, have a place in their zone  
19 school or something else that they've selected  
20 like gifted and talented or something like that.  
21 Or at, at least at a nearby school. It just, it  
22 takes time for the process to go through because  
23 as you know, if a parent gets, has a place in  
24 another school, they can still retain their place  
25 on the waiting list of the zone school. So for



about two months everything is in constant motion on those lists. But in the end, every child will have a seat. And I know, I know that's--

COUNCIL MEMBER JAMES: Yeah.

KATHLEEN GRIMM: --anxious, anxiety--

COUNCIL MEMBER JAMES: Lot of anxiety.

KATHLEEN GRIMM: --creating for parents, but we're working as best we can with that.

COUNCIL MEMBER JAMES: I visited two of my schools last week, and I visited two classrooms, and I was disheartened to know that in two, in both, in both classes, in two different schools, half of the children [time bell] could not--Mr. Chair, if you would just give me some indulgence.

CHAIRPERSON JACKSON: [off mic] You have one minute.

COUNCIL MEMBER JAMES: Thank you. Half of the class could not complete their homework assignments because they did not have access to the internet at home. And they could

1  
2 not complete their tasks. So I'm very happy that  
3 you are going forward with this technology  
4 enhancement, specifically the connected learning,  
5 which will provide 72 high school, middle schools-  
6 -

7 CHAIRPERSON JACKSON: [off mic]  
8 Tish, you have to bring your mic up.

9 COUNCIL MEMBER JAMES: Oh. 72 high  
10 needs middle schools with a, receive a free  
11 desktop computer. And so, if I could get the list  
12 of connected learning program in my district in 13  
13 and 17, as well as the iZones, as well as  
14 Innovation.

15 KATHLEEN GRIMM: Mm-hmm.

16 COUNCIL MEMBER JAMES: And I  
17 specifically want to talk about, for a little,  
18 this discounted, broadband connection. Most of  
19 these families are low income families, they  
20 cannot provide any discounted broadband access.  
21 Are we talking to the technology companies about  
22 providing some of these families free internet  
23 access?

24 KATHLEEN GRIMM: No, I don't think  
25 so. But Liz--

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[background noise]

CHAIRPERSON JACKSON: [off mic] Do me a favor, just identify yourself [on mic] before you respond, if you don't mind, please.

LING TAN: Okay. Ling Tan, Executive Director for Capital Reimbursement Program, DOE. Under the Connected Learning--

CHAIRPERSON JACKSON: Can you pull your mic up to--I'm sorry, if you don't mind, thank you.

LING TAN: Under the Connected Learning, we started talking to the providers like Verizon or the Time Warner for the discounted, and under this pilot there is a contract in place to get them the discount. And I, I think at the federal level, they're looking at options, also, to get the discount for the kids at home. So we don't have anything that is enterprise at this point, but we're looking into that.

COUNCIL MEMBER JAMES: Okay. I thank you and I hope that we can continue to look--there is a technology gap in the City of New York.

KATHLEEN GRIMM: Yes.

1 COUNCIL MEMBER JAMES: And if we  
2 obviously want to address the outcomes,  
3 particularly in low income communities, we really  
4 need to provide families free access to the  
5 internet. And I thank you.

6 CHAIRPERSON JACKSON: Thank you.

7 COUNCIL MEMBER JAMES: Mr. Chair,  
8 can I be put on round two?

9 CHAIRPERSON JACKSON: Sure. Thank  
10 you. Council Member Margaret Chin of Manhattan,  
11 followed by Council Member Danny Dromm of Queens.

12 COUNCIL MEMBER CHIN: Thank you,  
13 Chair. It's great to see you again, Deputy  
14 Chancellor.

15 KATHLEEN GRIMM: - -

16 COUNCIL MEMBER CHIN: And I first  
17 of all, I'll say the good things first, you know,  
18 thank you for, you know, working with the parents  
19 and elected official in our district, in terms of  
20 creating all the new school, the Barrier Park  
21 School, it's a beautiful school, and the Spruce  
22 Street School that's going to be opening up in  
23 September. And I know that you've heard from the  
24 parents and the community board and so that's why  
25

1  
2 you're also looking at the Pac Slope school, to  
3 create more seats.

4 KATHLEEN GRIMM: Mm-hmm, yes.

5 COUNCIL MEMBER CHIN: And we really  
6 appreciate that. But in terms of the total  
7 capacity, I think you also have heard from the  
8 community that it's not enough. I mean, the  
9 number of seats that's been allocated for village  
10 and TriBeCa area, doesn't even meet the need of  
11 just the Community Board One, the area in TriBeCa,  
12 and the new school that's, it's built, is pretty  
13 much on the East Side. So there is still a  
14 growing need, and I think that the parents  
15 activists down there have share the numbers, and  
16 their analysis with the DOE. And so hopefully we  
17 can continue to fight for more school seats. What  
18 I was looking at that, in terms of the difference  
19 of the, of the capital plan, the capacity, what  
20 you presented, I mean, when we first heard that I  
21 think the, the earlier version of that, the need  
22 for 50,000 seats, I mean, we were excited at it,  
23 wow, you're really like planning ahead and meeting  
24 the need and all of the sudden come back with a,  
25 the amendment that went down almost half, right,

20 some thousand less. So my question is that, within the plan, I mean, why didn't you just lay out the need? I mean, the need is there. It's just the resource, right?

KATHLEEN GRIMM: Exactly.

COUNCIL MEMBER CHIN: It's the resource. I think that that should be really clearly stated, that we need to continue to fight for more resource, because it hasn't, the need hasn't been met. So, if that five, 50,000 number all the sudden disappear--

KATHLEEN GRIMM: Oh, no--

COUNCIL MEMBER CHIN: --and it doesn't, you know, show, and it really should still be there because we still have overcrowding and all the analysis that was done to get to that figure, and I just don't want that to go away.

KATHLEEN GRIMM: Neither do we. It's just, we, we don't have the resources, in this amendment.

COUNCIL MEMBER CHIN: But I think that, what I'm saying is that, to really lay it out there, it's, it's because of the lack of resources. So instead of just a PowerPoint

1 presentation, you have some subnotes to talk about  
2 that. Because in some of the schools that's being  
3 built, like, yes, on Governor's Island, there's a  
4 beautiful new school, Harbor School. But it's  
5 because of their curriculum, they need the other  
6 facility for them to get access to the Harbor and  
7 with their oyster farming, because the student has  
8 come and, you know, met with me and talked with  
9 me, and they want the City Council to fund the  
10 capital project of that building. That should be  
11 DOE's responsibility.  
12

13 KATHLEEN GRIMM: We, we build  
14 schools, Councilwoman.

15 COUNCIL MEMBER CHIN: [laughs]  
16 Yeah, but that should be part of the school,  
17 right?

18 KATHLEEN GRIMM: Not boathouses.

19 COUNCIL MEMBER CHIN: That should,  
20 yeah, I mean, that building should be part of the  
21 school. And the same thing like, when you build  
22 school and there's no gym, and there's only a  
23 fitness room, that's really, we really need to  
24 readdress those and look at when you build school,  
25 you got to build a whole school, which is include

1 the technology lab, the science lab, because all  
2 the school is still coming to the City Council.  
3 I'm new, and I was saying, "Why, why are coming to  
4 get a science lab? Isn't that part of a regular  
5 DOE, you know, mandate to have science lab?" So,  
6 I think that's, that's something that we really  
7 need to look at in terms of resources, that--  
8 increasing those capacity in our schools should be  
9 a regular mandate from DOE. And what the Council,  
10 I mean we could do the nice, the fun stuff.  
11 [laughs]

12 KATHLEEN GRIMM: Yep.

13 COUNCIL MEMBER CHIN: But the  
14 required stuff, should be DOE.

15 KATHLEEN GRIMM: You're right, I  
16 don't get to do fun stuff.

17 COUNCIL MEMBER CHIN: No [laughs]

18 KATHLEEN GRIMM: We're actually  
19 very, very appreciative of the funds you do put  
20 in, to really important things like libraries and  
21 science labs, it really helps us a lot, it helps  
22 the schools a lot. And it's great for the  
23 children.

24 COUNCIL MEMBER CHIN: Yeah, but I  
25



1 think that really that needs to be a regular DO--  
2 DOE responsibility--

3 KATHLEEN GRIMM: It's in the plan.

4 COUNCIL MEMBER CHIN: --for our  
5 students.

6 KATHLEEN GRIMM: It's just we don't  
7 have resources to do all of it, so.

8 COUNCIL MEMBER CHIN: Yeah, and we  
9 got to figure out, that the Mayor needs to put the  
10 resources in there, 'cause that should be part of  
11 the education, the system. But we always continue  
12 to work with you on that.

13 KATHLEEN GRIMM: Good.

14 COUNCIL MEMBER CHIN: Thank you,  
15 Chair.

16 CHAIRPERSON JACKSON: Thank you,  
17 Council Member. We've been joined by Council  
18 Member Jimmy Van Bramer of Queens, and Darlene  
19 Mealy of Brooklyn. And now we're going to turn to  
20 Danny Dromm of Queens, followed by Vincent Ignizio  
21 of Staten Island. Council Member Dromm? Waiting  
22 for the mic, yeah, okay.

23 COUNCIL MEMBER DROMM: Okay, thank  
24 you, I'm speaking into the mic. And thank you  
25

1 very much. Many people in the room know that I  
2 was a New York City public school teacher for 25  
3 years; in fact I taught until two months before I  
4 entered in to the Council. Even after the primary  
5 election, I went back and I taught for two months  
6 after, then I had a transition into the Council.  
7 But one thing people may not know is that I had to  
8 teach under conditions like this room today, in  
9 terms of overcrowding. [laughter] And I think  
10 everybody would agree about how uncomfortable  
11 they'd feel being in a room just like this. And  
12 in fact, that's the reality of what it is that  
13 we're here to talk about today. Are these types  
14 of conditions where kids are squished into rooms  
15 and there's very little opportunity for them to  
16 get the quality education that they deserve.  
17 Because I don't believe you can teach under these  
18 types of conditions. That being said, and I'll  
19 add to it as well, you know, I was speaking to a  
20 couple of the members of the City Hall Press  
21 Corps, and they're out in a trailer, and they hate  
22 being in the trailer. And that's the lead in to  
23 my question for you. We have these trailers,  
24 these portables, but from my understanding, when  
25

1 we met with you about a week or so ago, is that  
2 there is no plan to deal with or to upgrade or to  
3 remove these trailers.  
4

5 KATHLEEN GRIMM: There is no  
6 overall general plan. In the last capital plan,  
7 we had an aspiration to actually be able to remove  
8 all of them. We cannot do that. First of all,  
9 even if we were able to build enough capacity so  
10 that all of the children could move out of those  
11 trailers, removing the trailers itself is very,  
12 very expensive. But as you know, although we do  
13 our need analysis, as if those seats don't exist,  
14 'cause we don't count them, in the near future  
15 we're not going to be able to move every child out  
16 of them.

17 COUNCIL MEMBER DROMM: Well, my  
18 concern is also that the, the life of those  
19 trailers has been far exceeded.

20 KATHLEEN GRIMM: In some cases.

21 COUNCIL MEMBER DROMM: And I know,  
22 I'd say 18 years or so ago, when they put trailers  
23 into the school where I was teaching, PS 199 Kew  
24 in Sunnyside--

25 KATHLEEN GRIMM: Mm-hmm.

1  
2 COUNCIL MEMBER DROMM: --they told  
3 us at that time that the shelf life was five  
4 years. And in fact, it's, I'd say 15 to 18 years  
5 after that. And when I would go in there to  
6 teach, the ceiling tiles were warped, the floor  
7 tiles were up, the bathroom walls were warped, and  
8 in fact they were so warped that they couldn't  
9 hold the paper, the toilet paper roll, and the  
10 custodians resorted to attaching the roll of  
11 toilet paper to, you know, one of the disabled  
12 bars on the wall with a chain. And it very much  
13 reminded me of walking into a prison, you know,  
14 that you don't want anybody to steal the toilet  
15 paper. And, I mean, you know, it's--

16 KATHLEEN GRIMM: All right.

17 [laughter]

18 COUNCIL MEMBER DROMM: --its seems  
19 funny to a certain extent, but it's really not.

20 KATHLEEN GRIMM: It's not funny.

21 COUNCIL MEMBER DROMM: Because  
22 children should not have to learn under those  
23 types of conditions. And that's the reality of  
24 what it is that we're talking about. So, I'm very  
25 surprised that we don't have a trailer plan.

1  
2 Because I would imagine that, do you have a number  
3 on, on the, how many trailers are in the City?  
4 How many, or at least how many, how many schools  
5 have trailers?

6 KATHLEEN GRIMM: We, we actually  
7 have the number of how many trailers. Do you have  
8 it?

9 LORRAINE GRILLO: We have it, I  
10 think, I believe it's about 370.

11 COUNCIL MEMBER DROMM: And how old  
12 are they, do you know?

13 KATHLEEN GRIMM: Well, some of them  
14 are 20 years old, because certainly we wanted to  
15 be able to remove them. But the number is a  
16 decreasing number, Councilman. I mean, we are  
17 trying to remove them, but I am telling you, we do  
18 not have a plan to remove all of them at this  
19 point.

20 COUNCIL MEMBER DROMM: Well, let me  
21 go back to my school where I was teaching, as  
22 well, because in addition to the trailers, we had  
23 two annexes, one, and both in Catholic schools.  
24 And I'll tell you, I was there 25 years ago, and  
25 the situation never got better, it only really got

worse, because I don't think that there's enough foresight in the plan. For example, here, I guess it's in the Finance Briefing Paper, for District 24, there are 39 buildings, 35 of which are overcrowded, requiring seats of 4,232. And thank goodness the April 11 plan says that we're going to get 4,492 seats. But that's what we need now. Right? That's not looking to the future.

KATHLEEN GRIMM: It's a projection.

COUNCIL MEMBER DROMM: A projection? Does that projection take into account increased numbers going to 2014?

KATHLEEN GRIMM: Yes, correct.

COUNCIL MEMBER DROMM: So you're predicting that we'll 4,000 seats by 2014 or 2015, when the plan is implemented.

KATHLEEN GRIMM: Yes, but the [time bell] the plan won't be fully implemented by then, because it takes time. - -

COUNCIL MEMBER DROMM:  
[interposing] Well, thank you for making my point.

KATHLEEN GRIMM: --the buildings.

COUNCIL MEMBER DROMM: I just feel, and I'll finish with this, that the plan is not

adequate enough. And I, and I think that we really have to look at that issue, and we really must include some type of a plan for these transportables, because they are unsafe conditions for children to be in. Thank you.

CHAIRPERSON JACKSON: Thank you, Council Member Dromm. Now, we're, we hear from Council Member Vincent Ignizio, Staten Island, followed by Council Member Karen Koslowitz of Queens.

COUNCIL MEMBER IGNIZIO: Thank you very much. And I want to thank DOE for always answering our questions, whether we like the answers or not. But I want to point my colleagues to the former place where I used to work, where, up in Albany, that they get significant amount of blame, particularly this year, for handing us our lot in life. And we should remember that, come lobbying day, when we go up there, and instead of hugging and smiling and cheering at them, like so many of us do, we actually call them to the carpet and say, "It's great to see you, but you can't keep screwing the City like this." That being said, I want to pick up on what my colleague, Mr.

1 Dromm, Teacher Dromm said, about transportables.  
2 And we're all speaking about the same thing,  
3 basically. Because the transportables that are in  
4 P 37, District 75 school, that me and my former  
5 colleague, now Senator Lanza funded, are gorgeous.  
6 And I, they are big, they have bathrooms in 'em,  
7 they're peop--the teachers love them, the students  
8 love them. And are we talking about the same  
9 thing when we just use the overall word  
10 "transportables." 'Cause I've seen those, and  
11 then I've seen the ones I think you're referring  
12 to, which are these aluminum kind of, as you walk  
13 up the stairs you hear it, and the walls rattle  
14 and, you know, are we--are they all encompassed in  
15 the word "transportable"? And then there's  
16 certain, I don't know--

17  
18 KATHLEEN GRIMM: Yes, it has to do  
19 with age, primarily.

20 COUNCIL MEMBER IGNIZIO: With age,  
21 okay.

22 KATHLEEN GRIMM: With age, and how  
23 well they're maintained. We're certainly going  
24 to--

25 COUNCIL MEMBER IGNIZIO: 'Cause



1  
2 these are brick, the ones that I'm talking about  
3 are, have like a brick façade around.

4 KATHLEEN GRIMM: What is that?

5 COUNCIL MEMBER IGNIZIO: The ones  
6 that I'm referring to in my district, they're not-  
7 -

8 LORRAINE GRILLO: In that  
9 particular year, Council Member, there was a great  
10 deal of funding that came from the City Council.

11 COUNCIL MEMBER IGNIZIO: Right.

12 LORRAINE GRILLO: And in that case,  
13 I think a, a façade was put on the outside, and it  
14 was funded through - -

15 COUNCIL MEMBER IGNIZIO:  
16 [interposing] Yeah, I remember we, like--

17 LORRAINE GRILLO: There's some Reso  
18 A.

19 COUNCIL MEMBER IGNIZIO: Now  
20 Senator Lanza and I funded 'em jointly.

21 LORRAINE GRILLO: Correct.

22 COUNCIL MEMBER IGNIZIO: But the  
23 point is, are they, in the word "transportable,"  
24 is that included by your definition?

25 LORRAINE GRILLO: Yes.

COUNCIL MEMBER IGNIZIO: Okay. All right. I just needed to understand that. And what role does rezoning play in--I'll give you an example. I have PS 55 in my district, which is slightly overcrowded. PS 5 next door is slightly under capacity. At what point does the DOE make a decision to say, "You know what? Maybe we do need to move these lines somewhat, based on trends in patterns and whatnot"?

KATHLEEN GRIMM: We're looking, we're looking at that, especially in these days of reduced capital dollars.

COUNCIL MEMBER IGNIZIO: Understood.

KATHLEEN GRIMM: Rezoning and regra--reconfigurations, collocations, all of it, will not solve all of our capacity needs, but we are looking at it. And when it comes to rezoning, of course, we're working with the CECs.

COUNCIL MEMBER IGNIZIO: Right, and I know how sometimes negatively it's used, because a parent who, one child went to PS 55 now has to go to PS 5, it's, you know, the world's going to come to an end. But--

KATHLEEN GRIMM: It's difficult.

COUNCIL MEMBER IGNIZIO: --in the end of the day, if they're both very good schools, which they are in my district, I would encourage DOE to look at that, to offer some relief. Plus PS 5 has a lot of space if we needed to add additional sites. And it kind of dovetails into my next question, which is the rezoning of the intermediate schools to Staten Island. Clearly, I have issues of capacity in, in two schools and I have some extra capacity in an additional two. What I have been told from members of the CEC is that the Department of Ed has said, "We don't want to open up that can of worms with rezoning intermediate schools because of the issues that, that are actually not even in my district, but that will open up a can of worms throughout." Is this true? Is, you know, if we rezone one or two intermediate schools on the south shore of Staten Island, we have to rezone all the intermediate schools on Staten Island?

KATHLEEN GRIMM: Not as a rule. I mean, the CEC has jurisdiction to rezone two schools--

COUNCIL MEMBER IGNIZIO: Well,  
they've asked.

KATHLEEN GRIMM: --which is what -  
- time--

COUNCIL MEMBER IGNIZIO: And they  
have been somewhat thwarted by the Department of  
Education officials to say, "We don't really want  
to talk about it, we just don't want to talk about  
it." And I don't come from the world where we  
just don't talk about things that we, that, that  
if we have an issue, let's try to solve it, let's  
talk about whatever the issues are.

KATHLEEN GRIMM: I'll have to go  
back and get some information for you.

COUNCIL MEMBER IGNIZIO: Okay.

KATHLEEN GRIMM: Not to my  
knowledge, but--

COUNCIL MEMBER IGNIZIO: All right,  
that's fair. We have a great school potentially  
coming online in, in my district which will  
provide some capacity help for PS 6, PS 56 and PS  
3. Can you just, somebody give me an update, I  
guess Lorraine can give me an update as to--I  
think we're on schedule, I just want to be sure

what we're at.

LORRAINE GRILLO: We're talking  
about PS 6--

COUNCIL MEMBER IGNIZIO: The, I don't know, but it's 62, I would call it the 56 annex, but 62.

LORRAINE GRILLO: --62R--near the--  
PS 62R which will be our Netzero Energy building.

COUNCIL MEMBER IGNIZIO: Right.

LORRAINE GRILLO: We are thrilled about that one.

COUNCIL MEMBER IGNIZIO: As am I.

LORRAINE GRILLO: The design is coming along very nicely.

COUNCIL MEMBER IGNIZIO: Okay.

LORRAINE GRILLO: And we're happy  
to give you a presentation on that if you'd like.

COUNCIL MEMBER IGNIZIO: Okay. And my final question is, just out of confusion, just 'cause I don't know, we have so many seats that are [time bell] designated for the elementary school and IS level, but then so few on the high school level. Just my mind, me and Dan Garodnick were saying, "Don't those 28,000 seats eventually

1  
2 end up in the high schools? And how do we, if we  
3 don't invest as much in the high schools, how do  
4 we have the capacity to service those 24,000-  
5 25,000?" I know there's some diversion rate with  
6 private schools, catholic schools, that, whatnot,  
7 but is it so great that the projected need of  
8 those 26,000 students, when they get to high  
9 school, will be accommodated? That's my final  
10 question, I'll just--

11 KATHLEEN GRIMM: I, I think it  
12 varies across the City. But, but by and large, I  
13 think the, the elementary schools have been more  
14 overcrowded than the high schools have been. So  
15 we're kind of playing catch up with the elementary  
16 schools. And not so much with high schools,  
17 except in Queens, where we're, we still need some  
18 seats.

19 CHAIRPERSON JACKSON: Thank you.  
20 Council Member Koslowitz of Queens, followed by  
21 Council Member Barron of Brooklyn.

22 COUNCIL MEMBER KOSLOWITZ: Thank  
23 you, Mr. Chair. I would like to know what the  
24 cost is in closing schools and putting other  
25 schools into the same building. And what I'm

referring to is Jamaica High School.

KATHLEEN GRIMM: Mm-hmm.

COUNCIL MEMBER KOSLOWITZ: Jamaica High School, as you know, is closed, there are still 1,200 students in Jamaica High School that are--

KATHLEEN GRIMM: - -

COUNCIL MEMBER KOSLOWITZ: And then there are other schools surrounding in the same building. What is the cost of having the 1,200 students and the other classrooms and other schools in the same building?

KATHLEEN GRIMM: Well, the cost would involve, on the capital side, some, not a great amount, but some investment that we make to make each school feel like it owns its own space. On the expense side, it would be the cost of the additional principal's school secretary, AP, whatever.

COUNCIL MEMBER KOSLOWITZ: Right, there are 30 new support staff in the three schools--

KATHLEEN GRIMM: Right.

COUNCIL MEMBER KOSLOWITZ: --in

that, in Jamaica.

KATHLEEN GRIMM: But of course the benefit would be, we are phasing out a school that is not working for our children. And what we have seen with our phase outs, where we, especially in the big high schools, where we have phased them out and brought in these smaller schools, we've seen dramatic changes to graduation rates, and I mean that basically, that's what it is. I mean, how are students are doing. So, I would say the benefit far outweighs the cost.

COUNCIL MEMBER KOSLOWITZ: But there are still 300 students going to the failed school, and they will be phased out in three years.

KATHLEEN GRIMM: But they, again,  
they are getting additional supports, also.

COUNCIL MEMBER KOSLOWITZ: Because I visited the school and I know computers, they have like 45 computers for 1,200 students in the Jamaica part, and in the other parts, each student had a computer. In fact, one principal said that he only uses one computer for two students, he has 45 computers like put away, because he likes them



1  
2 to be a community, like two students working  
3 together.

4 KATHLEEN GRIMM: Sure, that's  
5 interesting. I, we'll look into that, we'll  
6 follow up, because all those students should have  
7 access to the same thing.

8 COUNCIL MEMBER KOSLOWITZ: Okay.  
9 Now, incubation, as you know, that the Maspeth  
10 High School is being incubated into the 17 years  
11 in waiting Metropolitan High School. Is there a  
12 cost or savings to this, for that one year where  
13 the students are going to be incubated.

14 KATHLEEN GRIMM: Not because of the  
15 incubation. I mean, simply the cost of creating  
16 the school.

17 COUNCIL MEMBER KOSLOWITZ: Well,  
18 it's one more year of having to pay salaries of  
19 the, of the teachers and, and there's going to be  
20 a separate--

21 KATHLEEN GRIMM: Yes, but where,  
22 wherever those children were, they would, we would  
23 incur cost to pay them. Remember we fund our  
24 schools based on the children. So the school  
25 budget is created based on the number of children

1  
2 and what their characteristics might be. So that  
3 money would follow the children wherever it was in  
4 the system.

5 COUNCIL MEMBER KOSLOWITZ: Okay.

6 And are there any plans for Forest Hills High  
7 School. The overcrowding. 4,100 students in  
8 2,700 seats.

9 KATHLEEN GRIMM: I don't think  
10 there are any specific plans for the high school,  
11 but there are some seats in Queens, are there not?

12 LORRAINE GRILLO: Right, right.

13 KATHLEEN GRIMM: Take it.

14 LORRAINE GRILLO: Yes, we, we have  
15 an additional couple of thousand seats planned for  
16 Queens, but as we discussed earlier, when we do  
17 the, the calculations for the future, and the  
18 projections, we, we count high schools by borough,  
19 because the students in those high--in each  
20 borough do travel. So, in the case of Queens,  
21 we've seen overcrowding over the years, and we've  
22 continued to build as you can see with  
23 Metropolitan Avenue and, and the new school being  
24 built right now. And we have another Richmond  
25 Hill Annex planned, and as well as a, another high

1 school in Hunter's Point. But nothing  
2 specifically to the area of Forest Hills.

3 COUNCIL MEMBER KOSLOWITZ: Well,  
4 I'm happy to hear about the Richmond Hill because  
5 that was slated to be closed and I'm happy to see  
6 that it's expanding. That, that's a good thing.  
7 And I want to thank you for all of your  
8 cooperation through the years. Thank you.

9 LORRAINE GRILLO: Thank you.

10 CHAIRPERSON BARRON: Oh, thank you  
11 very much. Hi, everybody. Can't we all get  
12 along? [laughter] That's the kind of person I  
13 am.

14 CHAIRPERSON RECCHIA: Hold on, hold  
15 on, Mr. Barron, I'm glad to see you want to all  
16 get along. After Mr. Barron'll be Mr. Greenfield.

17 CHAIRPERSON BARRON: Yes.

18 CHAIRPERSON RECCHIA: And then  
19 followed by Al Vann. So, I recognize Mr. Barron.

20 CHAIRPERSON BARRON: Oh, so you had  
21 to do the recognize thing? You didn't have to do  
22 that--

23 CHAIRPERSON RECCHIA: Of course, I  
24 want to give you the respect and the honor, and I  
25

2 want to hear, wants to hear you.

3 CHAIRPERSON BARRON: Oh. I  
4 thought, I thought it was a, you know, the white  
5 male control thing, but that's all right, I'm  
6 going to move along. [laughter] I'm going to  
7 move right along.

8 CHAIRPERSON RECCHIA: You see, you  
9 see, I'm trying to be nice, put you up on a  
10 pedestal.

11 CHAIRPERSON BARRON: [laughs] Thank  
12 you very much. Now, I--

13 CHAIRPERSON RECCHIA: You know  
14 what?

15 CHAIRPERSON BARRON: --always  
16 appreciate your respect.

17 CHAIRPERSON RECCHIA: Would you say  
18 that to Robert Jackson? [laughs]

19 CHAIRPERSON BARRON: No, he's a  
20 brother. [laughter] On a very serious note, you  
21 know--

22 CHAIRPERSON RECCHIA: I'll remember  
23 that during the--

24 CHAIRPERSON BARRON: No, no, no,  
25 Domenic, I'm just--

CHAIRPERSON RECCHIA: --budget  
time--

CHAIRPERSON BARRON: --I'm just  
showing off, Domenic, don't be so sensitive.

CHAIRPERSON RECCHIA: It just cost  
you, I just cost you \$25,000.

CHAIRPERSON BARRON: You know I,  
you know I need your help. [laughter] I'm just  
showing off, Domenic, that's all. That's all.  
You know, on a very serious note, I wanted to,  
before I get to micro-questions, I just wanted to  
give a macro picture of what's happening in  
education, and seeing the correlation, if not the  
causation of capital investment and the  
improvement of the physical environment for  
teachers and, and children, the importance of that  
on outcome. So when I look at it on a very macro  
sense, over the last ten years, and I'm going to  
include expense, you don't have to respond to any  
of the expense questions, but it's deep. Over the  
last ten years, the Department of Education has  
spent over, on the expense side, \$150 billion.  
\$150 billion, it's really approaching \$200  
billion, but over \$150 billion on the capital

side, averaging about \$2 billion a year, and or more, it's approaching \$25 billion. \$25 billion in capital money, over \$150 billion of expense money, to educate 1.1 million educable children, and the results in the City, 65 percent of the children graduate, and only 23 percent of them are prepared for college. 23 percent, and that's based upon a 65 score on the State Regents. On the State it's a different level. 77 percent graduate on the State level, 41 percent are prepared for college. And that's based on a 80 score. So they can't even say the State is giving them a tougher criteria, they dumbed down the criteria for the City. And if that child is black, only 62 percent graduate, and only 15 percent are prepared for college. 15 percent are prepared for college of black students, 23 percent for all the students, after \$150 billion of expense money and \$25 billion of capital money. If they're one of the few charter high schools that we have, just about a handful, and y'all need to squash that model, because only 49 percent of the charter school students graduate, and only ten percent of them are prepared for college. This is

the five or six or seven or whatever amount of charter high schools they have. So why would we want to continue in that vein. So they stick in, they talk about the elementary schools and middle school, but the bottom line is what happens after twelve years of Bloomberg and Education, these are the factual results. If these students decide they want to go to CUNY, 76 percent of them need remediation, and after two years 40 percent of them drop out. You can't possibly fix your face to say that's success. That cannot be success. And when we talking about capital investment, and you've had \$25 billion to lower, reduce class size, to put a smart board in every school, to put and update the libraries. I got schools in my district that are falling apart. And they're talking about this capital improvement budget, \$2.3 billion. You've had \$25 billion over the years to improve 1,300 schools that house about 1,700--1,300 buildings that house about 1,700 schools, this is what we're talking about here. So you don't get this picture, when we just get into the micro part of it. So let me ask my micro question. The BCAS ratings, you just took some of

1 my time. Shouldn't interrupt me, I lost my train  
2 of thought, I need another minute, I need another  
3 minute to get back on track. [laughter] But my  
4 question is, in the BCAS, the, the Building  
5 Condition Assessment Survey, I know you have a  
6 bunch of five, how many are fives, and how many  
7 will be taken care of, 'cause the fives represent  
8 some severe needs. So that's a softball question  
9 for you, 'cause I know the other stuff you can't  
10 possibly refute. Those are statistics, by the  
11 way, based upon the State statistics.

12  
13 KATHLEEN GRIMM: We will be  
14 addressing the number fives in this amendment. I  
15 don't know how many--

16 CHAIRPERSON BARRON: But what does  
17 that mean? I mean, as, you know--

18 KATHLEEN GRIMM: We're fixing them.

19 CHAIRPERSON BARRON: --'cause we  
20 always have the two-point, the billions in the  
21 capital improvement, we have the number fives  
22 hanging, and I look in my district [time bell] and  
23 I see a lot of dilapidated schools that are  
24 definitely number fives, and over the years they  
25 haven't been addressed.



KATHLEEN GRIMM: We, we should talk, because you should not have any buildings in your district which are, as you said, falling apart. I mean, we have physical problems in our buildings, but most of our buildings are in pretty good shape today. But I do need--

CHAIRPERSON BARRON: Well, come on to East New York, I mean--

KATHLEEN GRIMM: --I need to address, well you did say, because you said the graduation rate is 65 percent.

CHAIRPERSON BARRON: Now that's what the State said.

KATHLEEN GRIMM: The State said, well, I'm going to quote the State, 65 percent. Is that good enough? No. It certainly is not. But you said we've spent all this money over ten years. Ten years ago, that graduation rate was a lot closer to 50 percent.

CHAIRPERSON BARRON: Let me ask you--

KATHLEEN GRIMM: And it was stuck there for 35 years.

CHAIRPERSON BARRON: But, no, you

do that all the time. What about the 23 percent that are prepared for college? See, I'm not talking about the graduation rate, 'cause if you graduate and you're not prepared to go to college, or have a career--

KATHLEEN GRIMM: Career.

CHAIRPERSON BARRON: --it's irrelevant.

KATHLEEN GRIMM: Absolutely.

CHAIRPERSON BARRON: So what about the 23 percent that are not prepared. Put it another way, what about the 77 percent that aren't prepared for college--

KATHLEEN GRIMM: Yes.

CHAIRPERSON BARRON: --or a career after graduation.

KATHLEEN GRIMM: We have a lot more work to do.

CHAIRPERSON BARRON: Oh, you have a lot more work to do.

KATHLEEN GRIMM: Because that is, that is not acceptable--

CHAIRPERSON BARRON: Interesting response, but I notice you went straight to the

current graduation rate 'cause that's what Bloomberg has y'all doing. The bottom line [time bell] the 23 percent, what about the 15 percent, or the 85 percent black students that are not prepared after twelve years of your education system to go to college or have a career?

CHAIRPERSON JACKSON: Thank you.

CHAIRPERSON BARRON: You got to do better, right?

KATHLEEN GRIMM: Yes, sir.

CHAIRPERSON BARRON: Right.

CHAIRPERSON JACKSON: Thank you, Council Member.

CHAIRPERSON BARRON: Should've been done better.

CHAIRPERSON JACKSON: Thank you. Thank you, Council Member, we can put you on the second round, if you wish.

CHAIRPERSON BARRON: I'd like a second, third, fourth and fifth round.

CHAIRPERSON JACKSON: Okay.

[laughter] And now we're going to turn to--

CHAIRPERSON BARRON: Should've been done.

COUNCIL MEMBER JAMES: Should've  
done?

CHAIRPERSON BARRON: No, no,  
should've been done.

CHAIRPERSON JACKSON: We're going  
to turn to our colleague, Council Member David--

CHAIRPERSON BARRON: This, this is  
what happens when you talk to Education people.  
Should've been done.

CHAIRPERSON JACKSON: --Council  
Member--

CHAIRPERSON BARRON: If they  
weren't here, I would've said it differently.

CHAIRPERSON JACKSON: --Greenfield  
of Brooklyn, followed by Council Member Al Vann of  
Brooklyn. We've been joined by our colleague  
Oliver Koppell of The Bronx. Council Member  
Greenfield. Come back. Council Member Al Vann is  
next, Council Member Al Vann of Brooklyn. Yeah,  
Greenfield is coming back. Council Member Vann,  
followed by Council Member Levin.

COUNCIL MEMBER VANN: Yeah, thank  
you. Thank you, Chair, good afternoon. I was  
wondering, Deputy Chancellor, whether or not the

1 policy of directing kindergarten classes into the  
2 public schools, you, at one point in time a lot of  
3 the daycare centers had kindergarten in the  
4 community based setting, and I guess a couple  
5 years ago we sort of changed that policy and  
6 directed most kindergarten classes now to public  
7 schools. That's correct, isn't it?

8 KATHLEEN GRIMM: Yes.

9 COUNCIL MEMBER VANN: I believe  
10 that's correct. Is, does that also apply to pre-  
11 K? Is that now also being directed into--

12 KATHLEEN GRIMM: No, I mean, some  
13 of our schools do have pre-K services, but I think  
14 the vast majority of those services are provided  
15 by our community based organizations.

16 COUNCIL MEMBER VANN: Right. Okay,  
17 well my question was, to what extent has the  
18 policy which directs all kindergarten into the  
19 public schools, out of the community based  
20 setting, what impact has that had on, on the  
21 capacity within the various school districts, or  
22 within the State of New York, actually.

23 KATHLEEN GRIMM: I think we've  
24 actually absorbed that pretty well, What's really  
25

1  
2 happening is that we are seeing, or projecting,  
3 anyway, greater capacity needs because actually  
4 children are staying in our schools. To a greater  
5 extent than they did before. But I don't think  
6 that particular aspect had a major impact.

7 COUNCIL MEMBER VANN: A major  
8 impact. Yeah, capacity or overcrowding, you  
9 maintain that by school district, and can that be  
10 also extrapolated to reflect the Council District?

11 KATHLEEN GRIMM: Well, we don't do  
12 it by Council District, although we provide you  
13 data by Council District. We do the analysis on a  
14 district level, but then we refine it to the  
15 neighborhood level, basically.

16 COUNCIL MEMBER VANN: Okay, because  
17 Council Districts might have, two, three, or four  
18 parts of school districts within it, so in order  
19 to get a clear picture within a Council District--

20 KATHLEEN GRIMM: We do have that  
21 for you.

22 COUNCIL MEMBER VANN: Okay.

23 KATHLEEN GRIMM: We do have a, a  
24 district breakdown, Council District.

25 COUNCIL MEMBER VANN: Right, very

good.

KATHLEEN GRIMM: I think.

COUNCIL MEMBER VANN: Thank you,  
we'll follow up with that. Thank you, Brother  
Chair.

CHAIRPERSON JACKSON: Thank you,  
Council Member. Council Member Steve Levin,  
followed by Council Member Crowley.

COUNCIL MEMBER LEVIN: Thank you,  
Mr. Chairman. Thank you, Deputy Chancellor. I  
just wanted to ask about the difference between  
the November plan and, and the April plan. The  
November, because the, the outlier there is the  
November plan. And, you know, in the trend  
between the, the current plan that we're operating  
of, and the, and the April amendment. What, I  
don't quite understand, why, the November plan was  
based upon an assessment of need, correct?

KATHLEEN GRIMM: Yes. That  
November plan carried two things that are not in  
the April. Well, the November amendment proposal.

COUNCIL MEMBER LEVIN: Amendment,  
right, right, I'm sorry.

KATHLEEN GRIMM: That are not in

here. It carried 20,000 seats, which carried across about \$3.5 billion, and it also had an increased technology cost of a billion dollars. By the time we got to the April plan, and had gone through the rollercoaster of the City budget and the State budget, our aspirations were chilled. So, this April plan provides almost as much capacity as is, is in the current plan.

COUNCIL MEMBER LEVIN: Current plan. Right, my question is why, what went into those aspirations being chilled?

KATHLEEN GRIMM: Money, lack of money.

COUNCIL MEMBER LEVIN: Right, but the, I mean, did, what was, what did we think we were going to--what resources did we think were going to be there in November that are not here now? I mean, there's State reimbursement levels, I mean, is it, it's got to go beyond that, right?

KATHLEEN GRIMM: I think it--

COUNCIL MEMBER LEVIN: I mean, what's, what's--

KATHLEEN GRIMM: I think a lot of things--



COUNCIL MEMBER LEVIN: --from a City perspective, we recognize the need, right?

KATHLEEN GRIMM: We, yes, I mean, I don't think, nobody disputes that, the need hasn't gone away. What's happened is many things have happened. You know, we have enjoyed the benefit of the federal money, stimulus money coming in, and that's going away. We thought we had a promise from the State of New York on the C for E funding, and that's gone away. So we have really ran into very troubled waters on the expense side. One of the expense items is debt. So the Mayor felt constrained on the capital side, because of the impact on the expense side.

COUNCIL MEMBER LEVIN: I mean, were we, were we fooling ourselves in November? I mean, we were, or was that just kind of an aspirational thing? I mean--

KATHLEEN GRIMM: No. I mean, what we have always done is to produce a plan based on what the need is.

COUNCIL MEMBER LEVIN: Okay.

KATHLEEN GRIMM: In prior years, we've had the money to meet the need, or at least

the projected need, we revise it every year, as you know. This year, we had a wall. We just hit a wall.

COUNCIL MEMBER LEVIN: So, with the need there, and the need that's recognized there, and we're seeing manifestations of that, and maybe it's a fluke about kindergarten waiting lists and things like that. But, but maybe it's not [time bell] what, what is Plan B here? We know that there's the need, the need is the need that we recognized in November. That need is not going to go away, and it might get worse.

KATHLEEN GRIMM: No, it's not.

COUNCIL MEMBER LEVIN: What is, what is Plan B? What are we going to do about it?

KATHLEEN GRIMM: Plan B is what our Plan B always is. We're going to continue to look at that, at the demographics studies, the housing information, all of that. We will be reissuing an amendment, once again, in November. We'll be taking stock of how the City's doing financially. And hopefully at some point, the City's finances recoup and we can start adding back in this capacity.

COUNCIL MEMBER LEVIN: What if they don't?

KATHLEEN GRIMM: But until we have the money, we have a problem. We will work with our existing facilities, in terms of rezoning initiatives, grade reconfigurations, colocations, if there's anything we can do that way, but I don't pretend that's going to solve the entire problem.

COUNCIL MEMBER LEVIN: Okay, 'cause it's, I mean, obviously it's a, it's a problem that's not going away.

KATHLEEN GRIMM: Correct.

COUNCIL MEMBER LEVIN: Thank you, Deputy Chancellor. Thank you, Mr. Chairman.

CHAIRPERSON JACKSON: Thank you. Council Member Crowley of Queens and followed by our Chair of Finance, Domenic Recchia. Oh, go first, go ahead, Domenic.

CHAIRPERSON RECCHIA: I'm just, just have to follow up on what Council Member Levin and his questioning, because there's something that's really like bothering me and my staff, is that you came out with this plan in

November.

KATHLEEN GRIMM: Mm-hmm.

CHAIRPERSON RECCHIA: Okay? And you added all this capital money. Right? Then, two weeks later, the Mayor announced a 20 percent cut in capital, in his capital plan. Didn't any, wasn't anyone talking to each other?

KATHLEEN GRIMM: Sure.

CHAIRPERSON RECCHIA: Why did you come out with this plan and then knowing that they were going to cut six perc--20 percent of the capital plan, where you wind up having to cut.

KATHLEEN GRIMM: We came out, excuse me, we came out with the plan as we, the proposal, not the plan, the proposal, in November.

CHAIRPERSON RECCHIA: Oh, it was a proposal, in November.

KATHLEEN GRIMM: Yes. It's still a proposal. I believe the Mayor came out with--

CHAIRPERSON RECCHIA: All-all right, so everything in the plan is a proposal. How do we make it a plan that's going to be done?

KATHLEEN GRIMM: What we have right now--

CHAIRPERSON RECCHIA: So, wait, if you're saying it's a proposal, then that means when we vote at the time of the budget, we are going to ask you, when you come to testify before us, "Is this a proposal? Or is this a definite plan?" I just want to set the record clear, this is a proposal. So we have to make sure that, before the hearing, when you come and testify, we are going to ask you if this is a proposal or a definite plan. We just want to make sure.

KATHLEEN GRIMM: This is a proposed amendment to our current capital plan. And this, the original proposal in November was issued two or three months before the Mayor issued his capital plan in January. And in January, you will recall, things were in a great state of disarray between the City budget and the State budget, so that we issued a February plan that was more draconian than this proposal. We issued a February proposal, sorry.

CHAIRPERSON RECCHIA: Well, you know, I disagree with you, Deputy Chancellor. But I just, you know, the City Council, we're tired of passing a budget--and we understand there has to

1 be cuts--but for things to put forward and being  
2 cut and cut and cut. You know what? It's a  
3 problem, it's a problem for schools thinking that  
4 they're going to get something they've been  
5 waiting for, and then it's going to be cut again.  
6 All right? And it's like we told Mark Page, this  
7 has to stop. If you knew that this cut was  
8 coming, they should've never announced the plan,  
9 get people's excited, get them to say, "Finally  
10 our schools is going to get what we deserve."  
11 Okay? And then it be cut again. We have to come  
12 out with a plan that's a real plan. Not something  
13 that may happen or is a proposal, but something  
14 that will happen. Okay, Council Member Crowley.

16 COUNCIL MEMBER CROWLEY: Thank you  
17 to both the Co-Chairs. Good afternoon, Department  
18 of Education folks. I'm just following up to what  
19 Domenic and Steve have been asking about. We were  
20 cut from the State, as well. Is that why, that  
21 we've cut our drastic, our capital plan as  
22 drastically as we have?

23 KATHLEEN GRIMM: Actually, what  
24 happened was, as the Chairs mentioned, in November  
25 we came out with a plan based on need. We then

went through a process where the City and the State budgets were really in a state of fluctuation. The Governor's proposed budget recommended that he, that the State would pull back the money that they have been giving us traditionally. So, in the timeframe, we came out with a February amendment. Which was devastating, in terms of--

COUNCIL MEMBER CROWLEY: Right, I remember--

KATHLEEN GRIMM: --a reduction.

COUNCIL MEMBER CROWLEY: --a number of our colleagues here, City Council Members went up, we lobbied for restoration of \$400 million.

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER CROWLEY: For the next fiscal year. Didn't we get that restoration from the State?

KATHLEEN GRIMM: Well, on the capital side, the Governor proposed the reduction, the legislature did not pass it. So, once that happened, we knew we could reflect once again, the State money flowing in, and we put all that money toward capacity, and came out with the, the April

proposal, which is before you today.

COUNCIL MEMBER CROWLEY: So did the State restore 100 percent of their capital dollars towards Education?

KATHLEEN GRIMM: They, they did not cut anything.

COUNCIL MEMBER CROWLEY: They didn't?

KATHLEEN GRIMM: No.

COUNCIL MEMBER CROWLEY: That's why I'm surprised that there is even a cut. If the State didn't cut.

KATHLEEN GRIMM: Well, because the City cut.

COUNCIL MEMBER CROWLEY: Well, the City, I thought it was their policy to meet what the State has put in, in terms of investment.

KATHLEEN GRIMM: No, no--

COUNCIL MEMBER CROWLEY: Dollar for dollar, in terms of capital.

KATHLEEN GRIMM: --the State, that State matches what we put in.

COUNCIL MEMBER CROWLEY: So, then, if we're putting in less than what the State is



1 willing to give, economically, that doesn't make  
2 senses for us as a City. If we're in a better  
3 fiscal climate, and we don't have the budget  
4 deficit that the State had, the State is willing  
5 to put in such an investment, we should at least  
6 do what we can to meet that investment, if we know  
7 that we have the capacity needs. I don't want to  
8 spend too much more time on that, because I know--  
9 and the clock is running. I want to talk about  
10 the new schools. Because I have a new high school  
11 that opened up in September, I have another high  
12 school that's planned to open up the following  
13 September, and we have plans for an elementary  
14 school. And my main concern about the new  
15 schools, is the budget that the principals are  
16 working with, and how the budgets seem to be  
17 limiting who the teachers can hire, who the  
18 principals can hire. And it's frustrating for me  
19 to speak to certain principals that understand  
20 that, you know, their majority of their teaching  
21 workforce doesn't have the experience that other  
22 high schools have, because the newer teachers are  
23 more inexpensive, it allows them to hire more  
24 newer teachers; therefore, their staff ratio to

new teachers versus experienced teachers could be as high as 40/60. 40 percent new teachers, when they're teaching subjects like trigonometry, like physics, chemistry, difficult subjects, it's very hard, it seems, for these principals to find teachers that have the experience. And here we are, incubating new schools where we want kids to graduate on time, and we want, and we have such high expectations, that we should have. But if, I feel like these schools are limiting. And why is it that other, more established schools can grandfather in teachers into their overall budget, and these new schools can't do that?

CHAIRPERSON JACKSON: Okay, one second, please. My colleague, this is a capital hearing, expense hearing I think is on June 1st.

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: But if you can briefly answer her question, but my colleagues, I ask you to limit your question to capital, and hold all your other stuff, when we bombard them on June 1st. [laughter]

KATHLEEN GRIMM: Just very briefly, the State was not good to us on the expense side

at all. And the federal money is going away. The Mayor has added \$2 billion in expense money to our budget, to make up for those two shortfalls. That having been said, the school, the budgets going out to schools are not a happy site this year, compared to before.

COUNCIL MEMBER CROWLEY: I just don't think it's fair for principals to have to look at the amount of experience a teacher has, and the amount that that teacher's going to cost, when they look at who they can and cannot hire. I don't think it's fair to do that.

CHAIRPERSON JACKSON: I don't think it's fair, either, but could you just limit your questions to capital stuff, colleague?

COUNCIL MEMBER CROWLEY: Sorry. So, we'll talk about that next time we're--

CHAIRPERSON JACKSON: Okay, hold, hold, hold it in, so you can get it out on June 1st. [laughter]

COUNCIL MEMBER CROWLEY: Okay. That's it. No other questions.

CHAIRPERSON JACKSON: Okay, thank you. We've been joined by our colleagues, Council

Member Rosie Mendez of Manhattan, and Council Member Julissa Ferreras of Queens. And now we're going to turn to our colleague, Council Member Mendez of Manhattan.

[pause]

COUNCIL MEMBER MENDEZ: Good afternoon.

KATHLEEN GRIMM: Good afternoon.

COUNCIL MEMBER MENDEZ: So, Deputy Chancellor Grimm, the other day you met with us--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER MENDEZ: --from the Manhattan Delegation. And you told us that in District One, there was no increase in capacity. And just looking at the kindergarten classes in District One, which is covered by myself and Council Member Chin, there, there, in one academic year there was a, you know, an increase, since it's a small district, there was an increase in the kindergarten class. Now, since that is the part of the capital plan that's being cut, the, the capacity in building new schools, I just want to know, because like in District One, in Margaret's District, we have a big housing plan

coming up, the Seward Park Urban Renewal Area.

So, we're going to need to build schools for all those people who are coming in. And we're already showing an increase in capacity in District One.

So, I just want to kind of understand where the decisions are not to build, because my classes are already overcrowded in a lot of my schools.

KATHLEEN GRIMM: Well, right now, our data is showing that District One is really, most of the schools in District One, not all, are underutilized, and we, we'll happily review that data with you. As to the housing project--

COUNCIL MEMBER MENDEZ: We, we can review it again.

KATHLEEN GRIMM: Of course.

COUNCIL MEMBER MENDEZ: I think I've disputed that before, but yes, we can review it again.

KATHLEEN GRIMM: Sure. And we will review it again.

COUNCIL MEMBER MENDEZ: And--yes.

KATHLEEN GRIMM: We'll review it in November.

COUNCIL MEMBER MENDEZ: And it's

not all of the schools in District One, maybe two.

But--

KATHLEEN GRIMM: Not all schools are created equal, I understand that.

COUNCIL MEMBER MENDEZ: Right.

KATHLEEN GRIMM: But in November, we will once again go through all of our data, go through the needs assessment, look at the housing projects that are on the drawing boards, and we'll be back to talk about it.

COUNCIL MEMBER MENDEZ: And, and you're looking at not just in District One, but looking all over citywide--

KATHLEEN GRIMM: Absolutely.

COUNCIL MEMBER MENDEZ: --at where all this new housing is being built.

KATHLEEN GRIMM: Yes, always. We always look at the housing.

COUNCIL MEMBER MENDEZ: Okay.

KATHLEEN GRIMM: And of course then we have to look at the money. So we've got two hurdles here. To talk about.

COUNCIL MEMBER MENDEZ: Well, you know, we're giving developers tax abatements to

build their buildings, they should just be giving us lots of schools in return.

KATHLEEN GRIMM: From your lips to God's ears.

COUNCIL MEMBER MENDEZ: Well, the Mayor can make it happen. We certainly would follow suit with that.

KATHLEEN GRIMM: Right.

COUNCIL MEMBER MENDEZ: I think we're on the same page on that one, if he, if he wants to lead the charge on that. Thank you.

CHAIRPERSON JACKSON: Thank you, Council Member. Council Member Julissa Ferreras of Queens.

COUNCIL MEMBER FERRERAS: Good afternoon, Deputy Chancellor.

KATHLEEN GRIMM: Good afternoon.

COUNCIL MEMBER FERRERAS: I just wanted to, I know that my colleagues earlier, 'cause we were kind of texting each other back and forth, had mentioned the, the portables issues, that we have in Queens.

KATHLEEN GRIMM: Mm-hmm. Yes.

COUNCIL MEMBER FERRERAS: And also

the overcrowding.

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER FERRERAS: And it's very real in the 21st Council District, but also school districts 24 and 30, and I'm sure I'm not--

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER FERRERAS: --telling you anything new. But if you can just quickly-- and I know that in our past discussions you have said there's really no plan to address the temporary, which I call them permanent, now, because I don't know how long, how long they can be called temporary when they're there for over 15 years. Is there a plan, and if there isn't a plan, is there, do you see, foresee a plan being developed in the future, on the elimination of the portables in our schools?

KATHLEEN GRIMM: Well, there is no plan currently. As I said earlier, in the last capital plan, we had the aspiration of being able to remove all of these trailers. We right now are not funding enough seats to realistically say we can eliminate them. And if we did, then we would have the issue of how expensive it is to remove



1  
2 them. The one thing we continue to do, in terms  
3 of holding our feet to the fire, we do not count  
4 those seats when we look at need. We, we pretend  
5 they don't exist, because our goal is to have  
6 every child in a regular building. But for the  
7 near future, at least, we're not going to see too  
8 much movement there.

9 COUNCIL MEMBER FERRERAS: And are,  
10 is this the same for many buildings?

11 KATHLEEN GRIMM: Yes.

12 COUNCIL MEMBER FERRERAS: Do you  
13 consider those, are those also not counted in the  
14 seats?

15 KATHLEEN GRIMM: Yeah, correct.

16 COUNCIL MEMBER FERRERAS: Okay.  
17 And then, I know that you have in the 21st Counc--  
18 Or, I guess that would be C-C24, the five  
19 additional schools, have they all been identified  
20 with locations?

21 [pause]

22 LORRAINE GRILLO: We're checking  
23 now, sorry. [pause] So, everything's sited, but  
24 180 seats that still need to be sited.

25 COUNCIL MEMBER FERRERAS: 180

seats.

LORRAINE GRILLO: Yes.

COUNCIL MEMBER FERRERAS: Okay.

And have you looked into some of the schools, some of the catholic schools that have gotten kind of off course? And in looking into those opportunities in the district?

LORRAINE GRILLO: Absolutely. As a matter of fact, we have several catholic schools in District 24, that we lease.

COUNCIL MEMBER FERRERAS: Okay.

'Cause I think that, you know, they also may be adequate space and one of the issues is with overcrowding, we also have no space to build additional schools. So, I understand that that is a, a very hard situation. And I must say that one of the other realities is that when you go forth to the community board, then sometimes community residents don't want the schools, and I, and I actually was privy to a very frustrating conversation in my own district. So, I acknowledge that, you know, sometimes you've identified the spaces. But we have people at the community board saying that they don't want the

schools. So, it's a constant battle. And--

LORRAINE GRILLO: And we appreciate your support.

COUNCIL MEMBER FERRERAS: --and I must commend you staff on that. Yes, I must--

LORRAINE GRILLO: We appreciate your support.

COUNCIL MEMBER FERRERAS: I must commend your staff on that, because I know that you've worked hard on trying to site these schools, and we need them. But I must express my deep concern is, as you know, it's very public, I went to PS 19. PS 19 has trailers that have been there since I was, way before, way before I was a Beacon Director. It is one of the most overpopulated elementary schools. And I think that in that school we have an opportunity, it is an entire City block. We have an opportunity to expand that school and in the expansion add an elevator because the gymnasium is on the fifth floor. So a disabled cannot go into that building safely; nor can they participate in the gym space on the fifth floor. And I know this may be very specific to a school, but I'm sure this is an

1  
2 issue, across our City where we have older  
3 buildings. And you know, someone tells me, I've  
4 heard from the Administration that they don't want  
5 to make large elementary schools. But I have a  
6 feeling that the Administration knows how to make  
7 multiple schools in one building. So we can  
8 address this by doing multiple schools in one  
9 building. Maybe it's about having more than one  
10 principal in that building. We need to modernize  
11 that building, and we have a great opportunity, by  
12 taking out the trailers and taking out the mini-  
13 building, and expanding that school, I think we  
14 could really address, and be ahead of the game, as  
15 opposed to always being behind the population  
16 growth. We have an opportunity to be ahead of the  
17 population growth, in C-C24 and 30.

18 KATHLEEN GRIMM: We're happy to  
19 have those conversation with you.

20 COUNCIL MEMBER FERRERAS: Thank you  
21 very much, Deputy Chancellor.

22 CHAIRPERSON JACKSON: Thank you,  
23 Council Member Ferreras. And now we hear from  
24 Council Member David Greenfield of Brooklyn.

25 COUNCIL MEMBER GREENFIELD: Thank

1  
2 you, Mr. Chairman. Thank you, Deputy Chancellor  
3 and DOE staff. If my understanding is correct,  
4 over the next three years or so we're going to put  
5 around \$700 million into technology into our  
6 schools. Is that a rough, rough number there?

7 KATHLEEN GRIMM: The whole, over  
8 the next three years, that might be correct. The  
9 five year sum is about \$957 million.

10 COUNCIL MEMBER GREENFIELD: Okay.  
11 I mean, the reason that I'm asking is because, you  
12 know, one of our, one of our favorite topics here,  
13 and it's favorite because you know, I think we,  
14 we, there's differing opinions on the safety, and  
15 so we agree to disagree on this issues, is the  
16 issue of correcting the problem with the PCBs,  
17 right? And so I'm wondering, because if I  
18 understand correctly, sort of a three year plan on  
19 PCBs, we're somewhere in the neighborhood of \$141  
20 million or so dollars. And so I'm wondering if we  
21 can, if we can get into schools, and we can sort  
22 of put that number of technology into schools  
23 within three years, or even five years, why can't  
24 we do the same on a public safety issue, which the  
25 PCBs are?

KATHLEEN GRIMM: Because we have developed a ten year plan, actually, to address the PCBs, and the boilers, in our schools. And we are--the difficulty with the work we have to do under the ten year plan is that we have to, we know, based on the work we've done already, that we're going to hit asbestos. So we're going to be severely limited as to what time we can be in the schools. We're not going to be able to do any work overnight, because that doesn't give us time to do the testing we have to do before we can let the children and staff back in. So we'll be limited to weekends, breaks and summers. This is a really massive project. We really need to get some experience under our belt with just what kind of problems we might hit. The plan does call for revaluation, reevaluation in 2014, because believe me, we'd all like to accelerate this. But we want to make sure that we are being very practical and very realistic because the last thing I want to do is promise you we're going to get something done in X number of years and fail at it. In a sense, we'll actually be revi--reviewing this much more often than the three year mark we have in the, in

1 the plan itself, because this is part of the  
2 capital plan, and we'll be back every November,  
3 taking another look at where we are on it. Right  
4 now, I think we're about to issue the RFP. We  
5 have already issued a request for expressions of  
6 interest, and we'll be having a conference, we  
7 expect to have that on the street pretty quickly,  
8 first of June.

10 COUNCIL MEMBER GREENFIELD: Here,  
11 here's my concern, Deputy Chancellor, and I want  
12 to just be clear that, you know, knowing you, I  
13 firmly believe that you're acting in good faith.  
14 And so I want to just--

15 KATHLEEN GRIMM: Thank you.

16 COUNCIL MEMBER GREENFIELD: --  
17 acknowledge that and just sort of have an open  
18 conversation. My concern is that, you know, when  
19 government says, "We're going to do something in  
20 ten years," right, many times it takes 12 to 15  
21 years. I'm just being honest, I'm not saying the  
22 DOE, I'm just saying government in general, and I  
23 think, I think it's a fair statement, right? When  
24 we set a shorter term goal, sometimes we may hit  
25 the goal and still we may not. But you know, ten

1 years gives us like a lot of room for error. And  
2 so, the reason that I'm, I'm gently pushing back  
3 is because when you look at what we're doing on  
4 technology, it's roughly the same amount of money,  
5 fine, let's, I'm willing to settle today, just for  
6 today, I'm willing to settle for five years, just,  
7 you know, the short term offer. But if we look at  
8 what's happening with technology, on the five year  
9 level we're basically putting a similar investment  
10 in, right?

11  
12 KATHLEEN GRIMM: Mm.

13 COUNCIL MEMBER GREENFIELD: As we  
14 are for, as we would be doing on the ten years for  
15 PCBs. And so, my question is that perhaps we can  
16 reevaluate and say, "Listen, if we can do it for  
17 technology," right, you know, ten years a lot of  
18 time, a lot happens in ten years, and I mean,  
19 right, you know ,the world change--in ten years,  
20 all the technology you're putting in might even be  
21 outdated. All right, I mean, you know, so it just  
22 seems like, it seems like ten years is a very long  
23 timeframe. And I'll add, just because, and I  
24 would like you to address the, address that first  
25 part, but I will add, I will add as well, another



1  
2 concern that's come up, and at the hearing that we  
3 had on this issue was that we were told from many  
4 prominent scientists, and there was a lot of  
5 debate on, on you know, back and forth in terms  
6 of, in terms of how harmful it is. But one thing  
7 that everyone agreed on, which was really shocking  
8 to me, was that women who are pregnant, that, that  
9 there would seem to be no question about it, that  
10 their fetuses would be harmed if their, they had  
11 some sort of exposure to PCBs. So, I have two  
12 questions that I'd like you to answer, 'cause I'm  
13 being efficient, 'cause I want to--

14 KATHLEEN GRIMM: I just, I just  
15 have to stop. I think we, we, our experts would  
16 dispute that statement.

17 COUNCIL MEMBER GREENFIELD: Really?

18 KATHLEEN GRIMM: Yes.

19 COUNCIL MEMBER GREENFIELD: Wow,  
20 okay. So, my first question is, is there any way  
21 to short that timeframe, because I'm afraid ten  
22 years could end up being 15 years. Not to mention  
23 of course [time bell] that there's significant  
24 energy savings. And on the pregnancy issue you're  
25 just saying, you don't share that concern. So, I

guess you've answer that question.

KATHLEEN GRIMM: So, no, I share a great concern about the safety of our students and our staff in our schools. But I have not heard any expert make a definitive statement that any pregnant woman exposed to PCBs will have a harmed fetus. I, I don't think that's an - -

COUNCIL MEMBER GREENFIELD:  
[interposing] They said, they said that in their testimony to us, I would just, and I'm happy to forward to you, 'cause maybe you're not aware of it.

KATHLEEN GRIMM: Thank you, please, please forward it to me.

COUNCIL MEMBER GREENFIELD: And for me that was something that really concerned me. Quite frankly, my wife was pregnant and a public school teacher, and so I speak from personal--

KATHLEEN GRIMM: I understand your concerns.

COUNCIL MEMBER GREENFIELD: --  
experience and concern.

KATHLEEN GRIMM: I would appreciate it--

COUNCIL MEMBER GREENFIELD: But  
I'll, I'll forward you that information.

KATHLEEN GRIMM: Thank you.

COUNCIL MEMBER GREENFIELD: But on  
the, on the first part, is there any way to just  
reevaluate. I mean, instead of reevaluating in  
2014, can we reevaluate now, can we see if it's at  
all possible to do a shorter timeframe? 'Cause,  
you know, most of us are term limited, we don't  
really want to be waiting, you know, 15 years or  
so until we can get those PCBs out.

KATHLEEN GRIMM: Ten.

COUNCIL MEMBER GREENFIELD: Is  
that--

KATHLEEN GRIMM: Ten years.

COUNCIL MEMBER GREENFIELD: I know,  
I say 15 because ten is what we say, what we're  
hoping for, but in government things tend to  
stretch out.

KATHLEEN GRIMM: Ten is, ten is  
what we'll deliver.

COUNCIL MEMBER GREENFIELD: Just to  
be clear, Deputy Chancellor, are you making a  
commitment to be here for the next ten years to

see through this project? [laughter] If that's the case, [time bell] then I can shut down this conversation right now.

KATHLEEN GRIMM: Mercy, no.

COUNCIL MEMBER GREENFIELD: Okay, so in that case, is there a way to reevaluate to see if you could do it on a shorter timeframe.

KATHLEEN GRIMM: I don't think there's a, there is not a way to reevaluate it at this point, because we need a little more experience, we need to get this RFP back. You know, there are a lot of people out there saying they can do it in two years and five; now we got to ask people to come to the table and, and tell us what they really feel they can do in terms of the bidding process.

CHAIRPERSON JACKSON: Thank you.

KATHLEEN GRIMM: And as we go through the capital plan proposals, we will constantly be reevaluating this, and bringing, bringing it back to you.

CHAIRPERSON JACKSON: Thank you.

Council Member Oliver Koppell, Council Member Greenfield, you can go back for a second round, if

there's time, if you like. Council Member Oliver Koppell of The Bronx.

COUNCIL MEMBER KOPPELL: [off mic]  
Well--

CHAIRPERSON JACKSON: You--hold on a second. Sergeant-of-Arms.

COUNCIL MEMBER KOPPELL: Thank you.

CHAIRPERSON JACKSON: Thank you.

[pause]

COUNCIL MEMBER KOPPELL: First of all, a question, you may not have a top of the head answer, and you can get back to us. But I, I see that in district ten, this new plan, going from the original plan of last fall, cuts out 192 seats in what's called Kings Bridge/Norwood/Bedford Park. And I don't, I don't, I don't know, and, I, in my own head, I don't understand where those seats are coming from. So maybe, may, if you don't have it off the top of your head, you can get back to me about that.

KATHLEEN GRIMM: Well, if there's a reduction, it's a reduction from the current plan, so it's in the current plan, but it's probably not

sited, or we would've funded it.

COUNCIL MEMBER KOPPELL: Oh, it's just that, it's just a number reduction.

KATHLEEN GRIMM: Yes, yes.

COUNCIL MEMBER KOPPELL: So, it, it does--

KATHLEEN GRIMM: Well, it's a--

COUNCIL MEMBER KOPPELL: And we, let me just say, since we are talking about my district, we have a meeting coming up in a few days, and we, we've got to focus on siting of the other school that's in the plan. The one for Riverdale, North Riverdale, Kings Bridge.

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER KOPPELL: And we have a meeting on that. The second question I have is, I know that about maybe a year ago or-- the conclusion was that we didn't need more high school seats in The Bronx.

KATHLEEN GRIMM: Correct.

COUNCIL MEMBER KOPPELL: New seats. Is that still your conclusion?

KATHLEEN GRIMM: Is that the conclusion in the November plan, too?

LORRAINE GRILLO: Yes.

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER KOPPELL: Well, if we're looking at the northwest Bronx, my district and the immediate area around it, that seems to be false. I mean, I--Clinton is overcrowded, and the Walton campus which I visited within the last seven days is overcrowded. And I think we do need more high schools seats, at least in the northwest Bronx. And I want to raise just once more the Kings Bridge Armory, the site next to the Kings Bridge Armory--

KATHLEEN GRIMM: Mm-hmm.

COUNCIL MEMBER KOPPELL: --where I can't seem to get the administration to look at moving the National Guard out, so that we could contemplate, maybe not even in this capital plan, but in the next one, putting schools there, which is what the community's wanted for years and years.

KATHLEEN GRIMM: I know.

COUNCIL MEMBER KOPPELL: We've got to move the national guard, and I can't seem to get anybody to listen. And the only way I think

they'll listen is if the DOE says, "We should secure that site."

KATHLEEN GRIMM: Why don't we, we can talk about that at your meeting. We can also go over the data with you on the high school seats. You might find that helpful.

COUNCIL MEMBER KOPPELL: Yep, thank you.

KATHLEEN GRIMM: Okay.

COUNCIL MEMBER KOPPELL: We'd like to do that.

CHAIRPERSON JACKSON: Thank you, Council Member. Now we're going to turn to ourselves, the Chair of Finance and the Chair of Education, for the questions that we have remaining, before we go to the second round.

CHAIRPERSON RECCHIA: Okay. Deputy Chancellor.

KATHLEEN GRIMM: Yes.

CHAIRPERSON RECCHIA: I know before I follow up on Council Member Greenfield's questioning, let's talk about the PCBs for a little bit. Now, you came out with a ten year plan, and I want you to know that this City



Council is not happy with that. We'd like to see a five year plan.

KATHLEEN GRIMM: Yes.

CHAIRPERSON RECCHIA: But you put out a, a list of 35 schools that are going to be addressed immediately. Okay?

KATHLEEN GRIMM: Mm-hmm. Yes.

CHAIRPERSON RECCHIA: And we don't know--the--

KATHLEEN GRIMM: On top of that--

CHAIRPERSON RECCHIA: --the school communities don't know when the work is going to be done, what the schedule is, and how do we tell those schools and those school communities?

KATHLEEN GRIMM: Lorraine.

LORRAINE GRILLO: Sure. Actually, we have begun to put together a schedule. We plan, we are waiting actually for delivery dates on the light fixtures that have to be replaced, obviously. But for every one of those schools, there will be a meeting held at the school with the principal, the UFT and the PTA, to go through the schedule for each of the projects. That'll happen in the next couple of weeks.

CHAIRPERSON RECCHIA: Okay. You know there's a problem with that, right?

LORRAINE GRILLO: What's the problem?

CHAIRPERSON RECCHIA: Where's the City Council Member? We need to--

LORRAINE GRILLO: As soon as we have a schedule, we'll share--

CHAIRPERSON RECCHIA: You said the UFT, CSA, the principal--

LORRAINE GRILLO: Oh, I apologize.

CHAIRPERSON RECCHIA: We're part of the school community. They come to us.

LORRAINE GRILLO: That's our typical, our--

CHAIRPERSON RECCHIA: Council Member Jackson's getting phone calls left and right about all of these issues.

LORRAINE GRILLO: Our typical.

CHAIRPERSON RECCHIA: What's happening.

CHAIRPERSON JACKSON: It's crazy.

KATHLEEN GRIMM: You know, we have a protocol for all of this, and we ex--we put this

1  
2 protocol in place when the EPA was doing the  
3 Saturday inspections. And you'll recall, what we  
4 did was, we notified the principal, we sent a  
5 letter home to the parents, we had a meeting of  
6 the entire school community, and that day we  
7 called all elected officials. We will do exactly  
8 the same thing again.

9 CHAIRPERSON RECCHIA: Okay, because  
10 we need to know.

11 KATHLEEN GRIMM: Yes.

12 CHAIRPERSON RECCHIA: That's number  
13 one. Okay. Now, when is the complete list of the  
14 772 schools that are going to be addressed? Are  
15 you still evaluating that? when will that list be  
16 available?

17 KATHLEEN GRIMM: Yes, I think we, I  
18 think we've already shared with you the list of  
19 schools that are in the pipeline.

20 CHAIRPERSON RECCHIA: Yes, that's  
21 the 35.

22 KATHLEEN GRIMM: I thought it was  
23 69. But we can straighten that out with your  
24 staff a little later.

25 CHAIRPERSON RECCHIA: Well, it

could be, it could be 69 schools, but I think it's  
35 buildings. They're, like, in my district, you-  
-

KATHLEEN GRIMM: I don't think so.

CHAIRPERSON RECCHIA: --in the same  
building, you have Rachel Carson, IS 303--

KATHLEEN GRIMM: Okay.

CHAIRPERSON RECCHIA: --and 370.

KATHLEEN GRIMM: Okay.

CHAIRPERSON RECCHIA: Special  
needs.

KATHLEEN GRIMM: Then we have 43  
buildings which we also shared with you, that  
were, where we observed leaks. We asked all our  
custodians to make a visual inspection of all  
schools. So we are addressing them immediately.  
We will then--

CHAIRPERSON RECCHIA: Those were 45  
schools that have leaks?

KATHLEEN GRIMM: 43 buildings.

CHAIRPERSON RECCHIA: 43 buildings.

KATHLEEN GRIMM: That's, that's  
your 35 plus, we think, but we'll straighten out  
the numbers with your staff afterward. But these

are the categories.

[pause]

CHAIRPERSON RECCHIA: Could you send that, the 43 buildings, 'cause I don't have.

KATHLEEN GRIMM: I think we did last night, but--

FEMALE VOICE: [off mic] Hold on one second.

KATHLEEN GRIMM: It's also on the web.

CHAIRPERSON RECCHIA: It's on the website.

KATHLEEN GRIMM: Oh, we sent it to you.

CHAIRPERSON RECCHIA: Okay, so the 43 buildings are on the website. We're going to the website right now.

KATHLEEN GRIMM: Okay.

CHAIRPERSON RECCHIA: Okay?

KATHLEEN GRIMM: I'm just, I'm just trying to give you set--

CHAIRPERSON RECCHIA: We're going to the tape. [laughter]

CHAIRPERSON JACKSON: Technology.

CHAIRPERSON RECCHIA: Technology.

All right, so the 43 buildings--

KATHLEEN GRIMM: That, where we have observed, through our custodial walkarounds, leakage. So we're taking care of those buildings immediately.

CHAIRPERSON RECCHIA: Okay.

KATHLEEN GRIMM: We will then be adding 40 schools that the SCA will address under the plan, and we will have that sometime in the summer, when the, we have evaluated the RFP responses.

CHAIRPERSON RECCHIA: Okay. Now the RFP responses, is that to do all the work or some of the work.

KATHLEEN GRIMM: You want to talk about that?

LORRAINE GRILLO: The RFP is issued to do, to these companies, to do energy audits, and the audits will come back with recommendations, which will absolutely include the lighting fixtures. But there may be other things that the energy audit discloses, and at that point, we will direct the company to do at least

the lighting fixtures, and potentially boiler replacement and other items within the building.

CHAIRPERSON RECCHIA: Okay, so, these 35 schools that we identified, when is that work going to begin?

LORRAINE GRILLO: That work's going to be begin this summer.

CHAIRPERSON RECCHIA: This summer.

LORRAINE GRILLO: Mm-hmm.

CHAIRPERSON RECCHIA: Okay. And the schools will be getting notified shortly.

LORRAINE GRILLO: [off mic]  
Absolutely.

CHAIRPERSON RECCHIA: Okay, I just want to be clear. And [time bell] the RFP, is for the additional schools.

KATHLEEN GRIMM: 40 more.

CHAIRPERSON RECCHIA: 40 more, plus the 43.

KATHLEEN GRIMM: Yes.

CHAIRPERSON RECCHIA: Okay. all right, I just need--you know, it's like I said, you know, this PCB is a big problem. You know, we feel it that it has to be addressed immediately;

of course we'd like it in five years, but we are going to follow up on this. Okay? And we're going stay on top.

KATHLEEN GRIMM: Yes.

CHAIRPERSON RECCHIA: And when you say it's going to be reevaluated in 2014, it's going to come back?

KATHLEEN GRIMM: Well, we have a separate plan, outside the capital plan, to address this issue. It was a plan that we shared with the, I'm sure with you people--

CHAIRPERSON RECCHIA: That you - -

KATHLEEN GRIMM: [interposing] and with the EPA, the UFT, etc., CSA. That plan calls for an official reevaluation of the timing of in three years. But what I'm saying to you is, we'll be back in November with a report on this, because we'll have the amendment.

CHAIRPERSON RECCHIA: Okay. Thank you very much.

CHAIRPERSON JACKSON: Let me ask--

CHAIRPERSON RECCHIA: Yeah.

CHAIRPERSON JACKSON: Good, so, my colleague has passed the baton on to me and I'll



give him a break and I'll pass it back to him.

[time bell] But it's my understanding that the State law requires that any capital improvement project to a collocated charter school be matched by a capital improvement project in a host school. And so, do we have a list of all of those projects? Approximately how many? And whether or not those projects that are on the drawing board are listed anywhere in the capital plan? Or how does this law impact the capital priorities, determined by the BCAS rankings.

KATHLEEN GRIMM: Okay.

CHAIRPERSON JACKSON: So in essence, give us a specific update if you can--

KATHLEEN GRIMM: Yeah.

CHAIRPERSON JACKSON: --regarding that particular matter.

KATHLEEN GRIMM: Okay. The State law, as you know, requires that if a, a collocated charter is going to make, wants to make an investment in excess of \$5,000, that the Chancellor, first of all, has to approve it, because if it's approved, we must match whatever that amount is, with, for each of the other

schools in that building.

CHAIRPERSON JACKSON: Right.

KATHLEEN GRIMM: That law was passed in late May last year, so it was a little close to show time, because people have to have all this kind of work done by September. So, whatever things were in the pipeline, and we approved them last year. This year we have some additional ones, I don't have the list with me. they have been approved. They were primarily improvements that would have an impact on the instructional atmosphere of the school. We are--

CHAIRPERSON JACKSON: Give me a couple of examples of--what do you mean by that?

KATHLEEN GRIMM: Wiring, technology, for example.

CHAIRPERSON JACKSON: Okay, mm-hmm.

KATHLEEN GRIMM: If, if a charter proposes to do something that does, that benefits the entire school, then we don't have to match it, because all of the schools, like a playground, will, will enjoy the benefit of it.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: This year, because

of our restricted finances, not just on the capital side, some of this work comes out of expense money, which is really restricted; frankly, we are looking at them much more carefully. And we are, we do not plan to approve anything that doesn't have a direct impact on the classroom delivery of, of instruction.

CHAIRPERSON JACKSON: So in essence, you're telling me that if you don't approve it, they can't go forward with it. What if they say, "Hey, we need it and we're going to do it"?

KATHLEEN GRIMM: We're the landlord.

CHAIRPERSON JACKSON: Okay. So you're the boss, in essence. You decide. Okay. So--

KATHLEEN GRIMM: Well, the State, the State law gives the Chancellor the--

CHAIRPERSON JACKSON: The authority.

KATHLEEN GRIMM: --the authority to do that.

CHAIRPERSON JACKSON: Okay. Can

you provide us with a list--

KATHLEEN GRIMM: Of course.

CHAIRPERSON JACKSON: --if you don't mind, since the law's implementation--

KATHLEEN GRIMM: The list from last year is--

CHAIRPERSON JACKSON: As to what, what projects have been approved.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: And matched.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: And the second part of that is those that are building wide, where it requires no matching, if you can provide us with the--

KATHLEEN GRIMM: The whole, yes.

CHAIRPERSON JACKSON: --the name of the school, the location, and the cost factor and the project, if you don't mind.

KATHLEEN GRIMM: And the collocated district schools.

CHAIRPERSON JACKSON: Yes, yes.

KATHLEEN GRIMM: Absolutely.

CHAIRPERSON JACKSON: So, but

basically what I'm hear what you're saying is that the Chancellor is not going to approve a project that has low priority, compared to the higher priorities. That's what I'm hear--

KATHLEEN GRIMM: Cosmetics.

CHAIRPERSON JACKSON: In essence.

KATHLEEN GRIMM: A cosmetic change, for example.

CHAIRPERSON JACKSON: Cosmetic change. Okay.

KATHLEEN GRIMM: Now, if it's under \$5,000, the charter can proceed to do it, 'cause they're--

CHAIRPERSON JACKSON: On their own?

KATHLEEN GRIMM: Yeah.

CHAIRPERSON JACKSON: Okay.

KATHLEEN GRIMM: The law allows that.

CHAIRPERSON JACKSON: Well, \$5,000, when you talk about spending and, it's not a whole lot of money, is that correct.

KATHLEEN GRIMM: Not much.

CHAIRPERSON JACKSON: Okay. So, now, I want to go back to my colleague, Council

Member Greenfield. Can you explain to us why is the Department, I was getting ready to say the Department of Labor, the Department of Education-- I used to work for the Department Labor in New York State, many years ago.

KATHLEEN GRIMM: Good.

CHAIRPERSON JACKSON: [laughs] Why is the Department of Education frontloading so much money, I think you're frontloading on the cap--on the, on the technology, about \$570 million, out of about \$900 and something.

KATHLEEN GRIMM: Mm-hmm.

CHAIRPERSON JACKSON: Why are you frontloading so much in the first year, compared to the rest of the entire plan? If you can explain that.

KATHLEEN GRIMM: Well, two things are happening. First of all, because of some uncertainties last year with OMB and the capital rules and funding and all of that, we really lost about eight months. So we have sandwiched in a lot of in the next fiscal year. And we'll see better in November, how that spending plan works out. Some of those dollars may, may shift into

fiscal year '13.

CHAIRPERSON JACKSON: Okay, now, are you, are you basically communicating to us, I heard your response. Are you basically telling me that you're frontloading, that, that you, meaning your contractors that are going to carry out this work [time bell] that they have the capacity to do this work within the next fiscal year?

KATHLEEN GRIMM: Right.

CHAIRPERSON JACKSON: Or that's just wishful thinking?

KATHLEEN GRIMM: We're going to find out. What's driving us--

CHAIRPERSON JACKSON: Well, I mean, I have a concern about--

KATHLEEN GRIMM: What's driving us--

-

CHAIRPERSON JACKSON: --when you're going to find out, because you should know, in my opinion.

KATHLEEN GRIMM: No, no, we can't know until we get the bids, until we evaluate it.

CHAIRPERSON JACKSON: Well, I'm sorry, Deputy Chancellor, I would tend to disagree

1 with you. You should, based on SCA and your  
2 experience, you should know whether or not you can  
3 do it or not? I mean, it's not where you, you're  
4 going to wish and find out. It's not like you're  
5 new in this game. Do you know what I'm saying? I  
6 mean--

7  
8 KATHLEEN GRIMM: What-what--

9 CHAIRPERSON JACKSON: Let me just  
10 give an example of that, and, and--if I'm a  
11 painting contractor, and I've been painting for 20  
12 years, okay, and I say that I'm going to frontload  
13 a job, I should know, based on my experience,  
14 whether or not I can do it or not. And whether it  
15 can be done, and what the cost factor is, based on  
16 my experience in my previous years. And so that's  
17 what I'm saying to you.

18 KATHLEEN GRIMM: Correct. And we,  
19 we will know that, shortly. But what's driving  
20 us--

21 CHAIRPERSON JACKSON: Go ahead.

22 KATHLEEN GRIMM: --is the fact that  
23 we have these national, common core standards,  
24 that are supposed to be in our schools. We've,  
25 we're already [time bell] implementing them, on a



pilot basis. But every single child in this, in our system, is supposed to be able to take assessments online, by 2014. And that's what's driving us, not the technology.

CHAIRPERSON JACKSON: Is that a national standard, State standard or your local DOE standard?

KATHLEEN GRIMM: That is a national standard.

CHAIRPERSON JACKSON: And how long ago were we notified of that national standard?

KATHLEEN GRIMM: The Common Core standards came out last year.

CHAIRPERSON JACKSON: Okay. And--  
[background comment]

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: In response to the Race Proposed to the Top [phonetic] offered by the State, which DOE collaborated with.

KATHLEEN GRIMM: Yes, but when it came out--

CHAIRPERSON JACKSON: So was it realist--I'm sorry.

KATHLEEN GRIMM: --it came out of

the federal administration's move to put money in schools, to raise the national standards.

CHAIRPERSON JACKSON: Okay, and, and I applaud that.

KATHLEEN GRIMM: Yes, - -

CHAIRPERSON JACKSON: [interposing]  
But obviously as one of your deputies or one of your people indicated to, in response to my question, because we put that in our, meaning New York State's, Race to the Top application--

KATHLEEN GRIMM: Correct.

CHAIRPERSON JACKSON: --and I would assume that the, the Governor and the State Legislature collaborated with DOE as to whether or not you could meet that. It seems as though that, based on my understanding, you're going to be fast, trying to fast track it in order to meet that standard, is that correct?

KATHLEEN GRIMM: That is correct.

CHAIRPERSON JACKSON: Okay. All right. And so that standard has to be met by, I think 2014?

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: So even if

there's not enough seats in a classroom, the technology has to be there based on the Race to the Top standard. [background comment] That's what I'm hearing. So, I'm going to be standing up, and I'm be--[pause] [laughs] Well, I can understand, first of all, let me just say, I can understand us not turning down any federal money.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: And so, I can truly understand that. But I want to get back to basics, though, because experts have said that the most two important factors for a child's education is a qualified teacher in the classroom--

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: --and small class size. Would you disagree with that?

KATHLEEN GRIMM: I would not.

CHAIRPERSON JACKSON: Okay, good. Okay. That's what I thought. Okay. Now, let me just turn to, if you don't mind, I need to turn to the DOE's assessment that ten years is the timeframe for PC--PCB remediation in schools. Deputy Chancellor, I respect you a lot, and we've been together here nine years. I said to you

1 then, I say to you now, you guys, all of you, need  
2 to go back and reflect, because somebody--and I'm,  
3 I was going to--somebody is not giving you right  
4 information. Either you're drinking too much  
5 Kool-Aid or something. Ten years is definitely  
6 inappropriate and not acceptable to myself, not  
7 acceptable to the City Council, not acceptable to  
8 the US EPA, not acceptable to The Advocate. So  
9 it's not acceptable to everyone, to my knowledge,  
10 except the Department of Education. I think  
11 something's wrong with that formula.

12 FEMALE VOICE: [off mic] Kool-Aid  
13 is good.

14 CHAIRPERSON JACKSON: Kool-Aid is  
15 great.

16 KATHLEEN GRIMM: No Kool--No Kool-  
17 Aid in our schools.

18 CHAIRPERSON JACKSON: No--[laughs]  
19 I'm sorry. But you know, I'm, I'm joking, but I'm  
20 serious, though.

21 KATHLEEN GRIMM: I know you are. I  
22 know you are, we've heard you, you know, we sat  
23 through the conversation we had with you at the  
24 hearing.

CHAIRPERSON JACKSON: Yes.

KATHLEEN GRIMM: Down the block a little bit. But I, I think, given the fact that this is a massive undertaking, given the fact we know we're going to hit asbestos, given the fact we know how long that takes, I don't see, right now, that we have enough information to accelerate this plan.

CHAIRPERSON JACKSON: Deputy Chancellor, is it not information? Or is it not enough resources, meaning money? And/or not enough contract--qualified contractors, to do the job? I'm just trying to focus in on why is it, why are you constantly communicating that the Department of Education, that the City of New York's position, that ten years is a timeframe that you feel is realistic, understanding that children are being exposed to cancer causing chemicals, that have been identified to be harmful to their health. Which could cause us to be sued as a result of that, and cost us millions and millions and millions of dollars?

KATHLEEN GRIMM: I think I disagree on the science, with some of the advocates in the

1 field. But we just don't know enough. We will  
2 know more in November, when we come back to you  
3 with our next amendment. We don't even know what  
4 the capacity of the industry is out there. We'll  
5 learn, when we, through this RFP process, we hope  
6 to learn a lot.

8 CHAIRPERSON JACKSON: Deputy  
9 Chancellor, I, you know, after, when we, we were  
10 at the PCB hearing with, joint with Environmental-  
11 -

12 KATHLEEN GRIMM: Yes.

13 CHAIRPERSON JACKSON: --and they're  
14 coming after this, experts in the field, in the  
15 industry have testified that you have licensed,  
16 qualified contractors that are capable of doing  
17 the job, and can, and can get the job done in much  
18 less time than has been identified by DOE.

19 KATHLEEN GRIMM: Well, I'm not from  
20 Missouri, but I'm going to wait until I see what  
21 the bids are when they come in, and what these  
22 contractors tell me they can do.

23 CHAIRPERSON JACKSON: Okay, can you  
24 just tell us, give us a sense, as to when are  
25 those RFP or bids coming in? And whether or not

that's going to be reflected?

KATHLEEN GRIMM: The RFP goes out  
June 1st, right?

MALE VOICE: [off mic] First week  
of June.

KATHLEEN GRIMM: Hm?

MALE VOICE: [off mic] First week  
of June.

CHAIRPERSON JACKSON: Yeah. And,  
and how is that going to impact the amount of  
money in the five year capital plan?

KATHLEEN GRIMM: The RFP?

CHAIRPERSON JACKSON: Whatever, the  
RFP, the proposal, you know, when is that coming  
out, and how is that going to reflect on impact on  
the five year capital plan?

KATHLEEN GRIMM: The RFP is coming  
out the first week in June, so this summer we will  
have the responses back, and we'll be able to make  
our selections, and we'll learn what the capacity  
of these companies really is. The fund, the plan  
is funded, you know, the Mayor gave us \$708  
million, I believe, over the ten years; \$141 of  
that is reflected in the next three years.

CHAIRPERSON JACKSON: You know, and--I hear your responses, and obviously you're responses are being recorded for us to look back on, but I guess I and, and many other members of the City Council, and parents throughout the City of New York wish that you were so proactive and responsive to the PCB issue, as you are so proactive and responsive to being sure about the technology programs. Knowing that, for example, that in your application for the Race to the Top, and based on the, the dates in which the federal government, as you indicated, my words, not yours, that you were going to be fast-tracking it, in order to meet that deadline, in order to meet the requirements of the State's Race to the Top application. But I, I personally, we want to see that more aggressive, not aggressive, assertive attitude towards the PCB removal.

KATHLEEN GRIMM: Understood.

CHAIRPERSON JACKSON: Okay. She's from Missouri.

KATHLEEN GRIMM: No, I said I'm not from Missouri. [laughter] Let me go to Council Member Levin first, then Council Member



Greenfield. [pause] So, I'm sorry, no--I'm sorry, you're right, let's go to Council Member Gale Brewer, then Council Member Tish James.

COUNCIL MEMBER JAMES: [off mic] I am not drinking Kool-Aid.

COUNCIL MEMBER LEVIN: We're doing this based on seniority, Mr. Chair.

CHAIRPERSON JACKSON: - - let's get, let's get a timeframe here - - only about ten more minutes, and then we have to leave.

COUNCIL MEMBER BREWER: I have quick questions.

CHAIRPERSON JACKSON: Okay, so I'm going to ask all of y'all to be brief, 'cause I have a couple more questions that were not asked that I have ask, on behalf of the Committee.

COUNCIL MEMBER BREWER: I have quick questions. On the PCBs, to follow up, is it done by the custodians? Or is it done during the summer by outside contractors? Or is it a combination?

KATHLEEN GRIMM: It will, it will all be done by outside contractors. Weekends, breaks and summer.

COUNCIL MEMBER BREWER: And why  
can't the custodians do it during the summer if  
there are proper trainings going on?

KATHLEEN GRIMM: Because we expect  
to his asbestos.

COUNCIL MEMBER BREWER: Okay, and  
custodians cannot do asbestos.

KATHLEEN GRIMM: Correct.

COUNCIL MEMBER BREWER: Okay. Next  
question is, within the--can you just briefly  
explain the charter capital? I understand it's  
not part, their, their dollars, as you indicated,  
are not part of the plan, in terms of our capital.  
Is that a correct statement?

KATHLEEN GRIMM: The charter  
matching funds?

COUNCIL MEMBER BREWER: Yes.

KATHLEEN GRIMM: The charter  
matching funds can be, could be capital, or could  
be expense money, it depends on what the project  
is.

COUNCIL MEMBER BREWER: So, they're  
not getting cut in terms of any of their capital  
money, because it's matched? Why aren't they

getting any cuts to their char--to their capital money? Even on the matching funds?

KATHLEEN GRIMM: I, oh, the \$210, the partnership money.

COUNCIL MEMBER BREWER: Right. I'm, I obviously have--

KATHLEEN GRIMM: I'm sorry.

COUNCIL MEMBER BREWER: --issues with this charter movement.

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER BREWER: And the question I have is, are they, in terms of the new charters coming in, you listed I think four, but there are others.

KATHLEEN GRIMM: Yeah.

COUNCIL MEMBER BREWER: That have city dollars allocated to their building out. Are there any cuts to those specific dollars?

KATHLEEN GRIMM: We took no cuts there, because those dollars have already been committed.

COUNCIL MEMBER BREWER: Okay, and how about into the future?

KATHLEEN GRIMM: Into the future,

there'll be no more spending, because that money has been committed. In this plan. Unless of course you - -

COUNCIL MEMBER BREWER:

[interposing] Can you, I'm sorry, can you just help me to understand? So you're saying is that the charters are getting what into the five year plan, in terms of what they, for their building out?

KATHLEEN GRIMM: Yes.

COUNCIL MEMBER BREWER: Can you be specific?

KATHLEEN GRIMM: They're getting two hundred--\$210 million dollars.

COUNCIL MEMBER BREWER: \$210 million. Okay. And is that less than they would've gotten in previous plans?

KATHLEEN GRIMM: It is less than what they got in the previous plan.

COUNCIL MEMBER BREWER: Okay.

KATHLEEN GRIMM: I think it was \$300 million in the last plan.

COUNCIL MEMBER BREWER: Okay. All right. And, and there's--

KATHLEEN GRIMM: \$250.

COUNCIL MEMBER BREWER: And they,  
are they there because of the Race to the Top, or  
do they have to be there because of that, or--

KATHLEEN GRIMM: No, they are  
there--

COUNCIL MEMBER BREWER: --they're  
just, you just want them to be there?

KATHLEEN GRIMM: They are there  
because we put them in the last plan as part of  
our commitment to work with the private sector, to  
leverage our dollars.

COUNCIL MEMBER BREWER: Okay.

CHAIRPERSON JACKSON: Council  
Member Brewer, I'm so sorry, I need to move to two  
minutes. The other--

COUNCIL MEMBER BREWER: Okay.

CHAIRPERSON JACKSON: --members and  
because there's other questions.

COUNCIL MEMBER BREWER: All right,  
could I be really quick?

CHAIRPERSON JACKSON: Quickly,  
please.

COUNCIL MEMBER BREWER: One more

question. Beacon High School is in a building now. What's going to happen to that building when they move to 44th Street?

KATHLEEN GRIMM: I don't think we've decided yet. I don't think we've decided that.

COUNCIL MEMBER BREWER: When are you going to decide? How does the community get involved, because the Chairman of the Housing Authority--

KATHLEEN GRIMM: I got it, okay.

COUNCIL MEMBER BREWER: --is already contacting me about it.

KATHLEEN GRIMM: Okay.

COUNCIL MEMBER BREWER: So I need to know.

CHAIRPERSON JACKSON: Okay, thank you.

COUNCIL MEMBER BREWER: Thank you.

CHAIRPERSON JACKSON: Council Member Tish James, and my colleagues, you're going to be limited to two minutes because we are on timeframes now.

COUNCIL MEMBER JAMES: Okay, thank

you.

CHAIRPERSON JACKSON: Thank you.

COUNCIL MEMBER JAMES: So in Crown Heights, as my colleague, mentioned an armory became available, the State transferred it to the City, the National Guard was removed, I assisted in that. It's now with DCAS, it's an empty armory, it stands at Union and Bedford.

KATHLEEN GRIMM: Yeah.

COUNCIL MEMBER JAMES: It's close to Medgar Evers Preparatory, which you know does not have a gym.

KATHLEEN GRIMM: Yeah.

COUNCIL MEMBER JAMES: DCAS is deciding what to do with the building right this day. I've been in touch with the Commissioner. Could you join me and see if we can convert that and perhaps use it for, as a gymnasium or an athletic field for our high schools?

KATHLEEN GRIMM: You know we're prepared to talk to you. I will just caution you. We have, we have not put money into armories. It's very expensive. But we--

COUNCIL MEMBER JAMES: Marty

Markowitz and I have set aside a significant amount of money in our budgets for a armory. There's money already there.

KATHLEEN GRIMM: But let's talk.

COUNCIL MEMBER JAMES: We need to talk.

KATHLEEN GRIMM: Let's talk.

COUNCIL MEMBER JAMES: Two, da-da-da-da-da-da, two, there's a building on the corner of, in District 17, on Eastern Parkway in Clawson School for the Deaf. Is that a public school? Because it's closing?

KATHLEEN GRIMM: No.

COUNCIL MEMBER JAMES: It's not a-- it's not?

KATHLEEN GRIMM: No.

COUNCIL MEMBER JAMES: Okay. Okay, it's right near Clara Barton and right near the Prospect Heights campus? And they're closing and the question is whether or not we could perhaps lease that building for a school.

KATHLEEN GRIMM: I don't know it.

Do you know? [background comment] Yeah, we don't need--We don't have any need in that district



right now.

COUNCIL MEMBER JAMES: Okay, but we do, there's a definitely a need for charter school expansion. You know, in my district, there were three ugly fights: Community Roots, Arts and Letters; and then we're having a third fight at PS 9, Collocations of Charter Schools. Perhaps some of the charter schools could relocate there?

KATHLEEN GRIMM: Trouble is the charter schools don't have any capital money.

COUNCIL MEMBER JAMES: Well, they, the charter school, the \$700 million, they have \$210 million for charter--

KATHLEEN GRIMM: That's committed.

COUNCIL MEMBER JAMES: That's what?

KATHLEEN GRIMM: Committed. And that's only for either charter or another kind of partner, who will commit private dollars.

COUNCIL MEMBER JAMES: Okay. Okay. Okay. Okay. [time bell] And, and just--can you ask me why we, why we donated \$60 million to the Harlem Children's Zone to expand at a time when we're, you know, cutting teachers? Any idea?

KATHLEEN GRIMM: Hm?

CHAIRPERSON JACKSON: Okay.

COUNCIL MEMBER JAMES: What was the commitment to \$60--?

KATHLEEN GRIMM: It, it's part of the, part or--part of that partnership, we had already committed those dollars, and they are making a private contribution.

CHAIRPERSON JACKSON: And is that for the school and the St. Nicholas Housing Development?

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: Yes. Okay, thank you--

COUNCIL MEMBER JAMES: Thank you.

CHAIRPERSON JACKSON: --Council Member. We've been joined by Council Member Fernando Cabrera's of The Bronx, and Council Member Joel Rivera of The Bronx. We turn to our colleague, Council Member Greenfield and then we're coming back here. Council Member Greenfield.

COUNCIL MEMBER GREENFIELD: Thank you, Mr. Chairman. Just want to pick up where I left off on the pregnancy and PCBs. You know

1 [laughter] I just, I just went to Google, and I  
2 typed in "PCB exposure pregnancy," and dozens of  
3 articles come back on the, the harmful impacts of  
4 exposure of PCBs to pregnant women, including  
5 potential for serious developmental issues. And  
6 in fact, in fact, an article actually just came up  
7 by, a recent article, by the NIH, pretty serious,  
8 pretty serious organization, saying that PCB  
9 exposure leads to infertility. And so, my, my  
10 specific question, aside from just raising that  
11 point, because--and we're actually, I just spoke  
12 to staff, we're going to forward you some more  
13 information about that, just so--

14 KATHLEEN GRIMM: Good.

15 COUNCIL MEMBER GREENFIELD: --that  
16 you're more aware of that. But I think some of  
17 the stuff is just successful even on Google. But  
18 my specific information is, you know, I've  
19 actually chatted with some of the advocates and  
20 some of the unions, and there are rumblings about  
21 potentially some sort of lawsuit. And from my  
22 perspective, as a Council Member, and as an  
23 attorney, right, if there was litigation, there  
24 was, if there was an individual or individuals, or  
25

1  
2 even a class of folks who were harmed, and I'm  
3 talking about specifically about a class of  
4 pregnant women or single women who perhaps are now  
5 having trouble childbearing, that could be very,  
6 very expensive, for the City of New York. And so,  
7 what I'm wondering is, have you considered the  
8 possibility of a lawsuit, and if you haven't,  
9 would you consider having the fine folks at DOE  
10 legal counsel, my friend Michael Best, put  
11 together a little report for you on the potential  
12 of the exposure in terms of lawsuits and the cost  
13 if that could happen, especially considering the  
14 lengthy timeframe that we've now proposed in terms  
15 of ten years for remediating the PCB problem?

16 KATHLEEN GRIMM: As I said earlier,  
17 I understand the concern here, and I wish you  
18 would share, as you said you will, the testimony.  
19 And we will respond to you on that. We have [time  
20 bell] explored with our own experts, with our  
21 Health Department, and the science doesn't seem to  
22 be in a state where there is any immediate threat,  
23 albeit to our, either to our children or to  
24 pregnant women or any staff who are in the  
25 building. So, we are proceeding with this in what

we think is a reasonable timeframe for what we have to do.

COUNCIL MEMBER GREENFIELD: But Deputy Chancellor--

KATHLEEN GRIMM: It doesn't mean that people aren't concerned. It's why we're going to be very thorough in our outreach and in our communication with our parents and our staff, and our school communities.

COUNCIL MEMBER GREENFIELD: No, no, I, I appreciate that, but a jury may, may decide otherwise. And so I would like for you just to consider the potential. And I think it's a, it's a fair suggestion to perhaps ask your legal counsel to just write a memo. You know, maybe they agree with you 100 percent, and maybe not, and perhaps that could come into the consideration in terms of the reality is that if there is a lawsuit, and a jury disagrees with your assessment, that could cost the City of New York billions of dollars, potentially. So--

CHAIRPERSON JACKSON: Yes.

COUNCIL MEMBER GREENFIELD: I think it's just a legitimate perspective, and it might

be worth exploring on, on your end.

CHAIRPERSON JACKSON: Thank you, Council Member. So, let me just ask a couple of questions, then we're out of here. Deputy Chancellor or your staff, can you tell me, the spending on technology increasing, increases by about \$177 million of, from the current plan to the April amendment.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: Calculate to me and everyone, how many more seats would you estimate that could add to the amendment, with that \$177 million?

KATHLEEN GRIMM: Well, I don't have that estimate, you know, in New York it all depends on the site. I mean, schools vary tremendously.

CHAIRPERSON JACKSON: I understand, but there's a--

KATHLEEN GRIMM: We can give you--

CHAIRPERSON JACKSON: --there's an overall average--

KATHLEEN GRIMM: We could, we could calculate that for you. I do want to remind you,

1  
2 that in the November plan, we estimated that the  
3 I--the technology needed at a billion dollars, so  
4 this is a very, very, sort of mild funding attempt  
5 here.

6 CHAIRPERSON JACKSON: I think  
7 there's a huge issue of concern, Deputy  
8 Chancellor, that the DOE justified such a large  
9 scale use of innovative technology programs, which  
10 has, in some people mind, has little to no  
11 evidence of student progress. Yet, class size  
12 reductions, in contrast, is a proven reform that  
13 has proven to work through evidence, which, with  
14 the DOE, would you consider committing to more  
15 rigorous class size reduction methods? Meaning  
16 adding more money? And I understand your response  
17 earlier, that besides building new schools--

18 KATHLEEN GRIMM: Right.

19 CHAIRPERSON JACKSON: --you have to  
20 have teachers and what have and so forth.

21 KATHLEEN GRIMM: Correct.

22 CHAIRPERSON JACKSON: Which all of  
23 that is about money.

24 KATHLEEN GRIMM: Correct.

25 CHAIRPERSON JACKSON: But--

KATHLEEN GRIMM: I think that right now, we need to invest in our schools, in terms of the technology. This is an equity question, too. Our schools vary a great deal across the board in terms of what technology facilities our children have. And I think we need to address that now. At least on some limited scale, which is what I think we're doing.

CHAIRPERSON JACKSON: Now, you know, I don't, I don't disagree with you, I think we do need to--

KATHLEEN GRIMM: No, you don't.

CHAIRPERSON JACKSON: --invest in technology, and I've said that even when we had our meetings.

KATHLEEN GRIMM: Yes.

CHAIRPERSON JACKSON: But technology is just a tool in the learning process.

KATHLEEN GRIMM: Yes, yes, it is.

CHAIRPERSON JACKSON: And where technology, I don't think has proven the fact that it has increased our children's learning and their scores; whereas a qualified teacher and small class size has. So, in essence, as I play



1  
2 basketball, and I constantly go back to  
3 fundamentals, in order to improve my overall game.  
4 And so the fundamentals of our child's learning  
5 development is a teacher.

6 KATHLEEN GRIMM: I think in the  
7 21st Century, technology is like a desk.

8 CHAIRPERSON JACKSON: Is like a  
9 what?

10 KATHLEEN GRIMM: A desk, and a  
11 chair.

12 CHAIRPERSON JACKSON: Okay. So,  
13 let me ask you, then, concerning technology  
14 enhancement programs, with respects to some of the  
15 money that you plan on spending, and my  
16 understanding is on technology enhancement, is  
17 that, does that include this online recovery--  
18 credit recovery program?

19 KATHLEEN GRIMM: Some of it, yes,  
20 some of it.

21 CHAIRPERSON JACKSON: Let me just  
22 say, and Deputy Chancellor--

23 KATHLEEN GRIMM: Very little of it,  
24 but some of it.

25 CHAIRPERSON JACKSON: The, the

1  
2 online recovery, don't go there. And I say don't  
3 go there, because you haven't even given me a  
4 list. And let me ask you right now. It has  
5 nothing to do with, with capital, but it goes back  
6 to, when we had the hearing on, and we talked  
7 about credit recovery, DOE, the Department of  
8 Education, my understanding, cannot even give me a  
9 list of every school, what every credit recovery  
10 program is, and how long is it going to take? And  
11 how many children are involved?

12 KATHLEEN GRIMM: Let me--

13 CHAIRPERSON JACKSON: And--

14 KATHLEEN GRIMM: I'll find out if  
15 we can do that.

16 CHAIRPERSON JACKSON: Well, and,  
17 and what is the standardized process, you know, is  
18 there a Chancellor's Guide to that? Is there a  
19 curriculum as to what the minimum requirements are  
20 going to be for credit recovery? And you're going  
21 to be spending money on online credit recovery,  
22 when you can't even tell me how many credit  
23 recovery programs you have, is not acceptable to  
24 me as the Chair of the Education, nor to any of my  
25 members.

KATHLEEN GRIMM: Okay.

CHAIRPERSON JACKSON: Okay? So, with that, we're good.

KATHLEEN GRIMM: We're good.

CHAIRPERSON JACKSON: So let me just thank, first, Kathleen Grimm, our Deputy Chancellor for Administration and basically everything. And, and SCA, and the School Construction Fund, and all of her appropriate staff, let me thank you all for coming in.

KATHLEEN GRIMM: ECF.

CHAIRPERSON JACKSON: And--I said the Education Construction Fund, right. Excuse me, sir, Sergeant.

SERGEANT-AT-ARMS: Quiet, please.

CHAIRPERSON JACKSON: Sergeant. Sir, you got to, you got to step away from the table.

KATHLEEN GRIMM: It's the only fan I have in the room. [laughs]

CHAIRPERSON JACKSON: Excuse me, I'm sorry, say that again.

KATHLEEN GRIMM: He's the only fan I have. [laughter]

CHAIRPERSON JACKSON: That's not true. You have fans right here on the City Council, you know, like my family, we agree sometimes and we disagree sometimes.

KATHLEEN GRIMM: That's true.

CHAIRPERSON JACKSON: But thank you for coming in, we appreciate it. With that, I'll turn to our colleague, Domenic Recchia, Chair of Finance.

CHAIRPERSON RECCHIA: I want to thank you, Commissioner, I want to thank everybody, thank you, Lorraine Grillo, thank you. We want to just say the DEP, we're going to take a five minute break. DEP, but you should really thank the DEP Commissioner, Cas Holloway, for coming here early, because of his arrival, we're going to start, and we had to cut you short.

KATHLEEN GRIMM: Oh.

CHAIRPERSON JACKSON: So you were saved by Cas Holloway, Commissioner. All right, five minute break. [break in audio] Okay. We're going to start shortly. Commissioner Holloway is going to be extremely short, since he lowered the rates, he's going to give us a short presentation.

Yeah, they increased, but not double digits. You know, last--

CHAIRPERSON JACKSON: People are still crying, though. [laughs]

[pause]

CHAIRPERSON RECCHIA: Okay.

[pause, background noise] Okay. [pause] We'll now continue the hearing for today. We will now resume the hearing on the Mayor's Executive Budget for Fiscal Year 2012. I'm Council Member Domenic M. Recchia, Jr. The Finance Committee and the Committee for Environmental Protection, Chaired by my colleague, Council Member Gennaro. We'll now hear from the Department of Environmental Protection. But before we hear from Commissioner Cas Holloway. I will turn the microphone over to my Co-Chair, Council Member Jim Gennaro, who does a great job as Chair of Environmental Committee, and he's really knowledgeable, and because of his knowledge we thank him for all that he has done for all us, and all of our constituents. Jim?

CHAIRPERSON GENNARO: Thank you, Mr. Chairman, it's, it's a pleasure to be here, certainly, and it's been kind of easy to do what I

think is a pretty decent job with the Environmental Committee, because of the leadership of the Council, and the Council Members, all of whom want to see good green things for the City. And working with the Bloomberg Administration, that's the, that is certainly the greenest Administration that I've ever, ever seen, and with Cas. And so, we got a good team, we're getting good things done, and I'm, I'm happy about that, and happy to join you and my colleagues today, in this, in this hearing. Good morning, I'm Council Member Jim Gennaro, Chair of the Committee on Environmental Protection. Let me skip over that. And let me skip over that. Why don't we talk a little bit about the capital plan. The capital plan is of particular interest to the Committee, as it represents 25 percent of the City's total \$28.1 billion plan, \$21 billion May plan for Fiscal 2012-2015, with a \$7 billion, with \$7 billion increase, or \$7 billion, an increase of \$1.8 billion from the September commitment plan. The Department Executive Ten Year Capital Strategy increases to \$12.6 billion. The Committee today plans to discuss a variety of important issues

1 with DEP today, including a reduction of 108  
2 budget DEP employee positions that serve the water  
3 and sewer system. I'm going to want to talk about  
4 that. Net changes in the executive expense budget  
5 of \$47.8 million. Progress on the Delaware  
6 Aqueduct Bypass, and in preparation to minimize  
7 service impacts. And progress on discussion with  
8 the State DEC and the US EPA regarding review of  
9 regulations, is something that Cas knows I want to  
10 work with him on. And without further ado, it's  
11 my pleasure to--also let me, in terms of members  
12 from the Environmental Protection Committee, we  
13 have Council Member Vallone, Levin, Crowley and  
14 Koppell are here. [pause]

16 CHAIRPERSON RECCHIA: Recognized  
17 everybody. We're just continuing. Oh, Cabrera,  
18 Council Member Liz Crowley, Council Member  
19 Jackson, Council Member Tish James, Levin, and  
20 Council Member Vallone. Everybody's here just to  
21 hear Cas Holloway. Giving short version of his  
22 testimony.

23 CASWELL HOLLOWAY: Get ready. No,  
24 thank you. [laughter] Thank you, Chairman  
25 Recchia, Chairman Gennaro, and Members of the

Committees. I'm Cas Holloway, Commissioner of the New York City Department of Environmental Protection, I appreciate the opportunity to testify on the Fiscal Year 2012 Executive Budget. Last year, DEP committed to tightening our belt by operating more efficiently, rethinking our capital plan to stretch every dollar as far as it can go, and making critical water and waste water investments on a timeframe that New Yorkers can afford. That work is beginning to pay off. The 7.5 percent rate increase that the Water Board adopted last Friday is the lowest in six years, and 35 percent lower than the 11.5 percent increase that was projected last year. Any rate increase, particularly in these tough economic times, will be a challenge for family and businesses throughout the five boroughs. But we are headed in the right direction and will continue to work hard to deliver the world class services New Yorkers rightly expect. To ease the burden in the short term, we're offering a two percent discount for any customer who enrolls online for paperless billing and pays their water bill through direct debit. And to assist us in



obtaining payment from delinquent customers, we've issued an RFP for rims to provide revenue collection services. As part of the water rate process, I made a detailed presentation at public hearings at each borough, in addition to a presentation before the co-meeting of this Committee, the Finance Committee and the Community Development Committee, I believe, last, last Friday. Where I explained the services DEP provides and what it costs to provide them. In a sentence, every day DEP's nearly 6,000 employees supply one billion gallons of drinking water to nine million New Yorkers; treat 1.3 billion gallons of waste water to protect New York Harbor; enforce the Air Code to protect and improve air quality, and protect New Yorkers from environmental hazards, including asbestos and excessive noise. I learned about unique concerns and conditions in each borough, but the overall message was consistent. The significantly lower than expected rate increase for the coming fiscal year is welcome news, but DEP must work harder to continue to drive down costs and stabilize rates, without sacrificing world class service that New

Yorkers expect and deserve. As I said in my preliminary budget testimony in March, DEP's strategy 2011 to '14 offers a roadmap to accomplish our goals for our customers, as a water and waste water utility, as the manager of one of the largest capital programs in the region, and as the City agency charged with protecting water and air quality, and improving New Yorkers' quality of life. Our plan outlines 100 specific initiatives to improve customer service, reduce operating costs and run the safest, most efficient water utility and waste--water and waste water utility in the country. It also provides a framework for reprioritizing our ten year plan to focus our capital dollars on our greatest infrastructure needs, on sound asset management, on maintaining the system in a state of good repair, and on delivering one of the region's largest construction programs on time and within budget. Let me start with the expense budget. DEP's projected expense budget for Fiscal Year 2012 is \$1 billion. That number reflects the hard work we began last year when we implemented an eight percent across the board reduction in costs with

recurring annual savings of about \$75 million, and a reduction in 214 positions. This year, we're in the midst of an additional round of budget tightening. To hold down FY'12 expenses, we've eliminated 108 positions due to efficiencies and consolidations, which we project will save \$9.5 million without affecting services. We use these savings to offset new positions, including 28 staff to operate the Catskill Delaware Ultraviolet Disinfection Facility, just south of the Kensico Reservoir, and 20 staff needed to implement the NYC Green Infrastructure Plan. Personal services is the single largest agency expense at \$455 million, or 44 percent of the expense budget for Fiscal Year 2012. The other key elements of our expense budget are upstate taxes, that's \$146 million, approximately 14 percent; contract services at \$117 million, 11 percent; heat, light and power at \$103 million; chemicals at \$53 million; and biosolids management at approximately \$40 million. For Fiscal Year 2012, we're projecting a savings of \$22 million from landfilling biosolids, space consolidation and other reductions in supplies and contract

services. Nearly \$11.2 million of this savings is the result of a change in the way we handle 1,200 tons of sludge every day, a natural byproduct of the waste water treatment process. Last year, we increased the portion of sludge sent to landfills. Over the long term, however, we want to find a beneficial use for as much of the City's sludge as possible. Sludge has many potential applications, including energy extraction and as a component for building materials. In response to an RFP released last fall, we received 17 proposals from firms that could provide us with beneficial end use for our sludge. The proposals are currently under review and we're hopeful that they will enable DEP to direct as much sludge as possible to beneficial reuse at a--cost effectively. That's one of the main criteria. Heat, light and power, DEP's energy costs, are a significant part of our expense budget, and our greenhouse emissions. Both of these will increase substantially as we bring new facilities online, including the UV Disinfection Plant, and the Croton Water Filtration Plant, unless we start taking aggressive steps now to become more efficient.

Our strategic plan includes six energy related initiatives to increase efficiency, reduce overall demand, and generate revenue through public/private partnerships that take advantage of DEP's energy rich asset base. In fact, we recently received twelve submissions from RFEI, to develop a cogeneration facility at Ward's Island. Our four year capital plan includes almost \$300 million for investments to make our treatment plants more energy efficient, including \$60 million in Fiscal Year 2011 for digester gas system upgrades at five of our waste water treatment plants. Working closely with Deputy Mayor Steve Goldsmith, DEP is examining its operations to identify efficiencies. In fact, just this morning we announced the release of an RFP for consultant services, to assist us in identifying ways to make our core operations more efficient and cost effective. We are already finding savings, while at the same time creating opportunities for our workforce. On April 18th, we awarded a contract to DEP employees as part of a new insourcing pilot program, that allows municipal labor unions to compete against private

contractors on capital maintenance contracts in our waste water treatment plants. The winning bid, in this case, was twelve percent lower than the nearest private contractor's bid. Our second largest expense cost, upstate property taxes, may seem like a lot, and indeed \$146 million is a lot. But it's actually a cost savings in the long term. Acquiring sensitive upstate land is an integral part of our ability to continue running an unfiltered water supply. Failure to continue this program would necessitate the construction of a \$10 billion, a \$10-\$20 billion filtration plant, an estimated annual operating budget of at least \$100 million. Now that's a price none of us can afford. Moving to the capital budget, the Executive Ten Year Plan projects \$12.6 billion for FY'12 to '21, and \$2.1 billion for FY 2012. I can't stress enough that a key factor that has driven DEP's capital budget is unfunded state and federal mandates, as these unfunded mandates generate annual debt service costs that are now larger than our operating and maintenance budget. As I testified last week at a hearing on our FY 2012 water rate proposal, next year project that

42 cents of every water dollar collected will go to fund debt service for DEP's capital program. Of the \$21 billion Mayor Bloomberg committed to water and sewer projects between 2002 and 2010. More capital funding went to any other city agency, including education and public safety, approximately 72 percent, or \$15 billion of that amount, was for projects that are mandated by federal or state regulations, and whose schedules and scopes are established and enforced by judicial consent orders. Although federal and state regulations are enforced without sufficient regard for local needs or local priorities, they have to be funded almost entirely by local rate payers. Less than one percent of our capital funding during this period came through federal grants. And even when you add the American Recovery and Reinvestment Act funding, grants account for just 1.3 percent of our capital spending, for water and waste water infrastructure, between 2002 and 2010. As a direct result of the compressed construction required for large, mandated projects, water rates have increased by double digits in each of the

last four years, prior to this one. 11.5 percent in 20--2008, 14.5 in 2009, 12.9 in 2010, and another 12.9 in 2011. The timing of those rate increases could not have been worse for New Yorkers, many of whom are seniors on a fixed income, and hard hit by the recession. If regulators had been willing to show some flexibility, we could've spread out or deferred some of this work, so that we could mitigate increases in the price of water and sewer services. At this point, we're, we project that the percent of mandated capital spending in F--in the next ten years, will decline to 24 percent of all capital spending. But there are water quality and drinking water regulations that may generate new mandates in the next ten years. The fact that a project that is mandated by the State or federal government, does not mean that it's a bad investment for the system. To the contrary, many, in many cases, the City would likely make the same or a similar investment at some point. But consent orders dictate when and how a project will be done. And they are focused on specific compliance issues, so they don't take into account



the overall needs of the system. Giving localities the benefit of the doubt means developing flexible remedies without the threat of a judicial order or rigid, inflexible milestones, that require increased water rates or major diversions of existing resources. There are some other mandated projects on the horizon that make little sense. For example, covering the 90 acre Hill View Reservoir, pursuant to requirements under a federal rule called the Surface Water Treatment Rule, is a perfect example of a rule that makes no sense of New York City. Building that cover, a project estimated at \$1.6 billion, is an extremely expensive method to protect Hill View from a theoretical contamination threat. Specifically, microbiological pathogens such as cryptosporidium and giardia. Now we have detailed monitoring data that shows that Hill View Reservoir is not a source of these pathogens. And we're already building a \$1.6 billion ultraviolet disinfection facility just ten miles north of Hill View, which is going to address the same pathogens. The City's Health Department has done an independent review at DEP's request and

concluded that a monitoring regime is sufficient to protect public health. So, in the New York City context, complying with the Cover Rule would not only be expensive and disruptive, it would have a negligible public health benefit. Now we've asked EPA to revisit this and other unnecessary rules in the context of President Obama's comprehensive review of federal regulations, and we hope that they will do so. I want to thank Chairman Gennaro for working with us on ways that the Council can be helpful in support the Green Infrastructure Plan which has been submitted for approval to the State Department of Environmental Conservation, as a modification to an unfunded, combined sewer/overflow mandate. In the ten year plan, we have \$735 million for green infrastructure solutions to the challenges of how to reduce the combined sewer overflows, CSOs, that occur when storm water overwhelms portions of the City's sewer network, that carry both storm and sanitary flows. Under the current consent order, the City would be required to build massive tanks and tunnels that we call "gray" or conventional infrastructure, to capture CSOs and pump them to a

treatment plant after a storm. The City still plans to use gray infrastructure where it is cost effective. In fact, there's about a billion dollars in the ten year plan for optimizing gray infrastructure solutions, to CSOs. But, by shifting from the exclusive use of gray infrastructure to a strategy that combines both green and gray, the City can reduce combined sewer overflows by more than \$12 billion gallons by 2030, a 40 percent reduction. As compared with an all gray plan for CSO abatement, New York City can reduce capital spending by about \$2.5 billion over the next 20 years, if we implement this plan. If we can reduce our borrowing by \$2.5 billion over the next 20 years, we can also reduce future water bills paid by rate payers, which is why the Green Infrastructure Plan is really the cornerstone of our efforts to end unfunded mandates. Green infrastructure also offers other benefits besides lower costs and greater CSO reductions. Because it uses trees, shrubs and other plantings, it provides benefits in terms of air quality, beautification, a cooling effect on hot summer streets, and to encourage local partnership we've

made \$3 million in grant money available for this first year of the plan, which we hope to increase as long as we get good proposals. Also included in the ten year plan is funding for one of the most complicated and costly challenges facing the City's water supply: how to address the leaks in the section of the Delaware Aqueduct known as the Rondout West Branch Tunnel. As I mentioned in the preliminary budget hearing, DEP will build a three mile bypass around a portion of the aqueduct that is leaking in Orange County, and repair other leaks in Ulster County from within the existing tunnel. We are on schedule to break ground on the bypass in 2013 and complete the connection to the Delaware aqueduct in 2019. The ten year plan also includes \$2.1 billion for funding both the tunnel repair itself, that's \$1.2 for the repair, and then another \$900 million for projects to provide supplemental sources of water that are essential to meeting the City's needs, when the aqueduct will be out of service. Within the City, key elements of the ten year plan include the \$2.4 billion for projects in Queens, such as Shaft Six, Station Six, I'm sorry, Shafts 17B and 18B, of

1 City Water Tunnel No. 3., and high level storm  
2 sewers in Laurelton. \$290 million in The Bronx  
3 for projects including sewer and water main work  
4 and Croton Park related projects. \$810 million in  
5 Brooklyn, including work at the 26 water--waste  
6 water treatment plant and sewer enhancements in  
7 Coney Island.

8  
9 CHAIRPERSON RECCHIA: Glad you  
10 mentioned that.

11 CASWELL HOLLOWAY: Yes. [laughter]  
12 Of course. \$1.1 billion in Manhattan, including  
13 water main connections to shaft sites and  
14 reconstruction work at Ward's Island waste water  
15 treatment plant. And \$488 million in Staten  
16 Island, including acquisitions connected with  
17 expansion of the Blue Belt to mid-island water  
18 sheds. To implement strong capital project  
19 controls, and better manage our capital budget,  
20 strategy 2011 to 2014 makes eleven commitments,  
21 including creating a new project management  
22 information system, implementing and asset  
23 management plan and enhancing in-house expertise.  
24 All of which are well underway. In closing, I  
25 want to stress again the importance of rethinking

1  
2 environmental mandates. DEP's strategic plan, the  
3 NYC Green Infrastructure plan, and PlaNYC  
4 demonstrate that New York City is willing and able  
5 to make the commitment necessary to address these  
6 difficult problems. And with your help, the help  
7 of this Committee and the help of the Cuomo  
8 Administration, hopefully we can make those  
9 changes so that water rates in the future can be  
10 even lower. Thank you.

11 CHAIRPERSON RECCHIA: Thank you,  
12 Commissioner. And I'm going to turn it over to my  
13 Co-Chair, but I just want to bring out, raise one  
14 issue with you. Thank you for mentioning Coney  
15 Island. That's very important that we start that.  
16 In your testimony, on page two, you talk about  
17 hiring consultants. Outside, you know,  
18 contractors, you know, and consultant services, to  
19 assist in ways to make your core operations more  
20 efficient. Could you elaborate on that? You  
21 know, as you know, these outside consultants have  
22 been a big problem for the Bloomberg  
23 Administration. As we look deeper and deeper, it  
24 seems that there, it's a bigger problem than we  
25 first anticipated, and it looks like it's growing

every day. And, you know, so could you please elaborate, why we need outside consultants and--

CASWELL HOLLOWAY: Well, I think that you--first of all, DEP uses a lot of outside contractors and consultants. We have a, we have a \$14 billion capital program, and the majority of that is being built by private construction firms and our capital division which has about 450 employees in it. We, we leverage those resources with hundreds of, you know, private sector firms that do the design, help us do the design work and the construction work. So, you know, in that context, consultant services are something that we are, that DEP in particular, as we do, I mean, we're a capital intensive agency, we have \$14 billion in design and construction. So, that's something that we are not only familiar with but we rely on, they're important partners in our work. We've implemented strong project controls. Why do we need consultants? Well, I, I believe that, that the way to effectively run this agency, and any agency, is a good mix of expertise, both internally and externally. We don't have a monopoly at DEP on how to do things right. We do

things well, I think, that's why New Yorkers expect when they turn on the tap that the water's going to come; when they take a shower that the water goes down the drain. And we also, I also think that our employees are the, going to be some of the best sources for ideas and work. That's why we have an insourcing pilot that is underway since April, to allow our own employees to bid on private sector work, capital work to fix pumps and things in our stations. How, but now that we have done two rounds of budget cutting, eliminated positions both these years, hundreds of positions, and done consolidating and efficiencies, I want to continue to get savings. And what this particular RFP that I mentioned in my testimony is designed to do is bring in for a scope of work that is focused particularly on field operations, what I hope will be experts from the private sector who we will work with very closely, and will work with our senior managers, to make sure that we are making optimal use, and making use of best practices for the way that we run the system. And I think that as long as that is carefully managed, within the context of everything that we're doing



1  
2 at DEP, I'm confident that's going to help us  
3 deliver savings.

4 CHAIRPERSON RECCHIA: Well. I  
5 hope, I hope also, because this has been a big  
6 problem, and we are looking into this. And it's,  
7 has been problematic for other agencies. I just  
8 want to bring that to your attention. To make  
9 sure you keep an eye on it, and--

10 CASWELL HOLLOWAY: Absolutely.

11 CHAIRPERSON RECCHIA: --I  
12 understand you always have to hire outside  
13 consultants, 'cause you don't have enough experts  
14 in certain areas, we understand that. But there  
15 comes a point in time when, you know, a lot of  
16 people that are working for you could do the same  
17 work.

18 CASWELL HOLLOWAY: And that's  
19 exactly why we're looking for ways to do that,  
20 that's why our pilot program for the capital work  
21 is in place. And I also, we've put in place a  
22 lot, just so the Committee knows, we do now town  
23 hall meetings with our senior managers, and not  
24 even just senior, middle management as well, with  
25 our superintendents, to get the, where we're

getting the best ideas for energy efficiency and operational savings at our plants, is from our own workforce.

CHAIRPERSON RECCHIA: Has you number of your outside consultants, and consultant services, have they gone down or up?

CASWELL HOLLOWAY: You know, that is an, a question that probably what I'd like to do is get back to you, kind of get a little more specificity on what you mean, in terms of the number. We have more capital work going on right now than we ever have in the history of the system, so in terms of, you know, design consultants and engineering consultants, I would guess that we probably are, you know, we're, we're up there.

CHAIRPERSON RECCHIA: And how about consultants, to advise you how to be more efficient? You never hired any of these consultants before?

CASWELL HOLLOWAY: No, we don't have any--

CHAIRPERSON RECCHIA: This is the first time - -

CASWELL HOLLOWAY: [interposing]

Well, we, we have a, we have a consultant onboard working on a, our asset management program with us, to help us put in place a program that enables you to assess each asset, and we have evaluated over 25,000 assets with that, but that's actually designing materials that we can use in-house, to do it, so that's not going to be a continuing consulting. But as a general matter, no, this is the, this RFP that we released today is our, our effort to do that.

CHAIRPERSON RECCHIA: Okay. I have other questions, but I'm going to turn it over to the Chair and other Council Members have questions. We've been joined by Council Member Lander and Council Member Tish James.

CHAIRPERSON GENNARO: Thank you, Mr. Chairman. And I'm just going to kind of make a little statement at the outset to talk about something that I've been working on with your agency, and then open it up with some other members that have questions. And then come back. I just want to give an opportunity for members that are here to weigh in on matters that are very

important to them, 'cause they might have other meetings that they have to go to. And then as to do with the regulatory reform, we've talked about this, and I recently had a conference call with Mark Flanagan and Matt Mahoney about how we can partner on this, and we had a very, we had a very good discussion, and so the ball's kind of like back in DEP's court about we're putting together some letters and some other things that we could do here at the Council, we can work together on that. So, I look forward to doing that and making sure that we can make the, you know, most profound hit on the minds of folks in Albany and Washington, on how they have to let us do things the way we know we can do it, we can have better success and save money. And so I give you my commitment, I look forward to again, and so for Matt, it's been wonderful with him and others to try to see how the Council can help make that happen. And with regard to the Green Infrastructure Plan, it's been great to work with you on that as well. I just want to let folks on this Committee know, and the audience, that DEP and CAS on May 9th, received a 2011 US water prize

1  
2 from NST--the Clean Water America Alliance, I  
3 believe, for this plan. And I'd like to offer you  
4 and DEP public congratulations on that. And if  
5 you could just tell us a little bit about, you  
6 know, how the, how this plan is kind of reaching  
7 folks throughout the country, briefly, and then  
8 I'll turn it over to other members that have  
9 questions; then I'll come back for my more  
10 detailed questions, once the other members have  
11 asked there. So tell us all about this award, and  
12 how the plan is kind of making strides beyond New  
13 York City.

14 CASWELL HOLLOWAY: Well, the US  
15 Water Prize, this was its inaugural year, the  
16 Clean Water, Clean Waters America Alliance, is a  
17 group, though, of all of the big water utility  
18 providers in the country, and, but also the big  
19 research institutions, universities, who are  
20 working on water quality, water and waste water  
21 issues. And I was invited to go down to D.C., Los  
22 Angeles, New York City and then three other--two  
23 university research departments, and I think  
24 Milwaukee, also--won one of the awards. So we  
25 were one of five recipients in the inaugural year.

1  
2 And I have to say, it was the most impressive  
3 gathering of water and waste water expertise that  
4 I have yet been to, and at this point now I've  
5 been to quite a few. Which is to--and Bob  
6 Perciasepe, the Deputy Administrator for EPA right  
7 now, he's the number two person at EPA, also a  
8 Senate confirmed position, was, gave the opening  
9 speech. And so I think that is just an indication  
10 that it is, it is a very serious award and it is  
11 something that shows that New York City is really  
12 starting to influence what's happening nationally  
13 in this area. Now, DEP always has had a major  
14 influence in engineering circles and architecture  
15 and design circles, those who know water and waste  
16 water infrastructure, know DEP. This I think  
17 takes us to the next level in terms of, you know,  
18 being on the cutting edge, but also more publicly  
19 being part of the solution to some of the  
20 difficult problems that we're facing, and, and the  
21 budget realities that we live with to try to deal  
22 with 'em.

23 CHAIRPERSON GENNARO: Well,  
24 certainly if we can couple that with the  
25 regulatory reform and get that going, so that

1 would be great for us, and other local  
2 jurisdictions and states around the country, who  
3 are dealing with these mandates. So happy to  
4 partner with you to help DEP and New York City  
5 lead the way on this plan, and, and how we  
6 interact with higher levels of government, and,  
7 you know, what is fair. So, with that said, I  
8 look forward to posing my questions to you  
9 Commissioner. But now, Mr. Chairman, I'd be happy  
10 for other members of the Committee that have  
11 questions to get an opportunity to do that, then  
12 I'll follow up.  
13

14 CHAIRPERSON RECCHIA: Council  
15 Member Vallone, then be followed by Council Member  
16 Koppell.

17 COUNCIL MEMBER VALLONE: Thank you,  
18 Mr. Chairs. Commissioner, welcome. Let me start  
19 where we, where we disagree. I'm not sure in what  
20 bizarre world a 7.5 percent increase being the  
21 lowest in six years, is good news. Yesterday at  
22 the Fire and Criminal Justice Hearing, Chaired by  
23 Council Member Crowley, I said that the Fire  
24 Department was pulling the same scam that the  
25 Water Board pulls on us every year. Fire

Department's coming in, mentioning 20 firehouse closings, which we know won't happen, but much like the water, the huge water rate increases, what happens is they come in with this giant number, and then there's a much lesser number, in your case 7.5 percent, and then the public is fooled into breathing a sigh of relief. "Whew! It's only 7.5 percent." But our water rates have gone up ridiculously in the last five years, about 50 percent in five years. And no population should have to, to put up with that. Now, I realize this is not your fault, as you said. I realize this is due to unfunded State and federal mandates. We discussed firehouse closings yesterday, tomorrow morning Ray Kelly comes in to discuss police cuts, again all due to unfunded State and federal mandates. That's why those cuts are happening. Now, on the federal level, you mentioned one program that sounded ridiculous, to cover up the reservoir when it's not needed. We'd like to help. Who should we address our, our letters to, and our correspondence, when it comes to not forcing you to spend billions of dollars on that cover. Is it the head of EPA? Is it, is it



1  
2 the President? Who do we address on this? Who's  
3 making that decision?

4 CHAIRPERSON GENNARO: What I'll do,  
5 Cas, before you get an opportunity to answer Peter  
6 about that, I just want to tell Council Member  
7 Vallone that we're working with the folks at DEP  
8 to work on that issue, because I've been working  
9 on an issue going back to 1990, when I started  
10 with this Committee, and we're going to have a  
11 whole host of things that, it's going to be a  
12 package that we're going to put together, then  
13 we're going to be reaching out to the feds and  
14 reaching out to the State and getting a, and just  
15 giving those folks a sense of how the Council  
16 feels about that, whether it's this Committee or  
17 the Council as a whole. We still have to figure  
18 that out, but you know, certainly I think the Hill  
19 View cover is sort of like the marquee, it's  
20 almost like, like a monument to the kind of  
21 insanity that we're trying to fight with this  
22 reform. But with that said, we'll certainly give  
23 you more details from our end, Pete, and I'll let  
24 the, Cas give you his answer, as well.

25 CASWELL HOLLOWAY: So, jurisdiction

1 in this area is, is split three ways, it turns  
2 out. The EPA is the primary regulator of water  
3 quality for both drinking water and then ambient  
4 water, that's, you know, New York City Harbor.  
5 And then, the EPA in many cases has delegated the  
6 enforcement authority to the State. But it's not  
7 even that simple, because some issues, or there's  
8 some partial delegation on the drinking water and  
9 the clean water side; but then there are some  
10 issues that they've retained. So, for example, on  
11 the cover, that is an EPA issue. The State  
12 Department of Health as a general matter has been  
13 delegated authority to, to enforce clean drinking  
14 water quality, and we work very closely with them.  
15 But the specific rule that requires this cover is  
16 still under EPA jurisdiction. So the person to  
17 write on this is Lisa Jackson. And in fact, I've  
18 met with--and then Bob Perciasepe, who is the head  
19 of the, Deputy Administrator from, and very  
20 focused on water issues, in addition to everything  
21 else. So, we can provide that information. And I  
22 know we've been working closely with Council  
23 Member Gennaro on how to do that. On the Green  
24 Infrastructure Plan, Council, I'm sorry,

1 Commissioner Martens, and I, spoke was recently as  
2 this morning about the plan, negotiations with the  
3 State have been going very well, and have  
4 accelerated since new leadership was appointed  
5 there. But I think it certainly would be good for  
6 the State to hear from the City, anything that the  
7 State hears from the City, in terms of at the  
8 executive level and the agency level, on the  
9 State, you know, in the State, is good in terms of  
10 saying, "Hey, we're paying attention to this, and  
11 this is what the City, you should give the City  
12 the opportunity to do." And what we will do, now  
13 there are other things that are coming down the  
14 pike, water quality standards that are a mix of  
15 State and federal jurisdiction, that we are  
16 watching very closely. And, you know, this is a,  
17 this is a time where we do not want to see another  
18 set of unfunded mandates pile up and force us to,  
19 you know, have these never ending water rate hikes  
20 to deal with it.

21  
22 COUNCIL MEMBER VALLONE: Well,  
23 thank you, and I wanted to thank our Chair. Of  
24 course I'll defer to him and whatever letter he's  
25 working on, on this issue. I look forward to

signing on, or however you expect to get involved.

CHAIRPERSON GENNARO: Sure.

COUNCIL MEMBER VALLONE: And help in any way I can. On that, regarding the, you mentioned that with regard to the, the cover, that you have a ultraviolet plant that you're planning. You also mentioned in the testimony that you have 28 staff that you're going to be, I think going to be hiring? Can you update us on the status of that ultraviolet plant?

CASWELL HOLLOWAY: Sure.. The ultra violet disinfection plant is on schedule to be, go operational in 2012. It's a \$1.6 billion project. It is just south of the Censico Reservoir, so water leaving the Censico Reservoir will go through this plant and will be, to use a technical term, zapped, with ultraviolet light, so, which deactivates pathogens, cryptosporidium and giardia. And the personnel--Now, the plant is one of our projects, it's about four months ahead of schedule, so it's been a really well managed project by our CMs and our contractor. We actually won the professional women in construction award for MWBE contracting on that

particular job. That has been, that project has been a real success story in terms of getting it in the ground and getting it done. So, that's in, that's in decent shape.

CHAIRPERSON VALLONE: Are there other ultraviolet plants, or is that the only one?

CASWELL HOLLOWAY: Well, there are other ultraviolet plants in the world, this is a technology that is used.

COUNCIL MEMBER VALLONE: I meant that you were planning on here, for our water supply.

CASWELL HOLLOWAY: No. In our system, this will be the only one. It will be the biggest one in the world.

COUNCIL MEMBER VALLONE: I was going to say, it is huge, from what I'm told, right?

CASWELL HOLLOWAY: It's, it will have the capacity, throughput capacity of two billion gallons. It'll be the biggest in the world, once it's operational.

COUNCIL MEMBER VALLONE: That's, I completely support that. And I want to commend

you for being so, so much of a leader on that issue. This will clearly allow us to use less chlorine in our water supply, correct?

CASWELL HOLLOWAY: No.

COUNCIL MEMBER VALLONE: No?

CASWELL HOLLOWAY: It won't.

COUNCIL MEMBER VALLONE: That's not good.

CASWELL HOLLOWAY: No, it won't, because--

COUNCIL MEMBER VALLONE: I don't, I don't take back my commendation, but still [laughter]--

CASWELL HOLLOWAY: Sorry.

COUNCIL MEMBER VALLONE: --I'd like to hear--

CASWELL HOLLOWAY: The, the federal rules, drinking water quality rules, require, you can, you can go down two paths: you can either disinfect your water by two means, or you can filter. And so, when it comes to where we get most of our water, the Catskill and Delaware water, which is what this, you know, the water from Catskill and Delaware will be, will be

1 treated with this ultraviolet light, ultraviolet  
2 disinfection and chlorine will be the two means of  
3 disinfection that we will be using for the  
4 Catskill and Delaware watersheds. So--

5 COUNCIL MEMBER VALLONE: Well, what-  
6 -what are the two means right now?

7 CASWELL HOLLOWAY: Well, right now,  
8 we're not, we only disinfect with chlorine.

9 COUNCIL MEMBER VALLONE: But you  
10 don't filter. So you - - [laughs]

11 CASWELL HOLLOWAY: That's right,  
12 so, well that's why we're, we're building the  
13 plant, to come into compliance with the rule.

14 COUNCIL MEMBER VALLONE: Oh. Hm.

15 CASWELL HOLLOWAY: That's right.

16 COUNCIL MEMBER VALLONE: Okay. All  
17 right.

18 CASWELL HOLLOWAY: But this is,  
19 this is illustrating the issue with the one size  
20 fits all regime. Now, things in the watershed  
21 are, you know, we have a good thing going in the  
22 watershed, 'cause we have a filtration avoidance  
23 determination that we want to keep. So, you know,  
24 with the watershed protection that we're doing,  
25

1  
2 once this plant is on, our position is, you  
3 certainly don't have to go any further in terms of  
4 the cover requirement is totally redundant and  
5 unnecessary.

6 COUNCIL MEMBER VALLONE: Wouldn't  
7 there be less chlorine you can use, though? As  
8 opposed to the same amount?

9 CASWELL HOLLOWAY: We are, well,  
10 the amount of chlorine that we use is a, is a  
11 function of, you're trying to achieve a certain pH  
12 level, so that you can get the water delivered, so  
13 that when it gets there, it, you know, is  
14 disinfected, but it also tastes as good as New  
15 Yorkers expect it to. So, the adjustments, we're  
16 always making adjustments in the amount, but--

17 COUNCIL MEMBER VALLONE: Hm. Okay,  
18 I'd like to learn more about that. I'm going to  
19 finish up quickly, 'cause I know there's a lot of  
20 people. I want to thank your, the people that you  
21 have working for you, Matt Mahoney especially.  
22 I've met with him a few times, and he provided me  
23 a lot of information, on the fluorine questions I  
24 had last time, and then the cost of that, which I  
25 believe is unnecessary. Very comprehensive



1 letter, even the, all the anti-fluoride people I  
2 work with said, "Wow." [laughs] That's a great  
3 letter, it actually answers the questions we  
4 asked, which is very rare in our business, so  
5 thank you for that. I look forward to working  
6 with our Chair, to help you out on these, on these  
7 mandates, especially when it comes to something  
8 like the cover, because we're not just talking  
9 about money or who's funding it, which we all  
10 agree, if the State or the feds are going to  
11 mandate something, they should fund it. But when,  
12 this is an environmental issue, and if we as  
13 representatives of people don't believe it's  
14 necessary, that should cover, carry a lot of  
15 weight with the people making these decisions. So  
16 I look forward to working with you on that, and,  
17 and I think you're doing a great job, keep it up.

18 CASWELL HOLLOWAY: Thank you.

19 CHAIRPERSON GENNARO: Thank you,  
20 Council Member Vallone. I'm going to recognize  
21 Council Member Koppell, but I just want to add a  
22 little coda on what the Commissioner had said,  
23 with regard to giardia and crypto, these are  
24 things that are in all water supplies, people  
25

1 shouldn't walk away from here thinking that, "Oh  
2 my god," like we've got crypto, and we have  
3 giardia in our water supply. Like all water  
4 supplies have them, and the giardia responds very  
5 well to chlorine, crypto less so, but it's not  
6 that much of an issue, because most people don't  
7 have a problem with that. But what, when we do  
8 the UV, that'll certainly take care of that. I  
9 just didn't want people to walk away from there  
10 thinking that we, you know, had pathogens that  
11 were, you know, somehow that that, we have them,  
12 and other water supplies don't have them. That is  
13 not the case, and so we're dealing with them,  
14 we've been dealing with them, and once we have the  
15 UV, that will be sort of like the nail in the  
16 coffin for crypto, which is not really like, you  
17 know, much of an issue now, but that will  
18 certainly put that to rest. And with that, I  
19 recognize Council Member Koppell.

20  
21 COUNCIL MEMBER KOPPELL: Thank you.  
22 Commissioner, as, as you know, because I've talked  
23 about this before, and before you were  
24 Commissioner, too, about the collection system  
25 for, on the water bills. And I'm pleased that

1  
2 somewhat increased collections has also helped and  
3 reduced the percentage increase this year,  
4 although I agree with Council Member Vallone that  
5 7.5 percent, although better than eleven, is not  
6 great, at all. And I'm concerned here in reading  
7 that you now are contemplating hiring a firm to  
8 help you with revenue collection. Not that I  
9 think that revenue collection is doing as well as  
10 it should, but by hiring a firm, they're going to  
11 get a percentage of what they collect, that's  
12 money that we're not going to get for you and for  
13 the City. And we've now come to a new conclusion  
14 with you on liens, on lien sales, which hopefully  
15 will assist in collection. And you've more  
16 aggressively initiative turn off procedures. So,  
17 why do we need now, I mean, why do we need to hire  
18 some outside firm that's going to take whatever it  
19 is, a third or whatever percentage it is of, of  
20 revenues that they collect, when it's my  
21 contention that if you tell people you're going to  
22 turn off their water, and this is--or you're going  
23 to sell the lien--that they're going to pay, and  
24 that's the experience you've had, as far as the  
25 testimony I've heard you give about this.

CASWELL HOLLOWAY: Well, Council Member, certainly I don't think there's been anybody on this Committee, and perhaps in the entire Council who has been as concerned about insuring that we do everything that we can to collect from New Yorkers who can afford to pay, and I totally agree. And the strategic plan that we have has a whole section devoted, of initiatives devoted to ensuring that people who can afford to pay, actually pay their bills. Now, we look at, I look at revenue on a biweekly basis, and, in terms of the accounts receivable that's hanging out there, we look at it in tranches: 30 to 60 days, 60 to 90, 90 to 120, and then, and 120 to 180, and then 180 to 365, and 365 and over. The lien sale, which is our most, by far our most effective and powerful tool, and it, we appreciate that the Council worked with us to, to reauthorize that, that is certainly a powerful tool, but you're only eligible for that if you've had your A/R outstanding for 365 days or more, and it's \$2,000. We do shutoffs, those shutoffs, though, are only for single family homes, and that's if you have \$500, and it's been out for six months

1  
2 for more. And in fact, the num--shutoffs are  
3 extremely expensive for single families. It  
4 costs, we collect about 28 cents on the dollar  
5 for, for every collection, so if you want to talk  
6 about money that could be better spent, that's  
7 certainly operation, operating money that I'd  
8 rather see go to fixing sewers and fixing catch  
9 basins, so I think that we definitely, you know,  
10 there's, so one of the things that we're looking  
11 to go after with this RFP is that bucket of  
12 accounts receivable that's between 120 days old  
13 and 365 days old, if, you know, this comes down to  
14 analysis. If the analysis shows that it's money  
15 that we wouldn't otherwise collect, and there's a  
16 certain amount that it's worth paying, in order to  
17 bring in dollars that otherwise are just going to  
18 sit out there, I want to do that, because I think  
19 that people who can afford to pay, should pay.

20 COUNCIL MEMBER KOPPELL: I, I don't  
21 disagree with you, but the fact is that they're  
22 not going to do anything different than your in-  
23 house employees can do, and they're not going to  
24 take the business unless they can make  
25 considerable money on it, which is money that the

1 City should be getting. And I don't, I don't  
2 quite understand your 28 cents. When you, when  
3 you, my recollection is, that when you sent out  
4 the shutoff notices, 95 percent of the people then  
5 pay, because they don't want to be shutoff. Where  
6 does the 28 cents come in?  
7

8 CASWELL HOLLOWAY: When you  
9 actually have to go and do the shutoffs, it's, it  
10 costs \$2,700 per shutoff. You have to go out and  
11 do the mark out, and then you go out with a, with  
12 a crew and the super--you still have a  
13 considerable number that would, you know, that  
14 need to be shutoff ,and in fact we don't come  
15 anywhere close to being able to shutoff the full  
16 number of people who should be shutoff, and that's  
17 because that would simply be, you know, take a  
18 number of resources that I don't think any of us  
19 would want to commit to that. We do a number of  
20 shutoffs, and we do collect a high, a high  
21 percentage of the accounts receivable, that is due  
22 from single family homes. But our own analysis  
23 shows that if we did something different, for  
24 example if the lien sale applied to single family  
25 homes, we would collect an additional about \$20

1 million a year. So, I, I think that it's, you  
2 know, and I, in prior testimony to this, you know,  
3 to some versions of this committee, I've explained  
4 in considerable detail the cost involved in doing  
5 shutoffs, it simply is not an effective way to do  
6 this work.  
7

8 COUNCIL MEMBER KOPPELL: Well, I, I  
9 don't, I don't necessarily agree with you, we  
10 could talk about it further, but you can't measure  
11 what it costs, let's say it costs \$2,700 to do a  
12 shutoff, and maybe when you, when you do that, you  
13 ultimately collect \$2,500, but we're talking, but  
14 you sending out maybe, maybe 100 shutoff notices,  
15 and 95 of those people pay, so if you have to pay  
16 for five of them to shut them off, you're not  
17 collecting 28 cents, you're collecting from 95  
18 people 100 percent, and then from five percent, I  
19 don't know exactly what happens there, but I do, I  
20 just cannot believe that where you have the power  
21 to shut someone's water off, that it should be  
22 difficult to collect the bills. And I've said  
23 again and again at these hearings, Con Ed is able  
24 to collect all of their bills, essentially, like  
25 98 percent of their bills, because they can shut

1  
2 you off. And people don't want to be shut off  
3 from their electricity. And water is just as  
4 important as electricity, maybe in some cases more  
5 so. So, I, I want to caution you that maybe  
6 there's a small subset of cases where hiring a  
7 collection agency makes sense, but I doubt that  
8 there are enough cases to warrant that, for a  
9 private firm, and they're going to want to have  
10 some of the gravy cases, the ones that are easy to  
11 collect, in order to take the ones that are  
12 difficult to collect. And I, I suggest that you  
13 just started, only under your leadership, and  
14 maybe a year before did you start the shutoff  
15 program. I had to yell for, I don't know, six  
16 years, Mr. Chairman, before they actually started  
17 to shut people off. So, before you start hiring  
18 outside people and giving away a third or perhaps  
19 more of your receipts, I think you should focus on  
20 your lien sale and on your shutoff program,  
21 because I think the ultimate result of your hiring  
22 an outside collection agency is going to be to  
23 collect less. And I would, would ask you to do a  
24 very careful analysis before you give away this  
25 revenue.



1  
2 CASWELL HOLLOWAY: Well, I look  
3 forward to, we can have my staff and your staff  
4 meet and I'll meet with you personally to go  
5 through it, because I can assure you we don't do  
6 anything unless we do careful analysis.

7 COUNCIL MEMBER KOPPELL: Okay. And  
8 let me also say, just since we're talking about  
9 your capital program, that I've been distressed  
10 and, you know, if we meet the filtration  
11 monitoring committee, we've got to get some  
12 agreement on the proposed routes for the force  
13 main out of the Croton Filtration Plant, so that  
14 there can be some community input, and some  
15 decision; otherwise, it's going to delay the whole  
16 project. And we keep getting postponements after  
17 postponement of proposals for the force main, you  
18 know, the original plan fell through because of  
19 trowy [phonetic] tracks. I don't know why that  
20 should be, but it was. So we, we really have to  
21 move ahead on that.

22 CASWELL HOLLOWAY: I agree. And  
23 one of the reasons why that has taken longer than,  
24 than anybody would like it to, is because I want  
25 to make sure that we come up with a route that has

the least possible impacts, and in fact I'm hopeful that we're going to come up with a solution to that issue that is going to be substantially less impactful than anything that's been on the table. So--

COUNCIL MEMBER KOPPELL: Well, I've heard from rumors, but if you have alternatives, come up with three alternatives, and let people comment, and then make your decision.

CASWELL HOLLOWAY: We will, we will be in touch.

COUNCIL MEMBER KOPPELL: [laughs]  
Good.

CHAIRPERSON GENNARO: Thank you, Council Member, thank you, Council Member, I recognize Council Member James.

COUNCIL MEMBER JAMES: Thank you.  
Let me just join my voice to the choir of individuals who have expressed concerns about this increase in water rates, and, and have spoken to you in the past with regards to providing a discount to those individuals who have access to the internet. And as a alternative, or as, in addition to that discount, has DEP considered an

1  
2 amnesty program, to increase their collection  
3 rate, waiving fees, interest, late charges and  
4 things like that, so perhaps it might increase  
5 your collection rate?

6 CASWELL HOLLOWAY: What we have  
7 done in terms of existing water debts is we have a  
8 program called "The Water Debt Assistance  
9 Program," which sets aside, gives people who,  
10 qualifying individuals, the opportunity to set  
11 aside debt that's associated with a particular  
12 property, and they can enter into an agreement  
13 with us and, and then on a going forward basis, as  
14 long as they enter into a payment plan to pay  
15 going forward, they don't have to worry about that  
16 A/R that's accrued. Now that still sits with the  
17 property so that either when the person gets back  
18 on their feet or that they, or the property gets  
19 sold, because anytime you do a sale, you have to  
20 resolve any outstanding charges on the property.  
21 So, without, that's not an amnesty program, we  
22 don't have an amnesty program, but that is a  
23 program that we've put in place for precisely the  
24 kind of situation that you're talking about,  
25 because you want to figure out a way, can you get

1  
2 people back into the, the ability to make  
3 payments, but not having necessarily to deal right  
4 away with what might be a substantial accrual of,  
5 of fees. But that's for qualifying individuals.

6 COUNCIL MEMBER JAMES: Right. So,  
7 that's a program separate and apart. My question  
8 is whether or not we are, DEP is considering a  
9 citywide amnesty program.

10 CASWELL HOLLOWAY: At this time,  
11 no.

12 COUNCIL MEMBER JAMES: Okay. So,  
13 is it something that you are interested in, you're  
14 not interested in, something you can look to in  
15 the future? Or is, or what?

16 CASWELL HOLLOWAY: I am most  
17 interested in programs that will, rather than  
18 amnesty, either get people into a payment plan, on  
19 a basis where they can make, afford to make  
20 payments. We have incentives to get people to low  
21 cost methods of making payments, like the two  
22 percent discount that we're offering this time.  
23 Those are, you know, what where we're focusing our  
24 efforts right now.

25 COUNCIL MEMBER JAMES: So do you

not believe that amnesty would increase your collection rate?

CASWELL HOLLOWAY: It's not something that we've, that we're looking at right now.

COUNCIL MEMBER JAMES: Okay. That is something that I am obviously very much interested, I know a number of my, the colleagues in the City Council are interested, and it's something that I'd like to have further discussion with you, before we consider possible legislation. What efforts are being made to identify seniors, disabled individuals and veterans, who might be eligible for exemption from a lien sale.

CASWELL HOLLOWAY: Well, in connection with the notifications that we've sent out with the lien sale, we have sent out checklists with all of the lien sale notifications, so that people can basically go and do a check the box and say, "You could be eligible for, you know, the senior, the SHI [phonetic] discount, or the disabled, if you're disabled, or a veteran or SHI, you're, you're exempt from the lien sale. And so, that is certainly a way we're

1  
2 putting in front of people information that they  
3 need to make that evaluation, and then offering  
4 through our customer service center, we have  
5 extended hours, that, so that people can be in  
6 touch with us and find out whether they qualify  
7 for those programs.

8 COUNCIL MEMBER JAMES: So,  
9 obviously--

10 CASWELL HOLLOWAY: We're also doing  
11 seven or eight outreach events--

12 COUNCIL MEMBER JAMES: Yes.

13 CASWELL HOLLOWAY: --with the  
14 Department of Finance, and we have done, DEP in  
15 particular, has done a number of outreach events  
16 all year, which we'll continue to do, whether  
17 during the lien sale period and not in the lien  
18 sale period, where we encourage customers to come  
19 in, resolve issues, ask questions, so that they  
20 can deal with their bills before they become a  
21 problem.

22 COUNCIL MEMBER JAMES: Water  
23 conservation, obviously in the district that I  
24 represent, which you are familiar with,  
25 individuals are concerned about encouraging water

1 conservation. And my question is, by conserving  
2 water, it's a sort of a disincentive, because it's  
3 going to reduce you revenue, and thus result in  
4 increased water rates. What are we doing to  
5 promote water conservation, which would not be  
6 disadvantageous to DEP?  
7

8 CASWELL HOLLOWAY: I think one of  
9 the biggest investments we're making in that  
10 direction is automated meter reading. By giving  
11 our customers to ability to go online and see  
12 their water use on a daily basis, they can get a  
13 sense of what their daily use is, and when I talk  
14 to people in the boroughs, individually, and the  
15 best way for people to have to pay less for water  
16 is to use less water, and the way to use less  
17 water on a daily basis is to, you need to have  
18 access to information that shows you, "How much do  
19 I use?" Before, people were only getting a bill  
20 every quarter. And that just showed one data  
21 point, "What is my bill for the last three  
22 months?" Now you can go in and say, "Okay, well,  
23 I didn't realize that every Tuesday, my sprinkler  
24 goes and, you know, that this takes this much  
25 water. What if I change the timers, what if I,

you know, do certain things? Maybe I'm only going to water my lawn once a week instead of twice."

COUNCIL MEMBER JAMES: Right.

CASWELL HOLLOWAY: So, I think the best transparency that, that tool is something that is giving every single customer the ability to see what their use is, and I think that is ultimately the best way for people to, to use less.

COUNCIL MEMBER JAMES: But by using less, will it result in less revenue, revenue to the Water Board, and thus causing unintended consequences, such as the need to increase water rates?

CASWELL HOLLOWAY: Well, we, the need to increase water rates is certainly less water used, means less billable water used means less revenue.

COUNCIL MEMBER JAMES: Correct.

CASWELL HOLLOWAY: Now, notwithstanding that, we're certainly not encouraging people to waste water. And I think that, you know, the sign of healthy growth in the City, which, you know, obviously the City Council



and the Mayor have been encouraging, you know--

COUNCIL MEMBER JAMES: Make up for the--

CASWELL HOLLOWAY: Well, what comes along with that? You would think, would be some additional water use. Now we've seen consumption go up about three percent this year, we had a hot summer this year, July was one of the hottest on record. The year before, our consumption, June to June, was down 15 percent, 'cause it was cool. So there are a bunch of factors that, as a result of that, by the way, whereas last year, we had forecast an additional one percent decrease in consumption for this coming fiscal year, where we're saying it's going to stay flat. We're not ready to baseline in the three percent increase, but we will see what happens. Now, you know, that is partly a result of the weather, maybe partly a result of a change in, you know, economic conditions, but our, we certainly are not looking for people to, you know, to waste water for revenue purposes.

COUNCIL MEMBER JAMES: Speaking of that, just as an aside, I just thought about an

1  
2 issue that I continue to witness in the City of  
3 New York. The water fountains that go off,  
4 particularly like when it's raining, who monitors  
5 that situation? I've seen water fountains that  
6 continue to run in parks, when it's raining, when  
7 it's cold. I've seen the water fountain right  
8 outside City Hall go off when it's raining, when  
9 it's rather cold. This, is there a, is someone  
10 monitoring, is there a meter which would turn it  
11 off in inclement weather?

12 CASWELL HOLLOWAY: We don't have  
13 the ability to do automatic, basically remote  
14 shutoffs, and that would certainly make shutoffs  
15 easier. Than, than what we have to do right now.  
16 So we don't have the ability to do that. However,  
17 we are aggressive, and I mean, where you can see  
18 major wasting is, is when hydrants are on when  
19 it's hot. Now, a water fountain, any waste is  
20 bad. A water fountain, though, compared to a  
21 hydrant, where you can have a thousand gallons a  
22 minute coming out of there, and we have, we're  
23 going to have actually a program where interns are  
24 going to help us this summer to do canvassing and  
25 helping to identify where shutoffs need to be

1 done. What we really encourage people to do,  
2 whether they see a water fountain or a hydrant,  
3 anywhere where you see water wasting, call 311 and  
4 we can send a crew out to do it. And I think the  
5 members of the Committee, I hope know, that DEP is  
6 one of the agencies that is, you know,  
7 particularly responsive, when we are made aware of  
8 a condition, we are generally able to send someone  
9 out pretty quick to address it.  
10

11 COUNCIL MEMBER JAMES: So water,  
12 that includes water fountains?

13 CASWELL HOLLOWAY: Well, if there's  
14 a water fountain that's on, call 311, we'll get it  
15 and we'll see if we can get it fixed.

16 COUNCIL MEMBER JAMES: That \$6.5  
17 million for upstate real estate taxes, have you  
18 engaged in a conversation with our State elected  
19 officials to perhaps pass some legislation so that  
20 you would pay a pilot as opposed to those real  
21 estate taxes?

22 CASWELL HOLLOWAY: We are not  
23 engaged in a discussion about a pilot. It, one of  
24 the reasons for that is because the, there are  
25 many jurisdictions upstate. And so, it's a bit

fractured. You have a lot of town, different towns where we are assessed different tax rates based on, you know, whatever the assessment is of the town entity, and you know, the authority to set the taxes is not necessarily in the county's hands. And so, what we, I'm just looking 'cause Eric Goldstein is in the audience here, and he's a particular expert on this. The, this is something that it probably would not be practical to, to have a one size fits all, because the, it's different jurisdictions, and there are different considerations in terms of how the properties are assessed. I can assure you that the City is working with towns. If we think an assessment is unfair, if we think that a town is, not that any town would do this willingly, but if they are seeing, calculating the assessment for us in a way that we think is, you know, not equitable, compared to what everyone else who lives there is paying, then we challenge the assessment. Now the way tax assessments work, anywhere, including the State is, you pay the assessment and then you challenge. So, you know, you're, you're a little bit of a disadvantage. You can't withhold payment

of taxes.

COUNCIL MEMBER JAMES: Right.

CASWELL HOLLOWAY: But it's something that we've worked closely with our, the, the partners in the watershed on.

COUNCIL MEMBER JAMES: But because you are governed by a State authority, doesn't that sort of preempt all of these, these jurisdictions?

CASWELL HOLLOWAY: No, because we are still, like anybody else, as a purchaser of property, we are able to purchase property and hold it, but we are subject to the same property taxes that any, that anybody would pay if they were buying property in the jurisdiction.

COUNCIL MEMBER JAMES: And I know that, obviously, you provide water to all of the New York City residents, and there's some counties which are also covered by your rates. Will they, too, suffer an increase, as well?

CASWELL HOLLOWAY: Yes. The projected increase for them, and I believe it's still projected, 'cause I think the increase is going to be implemented this week, is going to be approximately the same, 7.5 percent.

COUNCIL MEMBER JAMES: And lastly, with regards to your authority, you mentioned WMBE. How are we doing with respect to financing opportunities for women and minority businesses with regards to your debt?

CASWELL HOLLOWAY: Financing with regard--I'm sorry, can you--

COUNCIL MEMBER JAMES: Financing council, financing, their financing bonds, there's a number of firms that issue those bonds. Some of those firms obviously are women and minority businesses that obviously want to take advantage of those opportunities.

CASWELL HOLLOWAY: Okay, so DEP itself does not, the Water Finance Authority issues the debt that is backed by the revenue of the water system. So that question, we can certainly facilitate getting an answer to that question. We don't directly deal with the issuers, you know, the firms that help us to issue the debt. That's the Water Finance Authority and OMB.

COUNCIL MEMBER JAMES: And does the Comptroller's Office sit on the--

CASWELL HOLLOWAY: Yes.

COUNCIL MEMBER JAMES: --Water  
Board?

CASWELL HOLLOWAY: Okay, thank you,  
no further questions.

CHAIRPERSON GENNARO: Thank you.  
Thank you, Cou--

CASWELL HOLLOWAY: Water, the Water  
Finance Authority, I'm sorry, they don't sit on  
the Water Board, the Water Board is all appointees  
of the Mayor.

CHAIRPERSON GENNARO: Thank you,  
Council Member James. I recognize Council Member  
Levin.

COUNCIL MEMBER LEVIN: Thank you,  
Mr. Chairman. Thank you, Commissioner. I, I do  
want to go on the record saying that I think that  
New York City's water is delicious.

CASWELL HOLLOWAY: Oh, thank you.

COUNCIL MEMBER LEVIN: And I hope  
that it stays that way. I was just wondering, I  
have a couple of questions. First, I was  
wondering if you could give us an update on the  
three, the three projects that account for, let's

1  
2 see, that would be \$9.6 billion in capital costs,  
3 which, you know, is, accounts for a good portion  
4 of the debt service that's the Croton Filtration  
5 Plant, the ultraviolet disinfection, the New Town  
6 Creek facility, which is located in the district I  
7 represent. If you can give us just an update on  
8 when the projected completion dates are for those  
9 three projects.

10 CASWELL HOLLOWAY: The Croton Water  
11 Filtration Plant is going to be operational in,  
12 between 2012 and 2013. The UV disinfection plant  
13 will be opera--is on schedule to be operational in  
14 2012. The New Town Creek construction, which is  
15 we're in the midst of what is ultimately a \$5  
16 billion reconstruction of the New Town Creek Waste  
17 Water Treatment Plant, where I believe the, all  
18 the major components will be done by 2014. The  
19 good news with New Town Creek is that we are just  
20 on the verge of certifying compliance with the  
21 Clean Water Act's secondary, the secondary  
22 treatment removal of solids from, from our waste  
23 flow stream, even though the project still has a  
24 couple of, you know, hundreds of millions of  
25 dollars to spend to continue upgrades. So we're



going to do even better in terms of water quality treatment than we thought we would. We thought we wouldn't be able to make that certification until 2013, we're going to make it this year.

COUNCIL MEMBER LEVIN: I thought we reached a milestone last--what was the milestone we reached last year?

CASWELL HOLLOWAY: That was monthly. We are meeting monthly standards already.

COUNCIL MEMBER LEVIN: Okay.

CASWELL HOLLOWAY: When the final certification will be on a daily basis.

COUNCIL MEMBER LEVIN: Oh, okay.

CASWELL HOLLOWAY: And that is, that is what is the final certification. So then you're, you're totally out of being monitored, you know, as, as not in compliance.

COUNCIL MEMBER LEVIN: Mm-hmm. And then, I guess that kind of leads me to my second question, which is--How much, how much is DEP paying per year in penalties by being out of compliance on any various numbers of mandates, specifically with regard to CSO?

CASWELL HOLLOWAY: Okay, well, I will, first let me say, we will, I will get back to you with a specific answer on that, because it is a, penalties are assessed on an ongoing basis through the, through a process that we've now, at least, while I'm not a huge fan of penalties in any context, related to this, because I think that penalties should be reserved for the unwilling, and the City is certainly willing and when, and in some cases where we are spending, for example, at the Water Filtration Plant, we are, we are building that plant, at a faster rate than we've ever built any project ever. And because the initial schedule was, you know, really not as long as it needed to be, for reasons that had to do with the negotiating that was happening at the time that we entered into it, we are still potentially subject to penalties for missing milestones that couldn't have been met, but you know, the penalty in that context is nonsensical. Now, I'm in favor of, you need, you need penalties, I mean, you need to have enforcement mechanisms. We tend to resolve penalties on an ongoing basis. If you have compliance violations,

1 which occasionally you have what's called an  
2 exceedance in some variable for a water quality  
3 standard, or an air standard, or something like  
4 that, you know, we, we generally do what's called  
5 an omnibus order, with DEC, where we'll, there'll  
6 be some penalty element. Now what I've been  
7 pushing DEC to do, and which they've been more  
8 accommodating in doing, is more often than simply  
9 paying some large penalty to the State coffers,  
10 set up an environmental benefits project that is  
11 going to advance the agency's goals in terms of  
12 water quality, even though it would be a payment.  
13 So, so we've had some success going that. New  
14 Town Creek is an example.

15  
16 COUNCIL MEMBER LEVIN: Community  
17 loves it, yes.

18 CASWELL HOLLOWAY: Yes.

19 COUNCIL MEMBER LEVIN: And, you  
20 know, I would, I would say that, I mean, and just  
21 to follow that up, and because it's, you know,  
22 blocks away from my house, New Town Creek Waste  
23 Water Treatment Facility is probably the largest  
24 construction site that I know of in New York City  
25 other than maybe the World Trade Center, so I

mean, it's a massive, massive site, and there's a ton of work going on there. You have great staff there, as well, so.

CASWELL HOLLOWAY: Oh, thank you.

COUNCIL MEMBER LEVIN: Last question, about hydrofracking. In the Preliminary Budget Hearings, I guess DEP has done a impact assessment study, back in 2009, which estimated-- I'm sorry, that, sorry, the final impact assessment study in 2009 concluded that hydrofracking is incompatible with New York City's, the operation of New York City's unfiltered water supply system, it was in the Preliminary Budget Hearing that, that you gave a rough estimate that it could cost the City up to \$11 billion if contamination would be a result of hydrofracking upstate. Can you give us kind of an update as to, obviously Members, myself and Members of the Committee and in the Council, stand, stand with the City on that. Can you, can you give us an update as to where, where we are with the State? I haven't heard very much in terms of what the Cuomo Administration is looking to do, if they're moving at all, if there's

conversations with the City, kind of--

CASWELL HOLLOWAY: Sure. I can't speak for the State, in terms of what they're going to do generally speaking, because there has been, there was this draft generic environmental impact statement, which was looking at the question of "What are the conditions under which hydrofracking could happen in New York State?" When that came out, we said, "Okay, well, whatever happens in the rest of the State, what is the impact of this activity potentially on New York City's watershed?" Then we did the independent study because the Mayor doesn't have a, you know, he wants to be, have the data to back up whatever the policy decision's going to be. That study clearly showed that, as you say, that hydrofracking is not compatible with maintaining water quality in New York City's unfiltered watershed, and we provided that information to the State. And while they were still assessing what the rules were going to be, and you know, what the comments were, I think they received like 13,000 comments to the draft generic environmental impact statement, ours were, you know, certainly

1 voluminous. And so, they made a, an interim  
2 decision, which was to say that when it comes to  
3 the unfiltered watersheds, and there are two, ours  
4 and then Syracuse and New York State, separate  
5 environmental reviews would have to be done in  
6 order for hydrofracking to occur in those areas.  
7 Now that is a step in the right direction, because  
8 the rest of the State, presumably, and this is  
9 what, the State has not acted, really, since then,  
10 so I'm not sure when the State is going to say  
11 whatever it's going to say next, about the draft  
12 generic environmental impact statement and the  
13 rules for hydrofracking, if it's going to happen  
14 in New York State. Whatever those rules are, they  
15 will not apply to unfiltered watersheds, they  
16 won't apply to the City's watershed, because  
17 they've already said, a totally separate  
18 environmental review would have to be done for  
19 that to happen. So--

20  
21 COUNCIL MEMBER LEVIN: So when did  
22 they declare that?

23 CASWELL HOLLOWAY: That was in,  
24 almost a year ago, now, I would think. About a  
25 year ago.

CHAIRPERSON GENNARO: At least,  
yeah. A year ago.

CASWELL HOLLOWAY: Yeah, and, and  
so now, in the intervening time, I've been up to  
Albany and met with Commissioner Martens and we  
had a list of ten issues, this was issue number  
one. Issue number two was green infrastructure.  
And you know, I see that as ones on the, one's on  
the clean water side, one's on the drinking water  
side, so, you know, they're really coequal. And  
he knows that it's the City's view that we want  
the State to reach the same conclusion that we've  
reached, which is whatever happens in the rest of  
the State, this activity can't happen in the New  
York City watershed, it's the water for nine  
million New Yorkers, that's about half the State.  
There's only six percent of the available shale  
reserves in the watershed, six percent is more  
than a fair price to leave untouched to guarantee  
the safe drinking water for nine million people.  
So, that's where we are. They're not there yet,  
but we are going to continue. And if you read in  
our strategic plan, I think it's goal twenty--it's  
Initiative 29, I believe, is to protect the

1 watershed from hydrofracking and get the State to  
2 prohibit it in our watershed.

3  
4 CHAIRPERSON GENNARO: And Steve,  
5 I'll take this opportunity just to jump in and  
6 thank DEP and thank the Commissioner and thank the  
7 Bloomberg Administration for doing this really  
8 terrific body of science that they did in 2009.  
9 It made a profound difference in really, I don't  
10 think it gave the State many options in terms of  
11 what it was going to do. And it did make them  
12 take that first good step, not perfect, we're not  
13 done yet, and there'll be more on this. And the,  
14 part of my line of questioning that I'm going to  
15 talk to Cas about is this very issue. But I just  
16 want to take the opportunity to thank the  
17 Bloomberg Administration and DEP for doing this  
18 body of work that is, you know, being looked at  
19 throughout the country as a, as a first, you know,  
20 real, you know, serious science that has been done  
21 on the perils of fracking. And we look forward to  
22 the federal government doing their study, but  
23 certainly like we have the study now, and it's  
24 really terrific that it happened, and this is  
25 really changing the debate of, you know, fracking



1  
2 throughout the country. So, I'm grateful to the  
3 Administration for that, and grateful to you,  
4 Steve, for your continued focus on this very  
5 important issue.

6 COUNCIL MEMBER LEVIN: Thank you,  
7 Mr. Chairman. And thank you, Commissioner, again,  
8 no further questions, thanks a lot.

9 CASWELL HOLLOWAY: Thanks.

10 CHAIRPERSON GENNARO: Thank you,  
11 Steve. And I recognize Council Member Cabrera.

12 COUNCIL MEMBER CABRERA: Thank you  
13 so much, Mr. Chair, Commissioner, welcome. I want  
14 to talk about something that has not been  
15 addressed, and that's the issue of biosolids. You  
16 know, I just have a limited amount of information  
17 regarding this, maybe you could help me. I know  
18 that there are cities and, I know in Israel  
19 they're studying and researching to see how they  
20 could turn it into a source of revenue, at the  
21 very least, not a cost, methane, fuel cell,  
22 biofuels. I think there's a company in California  
23 called Enetrec [phonetic] that turns part of the  
24 sludge is used for making cement, out of all  
25 things. Is, do you see, I notice in your

1 testimony you mention the 17 proposals. Is this  
2 going to be a source of revenue, or are we just  
3 looking to cut even?  
4

5 CASWELL HOLLOWAY: I hope so. Now,  
6 I am not--and as excited as I am about these  
7 proposals, I am not personally on the evaluation  
8 committee for them, for, for obvious reasons. But  
9 the, but my understanding is that the proposals  
10 run the gamut in terms--and we're not necessarily  
11 going to only pick one. The City, just to give  
12 you a little bit of few data points. First, is it  
13 possible that we could generate revenue?

14 Certainly. Is it possible that some of the sludge  
15 could be used to generate energy or construction  
16 materials, be used for land use applications?

17 Certainly. And the City produces 1,200 tons of  
18 sludge a day. That is certainly a renewable  
19 energy source. And it is something that is going  
20 to continue. So, we want to find a beneficial  
21 reuse for as much of this as possible. Now, we  
22 are landfilling most of our sludge at this point.  
23 We're still doing beneficial reuse for some of it,  
24 we still ship some to Colorado for land use  
25 application, and we have some, is used, there's a

coup--there's some percentage of it that's still used for, beneficially right now, but we're hopeful that this round of proposals, the technology has continued to improve so we are going to have a wider array of options and cost proposals for how to do this. But I can assure you one of the, you know, one of the factors we're assessing is, what is the, what is the cost, and if it's possible for us to break even or do better, then we certainly will pursue it.

COUNCIL MEMBER CABRERA: Is there any large cities anywhere in the world that breaks even?

CASWELL HOLLOWAY: I don't know the answer to that, but we can certainly look into it.

COUNCIL MEMBER CABRERA: That would be a nice research for an intern. [laughs]

Here's my next question, it's, I heard about the rate increase, seven percent, ten percent, and a lot has to do with the nonfundable mandate. What will you foresee will be the rate if all of the nonfundable mandates were taken out?

CASWELL HOLLOWAY: Let's see--

COUNCIL MEMBER CABRERA: Or funded,

either way.

CASWELL HOLLOWAY: You know, if--it is a, it's a complicated question because the unfunded mandates have come on board over time, so there are two factors that would contribute to dramatically reducing the City's costs here. First of all, if we just had, if you couldn't impose a mandate without funding it, and it was all funded, so that would mean that we would have most of the New Town Creek funded, we would have, that's \$5 billion we would have, the \$1.6 billion for ultraviolet disinfection, we would get the \$3 billion for water filtration. Now, I think that, as I've said many times, just 'cause something is, is mandated, doesn't mean it's not necessary for the system. The problem with mandates is it tells you when, where and how you're going to do a project. And so when you pile all these projects up together, that's what is forcing you to do, has forced us to do double digit rate increases, particularly in the last five years. So, I don't think it would reasonable to think that all of, every dollar of all of those projects would be funded, 'cause some of them are ultimately going

1  
2 to be necessary for the system. If we could get  
3 the flexibility that actually the EPA has, with  
4 the tools that it has, in hand, to take the whole  
5 context of the system into account, make sure that  
6 it only, we work with them to do the investments  
7 that our particular system needs, and not just  
8 apply a one size fits all regime, then I think we  
9 could strike the right balance between. And if  
10 the federal government than wanted things that we  
11 think are unnecessary for the system, but they  
12 want everyone to have the same, they should fund  
13 those things. So, I think that that's not a  
14 simple percentage answer to your question, but I  
15 think it's fair to say that, that the water rate  
16 increases that we've seen, 70 percent of the \$20  
17 billion, \$14.9 billion, that we have had to spend  
18 over the last, between 2002 and 2010, has been for  
19 mandated projects. So, you know, that's a huge  
20 component of the water rate increases that have  
21 been necessary during that time.

22 COUNCIL MEMBER CABRERA: So if I  
23 hear you right, if they were all fundable, there  
24 wouldn't be a rate increase.

25 CASWELL HOLLOWAY: I want to do the

1  
2 math and send you a letter, to kind of look at it  
3 over time, 'cause I think it's a good question. I  
4 don't want to say that that wouldn't be the case  
5 that there would be, never be an increase. But  
6 it's something that would certainly have a  
7 dramatic impact, and it would've had a dramatic  
8 impact for many of the previous years.

9 COUNCIL MEMBER CABRERA: In terms,  
10 and this is my last questions, in terms of the  
11 new, the ultraviolet treatment center, if someone  
12 were to come to my office and ask, "What--do you  
13 suggest that I should have a water filter system  
14 in my home?" what should I answer?

15 CASWELL HOLLOWAY: You cer--  
16 generally, you certainly do not need to filter New  
17 York City water. We, we test that water 550,000  
18 times a year. So the water qua--so I like to say,  
19 it's backed by 550,000 tests. Now, there's a  
20 little bit of a comp--like everything in New York  
21 City, there's a little complication. If, if you  
22 live in a house that has old pipes, and in fact  
23 lead pipes, then it is possible that if the water  
24 that comes into your house is sitting overnight,  
25 for example, that because water just has a

1 naturally corrosive effect if it sits, and it  
2 interacts with certain kinds of metals, you could  
3 have lead leach into the water that's sitting  
4 there. Now, you don't need a filter to deal with  
5 that, all you have to do is run your tap for 30  
6 seconds, or until the water changes temperature,  
7 and we have a big public information campaign on  
8 that. So, so even there, you don't need a filter,  
9 but I think it's important if somebody says,  
10 "Well, what do I need to protect my water  
11 quality?" If they live in a house that was built  
12 before 1961, if they think that they have lead  
13 fixtures in their house, it's a good idea, just  
14 when they get up in the morning and when they come  
15 home from work, to run your tap for 30 seconds  
16 until the temperature changes, before drinking the  
17 water.

18  
19 COUNCIL MEMBER CABRERA: I--

20 CASWELL HOLLOWAY: Otherwise, I  
21 think you're fine.

22 COUNCIL MEMBER CABRERA: I have a  
23 water filter, and the water filter itself changes  
24 color and you can see that, you know, some kind of  
25 something got added to, to the filter, chemicals

1  
2 or, or whatever, I don't know what it is. Is,  
3 what is that, then? I mean, and do we want that  
4 in our - - ?

5 CASWELL HOLLOWAY: [interposing]  
6 Well, there are a lot of different filters, so I,  
7 this is something that it will take a fair amount  
8 of research. If you go to our website, we are,  
9 there's a place where you can go to get an  
10 assessment. We, you can get there, or you can  
11 just talk to Matt Mahoney here after, and we'll  
12 figure out a way to get you connected to the right  
13 website. I'm not an expert on all filters, but  
14 there are a lot of different filters, and one  
15 thing to tell people if they ask you is, if they  
16 are concerned about lead, for example. Not every  
17 filter filters lead. So, getting something that  
18 is called "filter" does not necessarily deal with  
19 any issue that you might have. There are a lot of  
20 different filters that do a lot of different  
21 things. And I know Councilman Gennaro knows this  
22 well.

23 CHAIRPERSON GENNARO: Sure.

24 COUNCIL MEMBER CABRERA: Council  
25 Member Levin mentioned, just, I'm just curious, he



mentioned the water's delicious. Is water  
supposed to have taste? [laughter] I'll leave  
with that. [laughter]

CHAIRPERSON GENNARO: Let me just chime in on the, on the filters. I'm not really a big proponent of, of filters. When you, when you do put a filter on your faucet or whatever, you've got this gizmo and it can be a source of bacteria, it can be a source of problems, so sometimes when people filter their water, they're taking perfectly good water and, and you know, making things worse instead of better, and things. So, I'm generally not a big proponent of filters, 'cause I think some, some of them can, you know, breed bacteria, and they have to be serviced, have to be maintained, you have to change like the apparatus. And, and they're, you know, many complicated kinds of filters, from ones that you may attach to these more complicated, reverse osmosis kind of filters. But they all have to be maintained, and they all have to be kept up, and sometimes you'll filter the water and then it'll go into this tank under the sink, and then it could be sitting there for a while, and, and it

1  
2 can get stale, and it can breed bacteria, and  
3 we've got a really, really great system, and I  
4 always advise people to, you know, leave well  
5 enough alone. And if you already have the best  
6 water in the country, then it's hard to improve  
7 upon that. That's my two cents.

8 COUNCIL MEMBER LEVIN: And Mr.  
9 Chairman, by delicious, I meant that it didn't  
10 have any taste at all. [laughter]

11 CHAIRPERSON GENNARO: Thank you,  
12 Council Member Cabrera, I recognize Council Member  
13 Lander.

14 COUNCIL MEMBER LANDER: Thank you,  
15 Mr. Chairman, thank you, Commissioner. Against my  
16 better judgment, I'll note that we recently got  
17 one of those seltzer machines, I, we're probably  
18 not supposed to do product placements, but I  
19 bought one from Soda Stream, and after many years  
20 of buying seltzer in bottles and who knows what  
21 water it came from, these things, you know, it  
22 includes this little CO<sub>2</sub> canister and you screw it  
23 in; now I turn my New York City tap water into  
24 seltzer, and the seltzer's delicious. You can add  
25 some flavor to it if you like. [laughter]

Putting the CO<sub>2</sub> in with a couple of squirts always takes care of the color. So, you know, if you like seltzer and you want to drink New York City tap water, get yourself one of these gizmos and I can do a YouTube video for DEP, [laughter] about how to turn New York City tap water into seltzer.

CASWELL HOLLOWAY: I actually have one at the office.

COUNCIL MEMBER LANDER: Excellent, all right, so there we are. [laughs]

CASWELL HOLLOWAY: Sure.

COUNCIL MEMBER LANDER:  
Commissioner, I want to thank you for coming out with your team a couple of weeks ago to Carol Gardens to talk about the green infrastructure program. You know, we had a great forum, and more people than I thought would turn out to talk about CSOs in the, in the Gowanus Canal, and you know, I put out my challenge there to my community, but I want to do it here with my colleagues, and throw down the gauntlet. There's 16, 15, I always forget the exact number of kind of CSO watersheds, but--

CASWELL HOLLOWAY: 17.

1 COUNCIL MEMBER LANDER: 17. The  
2 Gowanus Canal challenges you all, we're going to  
3 be number one in CSO reductions through civic  
4 partnership with DEP, around the green  
5 infrastructure plan, by implementing many of the  
6 things that are in there, encouraging people to do  
7 the grant applications, to get the enhance tree  
8 pits, and I look forward to a challenge with my,  
9 with my colleagues. I was pleased to hear--  
10 [background comment] Excellent. I was pleased to  
11 hear you talk about the fact that DEC seems to be  
12 moving along to approving the plan, and Mr.  
13 Chairman, I, you know, I guess either, I know you,  
14 Council Member Vallone was talking specifically  
15 about the cover in filtration, but on green  
16 infrastructure, I would love to see us either do a  
17 resolution of the full body or at least a letter  
18 from a lot of us to the DEC Commissioner making  
19 clear that we support the green infrastructure  
20 plan and are eager to see it approved posthaste.

21 CHAIRPERSON GENNARO: That sounds  
22 great, I think that's the best offer I've had all  
23 day. That's good.

24 COUNCIL MEMBER LANDER: [laughs]  
25

1 And obviously we're, I'm very happy that in DEC,  
2 both at the Commissioner level and in region two,  
3 we're going to have leadership that really helps  
4 us advance, advance our goals. You know, the one  
5 thing that I, that I mentioned there, and I guess  
6 I'll just say on the record, it's not so much  
7 question, is I really think continuing to look for  
8 ways to encourage civic partnership. The grants  
9 program is great, but you really need to be a not-  
10 for-profit or a civic organization, have a little  
11 more infrastructure than most citizens have. And  
12 if we can help citizens, you know, at the level  
13 of, "I'd love to do an enhanced tree pit in my  
14 front yard," or at the level of, "I think my  
15 public school would be a great place for a green  
16 roof," to enable, you know, that kind of civic  
17 partnership, that we're hoping to have, that helps  
18 us move forward in the green infrastructure plan,  
19 and do that, including the grants program, but  
20 more comprehensively, I just think it's a great  
21 opportunity to involve people in PlaNYC 2.0 and in  
22 the green infrastructure work. So I want to say  
23 thank you, mostly thank you for coming out to--

24 CASWELL HOLLOWAY: Well, thanks. I

1 think the idea, the suggestions idea is good and  
2 there are a couple of outlets that, particularly  
3 Deputy Mayor Goldsmith has been bringing online,  
4 change by us, which I think is a site where the  
5 next rounds of green infrastructure grants are  
6 going to be available. The idea, though, that we  
7 are, that citizens could suggest even public  
8 infrastructure places where we could, we could do  
9 installations, is a great idea. So, I want to  
10 make sure that we are actively soliciting that and  
11 following up. So we will, we'll take you up on  
12 that.

14 COUNCIL MEMBER LANDER: Super,  
15 thank you. I was very interested to read about  
16 the insourcing pilot that you both talked about in  
17 your testimony, in response to, to Chair Recchia.  
18 So, first congratulations on that, it was great to  
19 see that the bid came in 12 percent lower. I did  
20 do the math, I looked it up on the press release,  
21 and I guess it was \$149,000, so if I got that  
22 right, it's one thousandth of one percent of the  
23 DEP capital budget. But we're getting started,  
24 which is good. I'd just love to hear a little  
25 more about how it works because they don't have a

company, and so when they bid--this is new to me, and I was excited to hear about it--so can you just tell us a little more mechanically, who is it that organizes their bid? When they get the money, where does it go to? How does it relate to other work they have? If this expanded and rolled out, would it have budget implications because staff, you know, I mean, obviously if you did this at scale, it would affect kind of staffing and balance, you know, what they already have work they're presumably assigned to do. So just give me a little more sense of how it, how it works.

CASWELL HOLLOWAY: Well, so, so, the, the program ,we have a standard, we have developed a set of procedures for the program, both in terms of how to carry it out and evaluate the bids, and then I also have made sure that there's an independent view, it's not just the Bureau that's seeking the work that evaluates the bids. Our Chief Financial Officer and our Chief Contracting Officer separately evaluate, so that there's, you know, no, so that you're really getting a truly impartial view of what the proposals are. The, this doesn't happen on shift,

1 this is something that the kinds of work that  
2 they're able to bid on, they're generally smaller  
3 jobs, fixing pumps, and so forth. And we don't  
4 anticipate that there is going to be the ability  
5 to, you know, that there's still \$20-\$50-\$100  
6 million jobs that, that we're doing at these  
7 plants. It's not intended to be at that scale.  
8 But it's not something that--groups of workers are  
9 able to get together, and then put in a bid, as  
10 for example 3STWs and an electrician, to, to bid  
11 on the job, and they'll bid the hours, and they  
12 have to do it at union rates, and you know, and  
13 the union is supportive of this. So, it all  
14 happens within the context of what those governing  
15 agreements are, so that the wages and so forth,  
16 they are constrained by their own wage scales. So  
17 you, you, once a job reaches a certain scale, and  
18 you need a certain level of supervision, or if you  
19 need more than one electrician, for example, it  
20 can all of the sudden become uneconomic, from the  
21 perspective of the, the local, the in-house  
22 workforce to do it. So, it, it's going to be  
23 self-limiting, in a way, but certainly the workers  
24 are not able to do it on their shift. And I'm  
25



happy to get together with you and walk you through, you know, more of the specifics, if you're interested.

COUNCIL MEMBER LANDER: I was just, I was very encouraged to hear about it, obviously, as you know, there's been a lot of, you know, viewpoint expressed by the Council of concern, more broadly about contracting out and consulting and the growth in contracts and mostly I feel like we've had, you know, some, you know, between the Administration in the Council, less than a sort of collaborative way of figuring out ways to move forward. This doesn't solve the answer for everything, but it's nice to see a place where you guys have done the work, to figure out a model for insourcing, that recognizes the value of those workers, and I would love to learn more about it and see how we can, how we can grow it--

CASWELL HOLLOWAY: We are looking--

COUNCIL MEMBER LANDER: --whether other agencies can do similar things, it's--

CASWELL HOLLOWAY: Well, thank you, I will say, you know, when I co--when we say it's a pilot, we certainly now know that it can work in

the waste water treatment area and in the plants. You know, one question is, we know we do a certain size of job, in the street, when we're fixing water and sewer mains, for example. Could we, could we expand it to that bureau? We're looking at that. You know, and similarly, what is the kind of work in water supply that we do? So, I would like to see us have a robust set of work where our own workforce is able to compete and what that means for me is better prices, which means lower costs. So that's the goal, and the competitive advantage I think at the right scale is that the, you know, your employees are the ones who know the operations best.

COUNCIL MEMBER LANDER: Great, thank you. All right, a question sort of on behalf of Council Member James, you mentioned \$810 million of infrastructure in Brooklyn in the ten year capital plan. We try to keep tabs on how much money is going to the Atlantic Yards project. Do you know whether, or and if so, any, and if so how much of that money is going to infrastructure related to the Atlantic Yards project?

CASWELL HOLLOWAY: I will have to

1  
2 get back to you on that. I know there is maybe  
3 one pipe that I know of, that we're doing some,  
4 some small amount on. The infrastructure in that  
5 area clearly is going to need to--let me get back  
6 to you.

7 COUNCIL MEMBER LANDER: I guess  
8 and, as long as you're doing that, let me ask a  
9 second Atlantic Yards related question. If the  
10 full plan, there was a very ambitious and, and one  
11 of the few things that I thought was a positive  
12 about the plan was its very ambitious detention  
13 system. It was going to detain quite a lot of  
14 water, and that is in the Gowanus Watershed, and I  
15 guess I haven't followed up to ask them, given  
16 that it's only Phase One and not Phase Two, how  
17 much detention is planned to be achieved by their  
18 Phase One, and I, if you guys have the ability to  
19 an--I mean, if it's more appropriate to ask them  
20 or SDC, I'll do it. But if you know how much  
21 detention their Phase One is achieving, that's  
22 also information I'd like to--

23 CASWELL HOLLOWAY: We'll give you  
24 whatever information we have. I don't have it on  
25 hand.

1 COUNCIL MEMBER LANDER: That's  
2 great, thank you. And I just want to second what  
3 Council Member Vallone said about your staff, on  
4 quite a few things this year, a very messed up  
5 interceptor sewer that you guys have rapidly  
6 followed up on and put in the capital budget to  
7 get done next year; you sent me a letter after the  
8 preliminary budget hearing on the question about  
9 how many, you know, the uptake in the parking lot  
10 water runoff program that I didn't even remember I  
11 had asked, until I got the letter answering it.  
12 So, a credit to your staff for following up with  
13 those, thank you.

14 CASWELL HOLLOWAY: Thank you.

15 CHAIRPERSON GENNARO: Thank you,  
16 Council Member Lander, and I just have a, one or  
17 two items, very quickly, and I think we're on the  
18 benefits of letting members ask what's on their  
19 mind, is that I end up having to do less work at  
20 the end, 'cause they've asked a lot of the  
21 questions that I would've asked. So, it saves me  
22 work and gives people an opportunity to chime in  
23 and make a big difference, and I'm grateful for  
24 that. So, let me jump to something that's really  
25

parochial, shame on me. After the last hearing we had, the budget hearing, I got some kind of like local pushback about the flooding on Utopia Parkway. There was a flow monitoring item that was put in, I think it was a \$500,000 item. We don't have to go through the results of that, you know, flow monitoring study, but the whole reason behind the flow monitoring was when we do it we'll take a look at it and we'll see if there's any kind of investment we have to make to make sure that we don't get flooding there, to the extent that we had in the past when cars are literally floating down the street. And it really like became like a life and death kind of thing. So, let me just put on the record that we'd like to hear back on the flow monitoring study, how that's going, like what it found. And to the extent that that analysis calls for some kind of investment, we'd like to talk about how we can put that in the capital plan. So let me just state that, and--

CASWELL HOLLOWAY: We will definitely set up--

CHAIRPERSON GENNARO: Sure.

CASWELL HOLLOWAY: --to go through

1  
2 the results, 'cause I know we've spent a  
3 substantial amount on it, and we do have data, and  
4 we're doing a lot of, a lot of good things  
5 internally about--

6 CHAIRPERSON GENNARO: Sure, but,  
7 but my--

8 CASWELL HOLLOWAY: So we will--

9 CHAIRPERSON GENNARO: Yeah, the,  
10 folks from my--

11 CASWELL HOLLOWAY: --follow up.

12 CHAIRPERSON GENNARO: --the folks  
13 in my area said it's, you know, great to put the  
14 brainwaves in and do that, and do the study, but  
15 if something's going to come out of it, that we  
16 need to fund--

17 CASWELL HOLLOWAY: What are the  
18 results?

19 CHAIRPERSON GENNARO: --you know,  
20 so let's do that. And also, folks have come to  
21 me, working on food waste disposers, and I've  
22 been, you know, not like a big supporter of that  
23 technology. I, you know, I think of nitrogen, I  
24 think of other things getting into the system.  
25 And but yet I always want to keep an open mind,

1 and I believe some, you know, folks have talked to  
2 DEP about that and so I'll kind of follow DEP's  
3 lead on what you think, 'cause you, you know,  
4 you've got the body of experts there that can  
5 really speak to that. And so, as I get older, I'm  
6 kind of like making a, you know, pledge to myself  
7 to, you know, keep an open mind about other things  
8 that I didn't, you know, really have an open mind  
9 about. So--

11 CASWELL HOLLOWAY: Well, I can, let  
12 me--

13 CHAIRPERSON GENNARO: Sure.

14 CASWELL HOLLOWAY: --maybe one  
15 thing on that. So, part of the solid waste  
16 management plan was that, where we committed to do  
17 a study and a pilot for food waste disposal. And  
18 I believe that the current rules are for new  
19 construction that you are either some limited  
20 cases in which you can, you can actually do it.  
21 But as a general matter, I believe we should go  
22 over the results of that study with you, because  
23 you're right, the nitrogen loading from food waste  
24 disposal is intense, and so that's a serious  
25 issue. But we, we have the results of that, which

we should go over.

CHAIRPERSON GENNARO: Oh, yeah, certainly, because I, you know, rather than just take my traditional kneejerk, kind of like I don't want to really hear about it kind of thing, I think it's important for me to be informed and have an open mind and, you know, look at things from a, the perspective of someone who has really studied it, and if you folks have done that, I would like to hear about that. So, so thank you for that, and with all the other questions. And with regard to fracking, I, I was, I chimed in before when Council Member Levin asked his question. I think I'll hold onto this for now, this after all is a budget hearing, and I don't want to make it, you know, some kind of a fracking oversight hearing. And so we'll, I'll kind of hold my fire on that. And you know, just to once again state how grateful I am to the Administration for having the great posture that they have on fracking. But certainly like a topic for another day, and with that I, I'd like to thank Chairman Recchia for being a very gracious Co-Chair, and all the members and staff that



really put together a positive hearing. So, thank you, Commissioner, thank you all the good people from DEP, and thank you, Chairman Recchia.

CHAIRPERSON RECCHIA: All right, thank you very much, and this concludes the hearing. I want to thank my entire staff, Tanisha Edwards, and all the staff from Education, Regina, Christina, Felicia, and Liz from my office, I want to thank the entire staff from - - I want to just thank the entire Finance Staff for doing a great job. And Nathan, Mr. Capital King, he's back. I want you to know that Mr., Commissioner Holloway, we got, Nathan's back. [laughter] We stole him back. So he's going to keep an eye on the latest stuff. The Finance Committee will resume the Executive Budget Hearing for Fiscal Year 2012 tomorrow at 10:00 a.m. Tomorrow, I'll be joined by the Committee on Public Safety, chaired by my colleague Peter Vallone, to hear from the Police Department, Special Narcotics, District Attorneys, Office of Management and Budget, Civilian Complaint Review Board. As a reminder, the public will be allowed to testify on the last day of budget hearings, June 6, beginning at 3:30-4:00

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2

o'clock. Okay, so if anybody from the public

3

wants to testify on any of the issues in the

4

budget, June 6, beginning at 3:30-4:00 o'clock.

5

At the end of everything. Okay, this concludes

6

today's hearing.

7

CASWELL HOLLOWAY: Thank you.

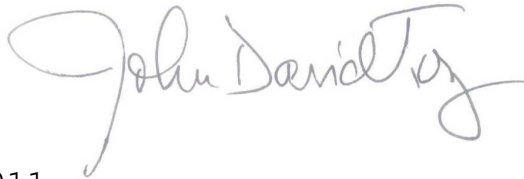
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[gavel]

C E R T I F I C A T E

I, JOHN DAVID TONG certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script that reads "John David Tong". The signature is written in dark ink and is positioned to the right of the printed word "Signature".

Date June 3, 2011