

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEE ON GENERAL WELFARE AND FINANCE

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November 20, 2008

Start: 10:35am

Recess: 1:20pm

HELD AT: Council Chambers  
City Hall

B E F O R E:  
BILL DE BLASIO  
DAVID I. WEPRIN  
Chairperson

COUNCIL MEMBERS:  
Gale A. Brewer  
Leroy G. Comrie, Jr.  
Simcha Felder  
Lewis A. Fidler  
Alan J. Gerson  
Eric N. Gioia  
Vincent Ignizio  
Robert Jackson  
Letitia James  
G. Oliver Koppell  
Jessica S. Lappin

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

## COUNCIL MEMBERS:

John C. Liu  
Annabel Palma  
Diana Reyna  
Helen Sears  
Kendall Stewart  
James Vacca  
Peter F. Vallone, Jr.  
David Yassky

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

Robert Doar  
Commissioner  
Human Resources Administration/Department of Social  
Services

Kathleen Tyler  
Deputy Commissioner of Budget Office  
Human Resources Administration

John B. Mattingly  
Commissioner  
Administration for Children's Services

Susan Nuccio  
Deputy Commissioner for Financial Services  
Administration for Children's Services

Melanie Hartzog  
Deputy Commissioner for Child Care and Head Start  
Administration for Children's Services

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2 CHAIRPERSON DE BLASIO: Good  
3 morning. This joint hearing of the Finance  
4 Committee and the General Welfare Committee is  
5 called to order. I'd like to apologize up front.  
6 I know my colleague Chair Weprin had another  
7 engagement and I was supposed to cover for both of  
8 us. I was originally running only a few minutes  
9 late until the New York City Police Department  
10 decided to do a "police action" on Hamilton Avenue  
11 in Brooklyn, which kept a number of us sitting in  
12 place for quite a while so I do apologize.

13 I'd like to acknowledge my  
14 colleagues who are present: Council Members  
15 Lappin, Fidler, Palma, Reyna, Vacca and Ignizio.  
16 Did I miss anyone? Yes, I got them all. Okay. I  
17 want to thank all the staff who helped prepare  
18 this hearing today on short notice in light of the  
19 economic situation and the plan the Mayor put  
20 forward. I'd like to thank all of you who are in  
21 attendance today.

22 Before I turn to the Commissioner,  
23 thank you Commissioner for being here and your  
24 team. And to just say we thought these hearings  
25 were vitally important because we are in a time

1  
2 like non other we've seen in the seven years that  
3 many of us have been here together, working  
4 together, both on the administrative side and the  
5 council side. We understand it's tough times.  
6 The question always in the budget process is what  
7 are the smartest, best decisions to make? Even  
8 when there has to be cuts, what are the cuts that  
9 are least harmful to those that need?

10 We often respectfully differ with  
11 the administration on some of those choices. The  
12 most important thing is that there is a clear,  
13 public debate about them and a real give and take,  
14 looking at what the options are. So we understand  
15 the administration will put forward a set of  
16 ideas. Our job as an oversight committee, both  
17 Finance and General Welfare, is to examine those  
18 ideas, think about alternatives, think about  
19 alternative revenue at the same time and the best  
20 way to protect those in greatest needs. And with  
21 that, Commissioner I welcome your testimony.

22 ROBERT DOAR: Thank you Chairman de  
23 Blasio and good morning to you and to members of  
24 the General Welfare and Finance Committees.  
25 Joining me this morning at the table is Kathleen

1  
2 Tyler, Deputy Commissioner over HRA's budget  
3 office, who has been responsible for preparing our  
4 budgets' missions throughout this year.

5           When I was here in May I explained  
6 that over the course of the year we had engaged in  
7 two extensive exercises to maximize our revenue  
8 sources as well as identify cost reductions  
9 throughout our agency. These efforts resulted in  
10 \$75.9 million in savings in fiscal year 2008 and a  
11 total of \$232.7 million in savings over the period  
12 fiscal year 2008 - 2012. However with the city  
13 facing a cumulative \$4 billion budget gap for FY  
14 2009 - 2010, Mayor Bloomberg was very clear that  
15 more needed to be done.

16           To address this gap, HRA has  
17 identified \$15.3 million in savings for fiscal  
18 year 2009 and \$105.2 million in savings over a  
19 four year period from 2009 through 2012. In light  
20 of these economic times I can not tell you that  
21 there weren't some very hard decisions to make.  
22 However, I can assure you that we look deep into  
23 our agency for every creative option we could to  
24 minimize the effect on both client services and  
25 agency staff. Overall we tried to maximize

1  
2 federal revenue, streamline some of our processes  
3 and improve both administrative and programmatic  
4 efficiencies while maintaining our ability to  
5 effectively deliver core services.

6 For example, we have made a  
7 concerted effort not to not only protect but  
8 improve work supports such as food stamps and  
9 child support enforcement. This is important  
10 assistance that we offer to many low wage workers  
11 determined to avoid the debilitating dependence of  
12 cash welfare.

13 Naturally, HRA's budget is also  
14 contingent upon the level of our case loads, which  
15 we are closely monitoring. At the end of October,  
16 the cash assistance case load was approximately  
17 340,000, a 4.4% decrease from the same time last  
18 year. There are more than 1.3 million food stamp  
19 recipients, an increase of 202,000 recipients or  
20 18% since last year. Of these, more than 140,000  
21 are people who receive food stamp benefits but not  
22 cash assistance or supplemental security income  
23 and who have benefited from streamlining and  
24 outreach campaigns.

25 Also there was a 1.3% increase in

1  
2 Medicaid recipients since last year, bringing  
3 present public health insurance enrollment to more  
4 than 2.6 million New Yorkers. This upward trend  
5 is a 52% increase since the start of the Bloomberg  
6 administration when enrollment was slightly over  
7 1.7 million New Yorkers.

8           The number of child support cases  
9 with an order established continues to increase.  
10 And last year collections grew by nearly 7%. Our  
11 calendar year to date collections through October  
12 are up 10%. This is encouraging as our experience  
13 during previous economic downturns showed that one  
14 of the first impacts on the social services system  
15 is the falling off of the amount of child support  
16 collected.

17           For the November plan, we first  
18 examined new ways to maximize federal dollars to  
19 help relieve some of the pressure from both the  
20 state and city budgets. To this end we will be  
21 claiming short term non-recurring emergency  
22 benefits for clients who have exceeded the federal  
23 60 month time limit against federal emergency  
24 assistance funds. In addition, through an  
25 increased focus on Medicaid fraud detection, more

1  
2 staff will not be claimed as 100% Medicaid  
3 reimbursement. Efforts are also underway through  
4 a pilot project to assist seniors who are  
5 initially denied SSI by the Social Security  
6 Administration, to appeal that decision.  
7 Providing a benefit to the seniors and to the  
8 city's cash assistance expense.

9 I am also pleased to report that at  
10 our request the State Office of Temporary and  
11 Disability Insurance will allow us to access data  
12 from a greater number of banks in order to verify  
13 the accuracy of financial resources for cash  
14 assistance and Medicaid applications. We are now  
15 working with OTDA on implementing this change to  
16 further ensure that funds are distributed to those  
17 who are truly in need.

18 Through summary organization of our  
19 job centers, we will be able to achieve  
20 administrative savings without adverse impact to  
21 our clients. We are modifying our process for  
22 senior citizen cases, those with case heads who  
23 are 60 years old or over. After initiating an  
24 application in a local job center, senior cases  
25 will now be transferred to a specialized senior

1  
2 center. Seniors, as you know, are exempt from  
3 work requirements and only need to come into the  
4 center once every two years for re-certification.  
5 And home visits are provided for those clients who  
6 physically can not travel.

7 Our process for child only cases is  
8 also being modified. After application, they will  
9 be consolidated into the family services center in  
10 associated specialized satellite offices located  
11 in each borough. This will allow for the  
12 assignment of specialized workers experienced in  
13 coordinating with the other agencies on these  
14 issues and in accessing other resources as needed  
15 for the child and/or household. It will also help  
16 better address immigrant issues, as many of these  
17 cases are for children of undocumented immigrants.

18 HRA will also take steps necessary  
19 to meet a state requirement for a six month review  
20 of a client's continued eligibility for cash  
21 assistance. We will implement a new mailer; one  
22 of the state's approved methods for meeting this  
23 requirement, which we believe to be the least  
24 inconvenience for our clients.

25 Additionally, I'm pleased to advise

1  
2 you that we are taking the lead on what I hope  
3 will be a broader citywide effort to expand  
4 employment opportunities for welfare recipients in  
5 city agencies. We will place approximately 75  
6 cash assistance recipients into temporary slots  
7 within HRA while using the federal and state  
8 portion of their cash grant to offset the cost.  
9 Participating recipients will have the opportunity  
10 to gain valuable work experience and build their  
11 resume while in a supportive environment.

12 In an agency as large as HRA there  
13 are many ways to achieve savings and I've asked my  
14 staff to look creatively at everything we do.  
15 Naturally one way is improved efficiency both  
16 administratively as well as programmatically.  
17 Administratively we will be reducing maintenance  
18 and cleaning contracts, internal consultants and  
19 other general expenditures. We also will  
20 consolidate space in several of our buildings.  
21 And working across city agencies, we will  
22 consolidate the Department of Agencies information  
23 technology functions in to HRA.

24 Programmatically we look for ways  
25 to consolidate the administrative functions,

1  
2 reduce underutilized services and to identify any  
3 over projected spending in a program or a service.  
4 We did find some opportunities in two of our  
5 program areas: substance abuse services and our  
6 employment program.

7           We are releasing surplus budget  
8 funds resulting from reduced demand for  
9 residential treatment services and will be working  
10 with vendors to implement modest efficiencies to  
11 our specialized substance abuse contracts that  
12 will not adversely affect client service.

13           We are eliminating the recovery  
14 incentive program for employment. This program  
15 that provides incentive payments to substance  
16 abuse treatment providers is under utilized and  
17 clearly duplicative of state efforts.

18           With regard to our employment  
19 programs, we eliminated excess funding through the  
20 budget. Details of the plan are being finalized  
21 and may include modest administrative efficiencies  
22 and in provider contracts.

23           Our HIV/AIDS Services  
24 Administration Scatter Site Two program is being  
25 phased out over the next year due to a change in

1  
2 the way state OTDA reimburses New York City. The  
3 state recently directed that case management  
4 services can only be claimed as assistance when  
5 they are provided as part of the actual housing  
6 rate. This conflicts with the Scatter Site Two  
7 structure where the two functions are separate.  
8 Clients hold releases to their apartments and  
9 vendors provide case management services.

10 I want to be clear that clients  
11 will continue to retain their apartments and this  
12 transition should be fairly seamless to them since  
13 case management services will now be provided  
14 primarily by their already assigned HASA case  
15 managers. In addition with the decline in our  
16 HASA family case load, we are able to re-estimate  
17 funds needed for homemaker services.

18 I hope that this demonstrates that  
19 overall, through a very thoughtful process, we  
20 were able to find savings while preserving our  
21 core services. I'm happy to take any questions.

22 CHAIRPERSON DE BLASIO: Thank you,  
23 Commissioner. I appreciate a lot of the  
24 information you put forward. And we certainly  
25 appreciate any effort to save money at this point

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2 so it could be redirected to where the need is  
3 greatest.

4 Now Commissioner, I'm going to ask  
5 a series of real quick questions. I know my  
6 colleagues may have some questions. In the  
7 interest of time, I'm just going to keep  
8 everything minimalist right now. And I will  
9 preface by saying, Commissioner, from the day you  
10 were named I have credited you with the unusually  
11 straightforward and informative way you handle  
12 these hearings, which I appreciate. So let's see  
13 if you can help shed some light here.

14 On the HASA issue, I think  
15 considering the sensitivity of the work HASA does  
16 serving those with HIV and AIDS and the complexity  
17 of the cases. I immediately red flag those up to  
18 me that if you're going to reorganize. Are the  
19 existing case workers going to be able to handle  
20 the additional work? How do you answer that?

21 MR. DOAR: I think they will be  
22 able to. It's also not something that's going to  
23 happen immediately. There's a phase in period  
24 with this that I think will allow us to gauge the  
25 demand on our HASA case workers and gradually and

1  
2 non-precipitously phase out the delivery of the  
3 case management services from a contract--

4 CHAIRPERSON DE BLASIO:

5 [interposing] How long is that phase in?

6 MR. DOAR: I think it's over a  
7 period of

8 KATHLEEN TYLER: It's between--

9 CHAIRPERSON DE BLASIO:

10 [interposing] Please introduce yourself when you  
11 begin.

12 MR. DOAR: Kathleen Tyler.

13 MS. TYLER: Kathleen Tyler, Deputy  
14 Commissioner for Budget. The phase in will occur  
15 between January of 2008 and February of 2009. 14  
16 contracts will expire in June 200--I'm sorry.

17 CHAIRPERSON DE BLASIO: Say it  
18 again. January?

19 MS. TYLER: The transition will  
20 occur between June 2009 and February 2010. 14  
21 contracts will terminate in June 2009 and 4 will  
22 terminate in February. These contracts will be  
23 expiring.

24 CHAIRPERSON DE BLASIO: So full  
25 turnover is at the beginning of 2010. The

1  
2 beginning of 2010 it takes it's full shape, you're  
3 saying?

4 MR. DOAR: Yes.

5 CHAIRPERSON DE BLASIO: Can you  
6 adjust along the way? Again, I don't need to tell  
7 you how someone experiencing the challenges HIV  
8 and AIDS can and be in a situation where the help  
9 isn't there. So the question is, if you see it's  
10 not working as you would have ideally hoped, do  
11 you have a back stop?

12 MR. DOAR: Well we're going to  
13 monitor carefully. We don't anticipate it not  
14 working as we'd hope. But we are committed to  
15 providing the services. It's a core function of  
16 our agency.

17 CHAIRPERSON DE BLASIO: But you  
18 have the other? If you need to shift resources,  
19 you have some way to back it up if you find that  
20 the case managers are getting overwhelmed, for  
21 example.

22 MR. DOAR: I believe I do. I might  
23 need some cooperation from the Office of  
24 Management and Budget. But yes, I believe I do.

25 CHAIRPERSON DE BLASIO: Okay.

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We're all going to need some cooperation from the Office of Management and Budget. Very quickly, I'm interested in the item on the employment oriented programs. You know we've had a number of concerns. I think we've had a very good dialogue about the question of whether we're getting enough out of employment focused programs, whether our vendors are providing enough, whether our rate of placing people in jobs and keeping them in jobs is good enough. And obviously in a case of We Care, there's also an issue of getting folks on SSI. You see the more recent report from Community Voices Heard on the Back to Work Program?

I believe I know that there's some differences you have with that report. But I think, again, the overall numbers are cause for concern about how relatively few folks get placed and how brief a period of time, for many of them, they stay there. This begs the big question again, if we're tightening our belts, shouldn't our vendors be tightening their belts? Shouldn't we be either demanding more of them or giving less lucrative payments to them?

MR. DOAR: I think that's, in part,

1  
2 what we're doing. We're tightening our belts on  
3 some of our providers in the employment programs,  
4 slightly. It's not a--

5 CHAIRPERSON DE BLASIO:

6 [interposing] Because you don't say a lot in your  
7 testimony, just give us a few examples of that.

8 MR. DOAR: Well what we have found,  
9 for instance, in the Begin program that the demand  
10 for the services for Begin either hasn't been as  
11 great as we'd budgeted for or we have been able to  
12 absorb some of the administrative functions that  
13 the vendors operate fiscal. And they're also  
14 moving an office. Those costs by requesting and  
15 working with them to accomplish those goals, we  
16 can save city dollars.

17 CHAIRPERSON DE BLASIO: But can you  
18 kind of give us a shape of how--

19 MR. DOAR: [interposing] Very,  
20 very. I want to understand. There's \$150 million  
21 in employment contracts. The reductions we are  
22 talking about, which are intended to achieve  
23 efficiencies, are I think less than one or two.

24 MS. TYLER: Well less than 2%.

25 MR. DOAR: Less than 2% so it's

1  
2 small, it's administrative and we believe that we  
3 will be able to not affect client services. And I  
4 want to also just say, Chairman, as you know I  
5 don't accept that the placement numbers and Back  
6 to Work contracts are weak or poor, or retention  
7 rates are bad. So I think we've had a remarkable  
8 success in helping people get into jobs and off of  
9 cash assistance. We can talk about that some  
10 other time.

11 CHAIRPERSON DE BLASIO: I think it  
12 is pertinent to this discussion and it will be  
13 very quick. Two highlight points according to the  
14 Community Voices Heard report. One is that you  
15 have, they believe, a very high recidivism rate of  
16 50% in that the clients in the program ending up  
17 coming back into the program again after nine  
18 months because the employment opportunities didn't  
19 work out. And specifically, they also believe  
20 three out of every four Back to Work participants  
21 lose their job after six months. So those two  
22 statistics have just a good start and then not  
23 sufficient consistency or follow through. Do you  
24 broadly agree or disagree with those statistics?

25 MR. DOAR: I don't agree with those

1  
2 statistics. We are looking into reports so that  
3 we can be very detailed and specific about our  
4 criticism of it but I don't agree with those  
5 statistics. The case load reduction is part of an  
6 example of how folks have stayed off cash  
7 assistance.

8           But we think that given the  
9 placement numbers so far this year, even as the  
10 economy has begun to very significantly weaken,  
11 we're still placing at the same rates through  
12 October that we were a year ago. And those are  
13 accomplishments. We need our employment vendors  
14 to help us keep that going.

15           So I just don't agree that the  
16 answer is to condemn the work of our employment  
17 vendors because I think they've done a pretty good  
18 job.

19           CHAIRPERSON DE BLASIO: I'll be  
20 very quick because I know my colleagues have  
21 questions. I don't think it's about condemning by  
22 any stretch. I think there is one issue, which  
23 we'll talk about certainly at another hearing, is  
24 whether it should be a different approach to  
25 education training. Again, the age old question

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2 whether we should be trying to, working with the  
3 federal and state government, expand the notion of  
4 what fits the work requirements so we can focus on  
5 other and hopefully better education training  
6 opportunities. That's a bigger debate that we've  
7 had over time and I think is even more pertinent  
8 in this economic environment.

9           But on the specific point here, I  
10 want emphasize, I think a lot of us in the Council  
11 feel that we understand the administration's  
12 reliance on consultants, vendors, you name it.  
13 It's almost, forgive the phrase, a more corporate  
14 approach. A lot of us don't necessarily  
15 philosophically agree with that approach to begin  
16 with. But let's debate case by case whether it's  
17 even efficient.

18           I think there are certain agencies,  
19 education is another good example but let's stay  
20 right here, where the question is are we getting  
21 our bang for our buck. Even if you don't want to  
22 fight over the philosophy of using so many outside  
23 vendors and consultants, the question is are we  
24 getting the bang for the buck.

25           We certainly have had a question

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2 with Back to Work, even more so with We Care,  
3 whether we're doing that. So now you say, yeah,  
4 you're going to get some efficiencies, you're  
5 going to get some greater product or greater give  
6 back, if you will, from the vendors. But it's a  
7 small part of your plan.

8 MR. DOAR: Very small.

9 CHAIRPERSON DE BLASIO: Wouldn't it  
10 be smart to look at trying to go deeper and seeing  
11 if we can get even more back rather than having to  
12 cut other front line services?

13 MR. DOAR: Well, I'm not  
14 acknowledging that we're cutting front line  
15 services and that's going to be the big  
16 discussion--

17 CHAIRPERSON DE BLASIO:  
18 [interposing] I'm not saying just you, I'm just  
19 saying the whole administration.

20 MR. DOAR: Our staff meet with the  
21 providers of the Back to Work services, the FECS',  
22 the Goodwill, the Seed Cos every month,  
23 constantly. And we are, if you talk to them,  
24 we're being overly difficult in the fact that  
25 we're insisting on performance based payments.

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2 They think that we've gotten excessively  
3 demanding.

4 I'm always looking at it because I  
5 want to get it right. But I also, the core  
6 function of HRA in some respects, is to get people  
7 into work. We need to have everybody working  
8 forward at achieving that. And I don't want hurt  
9 my ability to do that by making unnecessary or  
10 unwise reductions in their funding.

11 But we looked at some things and we  
12 put up for this that we could achieve. I will  
13 continue to look at it. I will tell you Chair de  
14 Blasio, I will you that. And we want to achieve  
15 efficiencies but I think the record is pretty  
16 good.

17 CHAIRPERSON DE BLASIO: Last two  
18 things. I noticed your senior center point, at  
19 the same time I'm sure Chair Vacca will have  
20 questions on this. There's a reorganization by  
21 the senior centers, potentially, which a lot of us  
22 are very concerned about. Are you and DFDA  
23 communicating on this? Because if they're  
24 reducing potentially the number of senior centers  
25 that could affect how you're trying to do this.

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2 MR. DOAR: No. I think this is  
3 actually going to lead to better services for  
4 seniors. And we also are acknowledging that there  
5 has been a gap in the service because folks who  
6 were 60 or older and are exempt from work  
7 requirements in the State of New York. And as a  
8 result, they weren't getting in to the We Care  
9 world for that additional help in getting SSI  
10 applications.

11 We've discovered that as a result  
12 of that, we could give them a little additional  
13 attention in applying for SSI, particularly an  
14 appeal. That's going to result in savings and in,  
15 I think, better outcomes for seniors. We are  
16 constantly talking to DIFDA, as evidenced by the  
17 fact that we're engaged in discussions with them  
18 in taking over their IT functions. Their re-  
19 certification requirements are so long, two years,  
20 that I really think this is not a diminution of  
21 service to them at all.

22 CHAIRPERSON DE BLASIO: Finally, we  
23 understood in the briefing materials we received  
24 from your agency that the Hamilton Job Center, I  
25 believe it is, is being closed. Could you talk to

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2 us about why that is viable given that there will  
3 be, obviously, increased demand for that service?

4

5 MR. DOAR: The movement of the  
6 Hamilton Job Center results in a change to another  
7 facility that's only 14 minutes away by public  
8 transportation. And we felt that--

9

10 CHAIRPERSON DE BLASIO:  
11 [interposing] Can you just compare neighborhoods  
12 just so we can understand. Because 14 minutes on  
13 an express train is one thing and 14 minutes on a  
14 city bus in another thing. Anyone know the  
15 neighborhoods of where you have it now and we're  
16 you're proposing the service would be?

17

18 MR. DOAR: The Hamilton is at 530  
19 West 135th Street and the Dyckman Center is on 40-  
20 55 10th Avenue. And it's not far. The Hamilton  
21 facility is not being closed, it's the job center  
22 function within that facility is being shifted to  
23 the Dyckman facility, where we think it can be  
24 easily absorbed. I really--Go ahead.

25

26 CHAIRPERSON DE BLASIO: I'm sorry.  
27 When you said the Dyckman facility, does that mean  
28 Washington Heights, Inwood? I'm not following  
29 exactly where that is on 10th Avenue?

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MR. DOAR: It's Inwood.

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CHAIRPERSON DE BLASIO: Inwood. We have an expert here in the front row. So from 135th Street up from Inwood, that's not like a walk around the corner; that's a substantial difference. So why do you feel that isn't going to dislocate people's ability to access the services?

MR. DOAR: I'm not going to say there are some folks who lived very close to the current facility, won't have a greater inconvenience so I can't say that. But dislocate or make them incapable of accessing those services, I wouldn't agree to that. The facility that we're going to, this facility is brand new and is ready to absorb this demand.

CHAIRPERSON DE BLASIO: Okay. Let me turn to my colleagues. First, let me acknowledge and welcome Council Members Helen Sears, Robert Jackson and Oliver Koppell. Welcome to you all. The first question now will be Council Member Jessica Lappin. We can do that. Okay. I know he's ready with a question, Council Member Lou Fidler. You want to be last? We're

1  
2 having a little negotiation over here. Would  
3 anyone like to ask a question first? Council  
4 Member Annabel Palma, are you ready?

5 COUNCIL MEMBER PALMA: I'm ready.

6 CHAIRPERSON DE BLASIO: Right on.

7 COUNCIL MEMBER PALMA: Thank you.

8 Commissioner, I'm concerned with the Scatter Two  
9 Site Program. If that's eliminated, how will  
10 homeless HASA clients find housing given all the  
11 challenges they face now?

12 MR. DOAR: The program that we're  
13 talking about, they have housing and the housing  
14 will not be affected. The question that this  
15 state has brought to our attention is that they do  
16 not want us to have separate contracts with  
17 service providers and with housing providers and  
18 they won't fund it. We've been in situations  
19 where they hurt the city fiscally by changes in  
20 policy or deciding to enforce a policy that they  
21 overlooked in the past or an audit finding.

22 So there's this rule that we can't  
23 have separate contracts. The housing will not  
24 change; they will remain in the housing that  
25 they're in. And we're going to provide those

1  
2 services using the HASA case managers, HRA  
3 employees. That's what our view is. If we  
4 weren't to do that I would fear that first of all  
5 we would be out of compliance with state direction  
6 and they would make us pay for it.

7 COUNCIL MEMBER PALMA: So the case  
8 workers that now are going to get these additional  
9 caseloads, are they equipped, prepared for this  
10 additional work? Do they provide these services  
11 currently or do they have to get retrained to sort  
12 of...?

13 MR. DOAR: No, this is not new work  
14 for them. I think we are sufficiently staffed and  
15 will ensure that we're sufficiently staffed as we  
16 move forward with attrition and changes. So I'm  
17 not at all concerned about HRA staff's ability to  
18 absorb this and to do this work.

19 As I mentioned to the Chairman, we  
20 will have time to implement so that we aren't  
21 imposing a burden that can't be met in terms of  
22 caseload on HASA workers.

23 COUNCIL MEMBER PALMA: My last  
24 question will be, I'm trying to understand how the  
25 peg then affects the current ratio assistance now?

1  
2 MR. DOAR: I don't have that on a  
3 ratio. I'm fairly familiar with the local law  
4 ratio requirements. We have a requirement to stay  
5 within the ratio and we intend to do that. We  
6 would not be putting forward a peg that would  
7 upset that ratio without being clear about it and  
8 we can't so we intend to comply with the  
9 requirement.

10 COUNCIL MEMBER PALMA: Okay.

11 MR. DOAR: Yes, Kathleen.

12 MS. TYLER: In terms of the current  
13 case managers, we already have case managers at  
14 HASA assigned to each of these cases. So this  
15 does not add to that burden and it would not  
16 affect the ratio.

17 COUNCIL MEMBER PALMA: Okay. Thank  
18 you.

19 CHAIRPERSON DE BLASIO: Thank you  
20 Council Member. Council Member Jimmy Vacca.

21 COUNCIL MEMBER VACCA: Yes, thank  
22 you Mr. Chair. I have several questions. I  
23 wanted to talk about seniors, of course, as the  
24 Chair mentioned because we know that in New York  
25 City poverty among seniors is up whereas in the

1  
2 nation poverty among senior is down. There is a  
3 disconnect here in New York City over the past  
4 five years with seniors entering poverty. And we  
5 had a hearing at the Aging Committee the other day  
6 that explored those possibilities.

7 I'm concerned when I see that you  
8 talk about employment services re-estimate on page  
9 five. And you talk about cutting funding for  
10 adult basic education, literacy and training  
11 vouchers for cash assistance. Number one, many of  
12 our seniors are looking to be trained to go back  
13 to work for basic adult literacy computer skills,  
14 for example.

15 That's number one but then number  
16 two, if you implement that cut have you identified  
17 services or agencies where seniors and others who  
18 require this type of job readiness can avail  
19 themselves of programs.

20 MR. DOAR: The first thing is the  
21 employment services cut is not directed  
22 specifically at programs designed for seniors. In  
23 fact, one could say that they're not really  
24 utilized by seniors because seniors in our program  
25 60 years or older are exempt from work

1  
2 requirements so may not necessarily be in a  
3 position where they are needing to get training  
4 and get services to get into work.

5           The programs that we're talking  
6 about are the Begin program, which is our basic  
7 literacy program and it's a program that we've had  
8 a lot of success with over the years. We are  
9 absorbing some administrative costs that we had  
10 put on the vendor into our in-house. We're going  
11 to do the fiscal responsibilities. They are  
12 moving an office, which we are seeing a savings as  
13 a result of that. We think those are fairly  
14 innocuous, to the client, changes to achieve  
15 savings.

16           The ITA question is one in which we  
17 have had all of our not seniors, our entire case  
18 load has had the opportunity to take vouchers to  
19 get specialized training and its been  
20 underutilized.

21           It just is not something that we  
22 are taking advantage of, the amount budgeted for  
23 year after year. This is not something that's  
24 happened overnight. And we're bringing it down to  
25 still be above what the utilization patterns are

1  
2 so we even have a little buffer. So we think that  
3 in terms of the actual use of ITA vouchers, we're  
4 not diminishing them at all. That's what those  
5 two changes are.

6 They are, we think, a prudent  
7 trimming or in the case of Begin taking on  
8 responsibilities that we were paying for that we  
9 can do ourselves or taking advantages of savings  
10 in the move. And in ITA, reducing the number of  
11 budgeted vouchers down to the amount that's  
12 actually going to be used, with a little move.

13 When it comes to seniors what we  
14 have in here is we're trying to give them more  
15 specialized service so that we're focused on what  
16 they do need. One of the things we found, and we  
17 put forward as a peg because it will result in  
18 savings, is that when they're between 60 and 65  
19 are denied SSI funding, SSI approval, they are  
20 given additional help in doing an appeal. We feel  
21 that if we did that, which we're good at and we've  
22 had some success at, we'll get more people in more  
23 appropriate programs at less cost to the city.  
24 It's actually a greater benefit to the seniors.  
25 So in that regard, we're increasing our efforts to

1

2 help seniors who are vulnerable.

3

4 COUNCIL MEMBER VACCA: How will  
5 that work? The seniors denied SSI, you will have  
6 a hotline set up for them to call?

6

7 MR. DOAR: We will have a special  
8 concerted effort on that. I can't say that I've  
9 got it all spelled out right here but we're going  
10 to deplore an expertise that we have used  
11 successfully in other contexts to this area. And  
12 we've had such success with it in another context,  
13 I'm very confident that with a savings target and  
14 a goal we will be able to have a better rate of  
15 success.

15

16 COUNCIL MEMBER VACCA: It's not set  
17 up now but it will be set up.

17

18 MR. DOAR: That's right. Right.

18

19 COUNCIL MEMBER VACCA: All right.  
20 Emergency grants, you speak about emergency  
21 grants, that will be cut back.

21

22 MR. DOAR: I might have to correct  
23 my previous answer. Kathleen informs me that we  
24 already started the efforts.

24

25 COUNCIL MEMBER VACCA: You already  
started it?

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MR. DOAR: Yes, we have.

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COUNCIL MEMBER VACCA: I think the Council Members would like to know...

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MR. DOAR: More about it.

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COUNCIL MEMBER VACCA: ...when we do case work we may have people.

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MR. DOAR: Who to call?

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COUNCIL MEMBER VACCA: Yes, people to call.

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MR. DOAR: Okay.

12

COUNCIL MEMBER VACCA: Emergency grants, when you speak of emergency grants being cut back and there were several times in your testimony you did that. Emergency benefits for families with short term non-recurring needs.

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MR. DOAR: I happen to pick up or someone gave me a copy of the document that the Council Members have. It is not a cut back of emergency benefits. It is not anywhere near that. What it is--excuse me for saying that so strongly. I apologize. But the fact of the matter is that we've just said we can have the funding stream that pays for these emergency one shots for people who are post 60 months instead of being state,

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1  
2 city 50%/50%, we've found that we can charge it to  
3 emergency assistance federal program.

4           So it's a 50% federal, 25% state,  
5 25% city and save the city expense. It is a  
6 funding stream switch not a service switch. So  
7 the amount of one shots for post 60 month families  
8 won't diminish and we're not cutting them out.  
9 We're just changing the process by which we claim  
10 it. So we gather the documentation necessary to  
11 receive federal reimbursement.

12           COUNCIL MEMBER VACCA: Last  
13 question, you talk about taking many of these cuts  
14 administratively. Are you anticipating attrition,  
15 lay offs? What will be that? How will that  
16 happen?

17           MR. DOAR: No. Well I believe that  
18 given the circumstances we are in that HRA needs  
19 to be kept strong. Right now we're not doing any  
20 lay offs, we have vacancies which we are being  
21 allowed to fill and we are pursuing filling them.  
22 I can't project the future but one of my jobs is  
23 to make sure that HRA has sufficient staff to meet  
24 the demand for services.

25           COUNCIL MEMBER VACCA: Thank you.

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2 Thank you, Chair.

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4 CHAIRPERSON DE BLASIO: Thank you  
5 very much Council Member. Now Council Member Eric  
6 Gioia.

6

7 COUNCIL MEMBER GIOIA: Thank you  
8 Mr. Chair. Thank you, Commissioner, for being  
9 here. I think in difficult economic times, your  
10 agency is even more important. In my neighborhood  
11 and around the city, people are struggling and  
12 they're scared. People tell me all the time how  
13 difficult it is now for them to put food on their  
14 table. People who never expected that it would be  
15 difficult for them to put food on their table are  
16 now struggling to do that.

16

17 As you know, expanding the access  
18 to food stamps has been a mission of mine since I  
19 was elected to the City Council. And you and I  
20 have spoken about it many times. In these  
21 difficult financial times for the city I think all  
22 of us are struggling to find new ways to make this  
23 city work better.

23

24 Many of us will be struggling with  
25 some difficult cuts. And rarely do you come up  
with something that actually could save the city

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2 money, could bring potentially tens of millions of  
3 dollars in aid to New York City, while at the same  
4 time streamlining the bureaucracy and making the  
5 city work more efficiently. It's rare to come up  
6 with something like that. I think when you do  
7 come up with something like that it's almost that  
8 we should be dancing in the streets.

9 I'm happy to say that I think today  
10 we can discuss something that is just that and  
11 that is getting rid of the duplicative process of  
12 finger imaging food stamp recipients. I'm curious  
13 to hear your views because in 2006 you testified  
14 before this Council that for the over 1 million  
15 people receiving food stamps in New York only 31  
16 cases of fraud were detected. And you testified  
17 that the cost of finger imaging was past \$800,000  
18 for New York City. Is that not accurate?

19 MR. DOAR: I don't know about the  
20 cost but the number of actual catches sounds  
21 accurate. It's a deterrent, though. Finger  
22 imaging has a deterrent value. You want me to  
23 just start talking?

24 COUNCIL MEMBER GIOIA: Well I'd  
25 like you to answer the question, how much does it

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cost?

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MR. DOAR: I've been through this before. We've given it to you before. I think it's around the range that you talk about. There's a state cost as well. The state holds the contract; the state pays the vendor. We are merely implementing a state program that we believe in and that we think is successful.

Before discussing this, there was a great desire to improve the food stamp program so that it was more accessible to more New Yorkers, particularly working New Yorkers. There was skepticism that we could do that and still retain finger imaging. AS you will recall the state said, well, we'll see. And we've done it. The food stamp program has grown dramatically, especially among working people. People are taking advantage of it and we do have this important check on identity, it's still in place.

COUNCIL MEMBER GIOIA: I just want to cut through that for a second Commissioner because I actually want to get to the questions I want answered. And I do give you credit when the agency moves forward and changes a previous

1  
2 bureaucratic mistakes and I tell you when you're  
3 doing a good job. But this city is spending close  
4 to \$1 million on finger imaging, we believe. If  
5 you have a different number then please let us  
6 know.

7           When we figure out the numbers of  
8 people we're actually preventing from breaking the  
9 law, we come up with very small numbers. And then  
10 you have studies by the urban institute which  
11 estimated that New York City could actually be  
12 losing up to \$60 million in federal aid because  
13 the deterrent factor was not a deterrent for  
14 people committing fraud but a deterrent for  
15 humiliation for people who qualify for the food  
16 stamps.

17           But you raise an important point  
18 and I have to say one of the things I think people  
19 like most about this administration is that it's  
20 run in the idea of electing a businessman mayor.  
21 Is that a businessman mayor is not in a straight  
22 jacket of failed ideology. A businessman mayor  
23 looks at metrics and ways to run a city. When I  
24 hear the idea that taking a finger as a deterrent  
25 I can't help but think this is a shibboleth that

1  
2 the right wing used because they thought they had  
3 to be hard on poor people to be good  
4 conservatives. So when you say that it's a  
5 deterrent, I ask you what evidence do you have.  
6 Because the Department of Agriculture doesn't  
7 agree with you, the State of New York doesn't  
8 agree with you and 47 states in the United States  
9 don't agree with you.

10 MR. DOAR: I don't know if that's  
11 true.

12 COUNCIL MEMBER GIOIA: So when you  
13 say it's a deterrent.

14 MR. DOAR: I don't agree with you.  
15 The fact of the matter is the history of the  
16 implementation of the finger imaging process and  
17 the fraud and getting duplicate benefits that was  
18 in existence prior to it is quite significant. By  
19 having this identity check to avoid duplicate  
20 benefits, which was a very serious problem in New  
21 York State. It has reduced that dramatically.

22 I think that when you talk about  
23 saying to all of New York, we need you to help us  
24 support programs for people in need. One thing  
25 they want to know is that the programs are run in

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a way that they can't be taken advantage of.

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COUNCIL MEMBER GIOIA: You're making my point because this is my exact point.

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As a easy way to tell people, we make them do their finger prints. That's why I refer to it as

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this outdated ideology. I'm suggesting to you

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that modern technology actually allows you to

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prevent fraud without actually being a deterrent

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to people from getting what their entitle to by

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law. The numbers--

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MR. DOAR: [interposing]

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Councilman.

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COUNCIL MEMBER GIOIA: Here's my

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question. Because we've had this discussion in

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years passed but as New York City is making just

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devastating cuts. There are seniors in public

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housing that watch their centers close. There are

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parents that want to send their children to day

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care that will not be able to do that. There are

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city workers who will lose their jobs because

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we're hanging on to this outdated mode.

23

Let me ask you this, would the

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administration be open to suspending the finger

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printing for six months just to see how it works.

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2 MR. DOAR: No, we would not. I  
3 certainly would not. I would think it would be a  
4 very bad mistake.

5 COUNCIL MEMBER GIOIA: Who is  
6 losing their jobs so you can hold on to this?

7 MR. DOAR: I don't think anyone is  
8 losing their job so I can hold on to this.

9 COUNCIL MEMBER GIOIA: So where is-

10 -

11 MR. DOAR: [interposing] We believe  
12 it works. Over the course of the last year we  
13 were challenged with, can you really make the food  
14 stamp program more accessible to more New Yorkers?  
15 As we go into difficult times and more people are  
16 struggling, can you really do it? And we did it.  
17 The case load has gone up dramatically.

18 When I come before this Committee  
19 in a week when we have the hearing next week,  
20 we're going to testify on eight, nine, ten things  
21 that HRA did to improve access and we held on to  
22 this as a credible, working, successful state  
23 funded and supported program.

24 COUNCIL MEMBER GIOIA:  
25 Commissioner, when you say that the numbers have

1  
2 gone up and that is the basis of your success.  
3 I'm happy that numbers are going up because it  
4 brings hundreds of millions of dollars to New York  
5 City. I think we could agree that the fact that  
6 the Dow has drooped 47% in one year, the fact that  
7 there are layoffs across the city, the fact that  
8 people are losing their homes are actually part of  
9 the reason it's going up. What I'm suggesting to  
10 you is that if you got rid of the duplicative  
11 process of finger imaging people to get their  
12 benefits.

13 By the way a process that is not  
14 used in this city, no person who goes to EDC to  
15 get massive tax breaks is forced to put a finger  
16 print down to get massive tax breaks from the  
17 city. No person who goes to get a re-zoning is  
18 asked to put their finger print down to get that  
19 re-zoning.

20 This is purely ideological with no  
21 metrics. If you have metrics that show why the  
22 City of New York should spend \$1 million finger  
23 printing poor people before they put food on their  
24 family's table then tell us those numbers. It has  
25 been two years to be prepared with those numbers.

1  
2 MR. DOAR: I will be happy to  
3 disclose those numbers. We were prepared to  
4 discuss this at the hearing next week which is  
5 about food policy generally. I will be happy to  
6 show the history of it, the success of it. The  
7 fact that, I think, it helped us achieve a level  
8 of credibility with New Yorkers generally about  
9 programs that help low income New Yorkers. And  
10 the fact that it has not affected our ability to  
11 help people access the program.

12 Also, I just need to point out it's  
13 not a finger print. It's not like the way you  
14 describe it. Some time maybe you'd like to come  
15 see how it's done. It's a very simple, easy  
16 process that is incorporated into our processes at  
17 our food stamp offices.

18 COUNCIL MEMBER GIOIA: I will say,  
19 and I'll conclude, when you talk about the  
20 credibility it gives the city, that is why I refer  
21 to it as purely ideological. It is a smoke screen  
22 that is intended to give cover that in fact we  
23 will root out fraud. But the numbers speak for  
24 themselves; it does not root out fraud and that is  
25 why no one else in America believes what you're

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2 saying.

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MR. DOAR: That's not true. It's used in California and Texas.

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COUNCIL MEMBER GIOIA: That's right. I said 47 of the 50 states don't use it.

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MR. DOAR: Right. California and Texas are quite large states with very large...

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COUNCIL MEMBER GIOIA: Right. I'm sure Governor Bush of Texas when he implemented it had the same concerns you had about preventing fraud.

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MR. DOAR: It's a state program.

COUNCIL MEMBER GIOIA: Indeed, it

is.

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CHAIRPERSON DE BLASIO: All right. Thank you Council Member. Invoking Governor Bush, that's a tall order there. Okay. Council Member Robert Jackson.

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COUNCIL MEMBER JACKSON: Thank you Chair de Blasio, the Commission. It's still morning, good morning. I just wanted to re-focus back on the Hamilton Job Center closure, if you don't mind. I know you don't have particular details but your staff, I'm sure, will have. Can

1  
2 you tell me how many clients, constituents of mine  
3 since that's my entire area are going to be  
4 impacted by this closure of the job center and  
5 they then have to go to either Dyckman or  
6 somewhere else. Do you know the numbers we're  
7 talking about?

8 MR. DOAR: I would like to, if you  
9 wouldn't mind, get you a letter directly back on  
10 the numbers for that because we don't think it's  
11 very great. I don't have it right here in terms  
12 of the demand of the day to day traffic.

13 COUNCIL MEMBER JACKSON: Do we know  
14 how many it services overall?

15 MR. DOAR: We have sent a land use  
16 process letter out that describes this. I don't  
17 have it in front of me. If I could have a little  
18 opportunity to document that in a letter to you  
19 within the week I would appreciate that.

20 COUNCIL MEMBER JACKSON: These are  
21 my questions, I basically what to know what was  
22 the geographic catchment area. I want to know how  
23 many constituents or clients are serviced by it  
24 that are going to now have to either go up to  
25 Dyckman Job Service Center or another one. And I

1  
2 know exactly where both locations are and I  
3 understand that if someone is taking a train or a  
4 bus to a Hamilton Job Center they can continue on  
5 the Number 1 line up there. I understand that and  
6 I know the time frames.

7 But also will notifications go to  
8 all of your clients or my constituents? Is that  
9 being mailed to them to their homes or is there a  
10 clear notice up there? The job center hasn't  
11 closed yet has it?

12 MR. DOAR: I think we have begun  
13 some notice to public officials.

14 COUNCIL MEMBER JACKSON: Yes, I did  
15 see a notice as a public official but I'm talking  
16 about the clients.

17 MR. DOAR: We've already begun the  
18 notification process.

19 COUNCIL MEMBER JACKSON: I assume  
20 that there's sort of like a big sign up there at  
21 the job service center also in the building. But  
22 that function is going to be closed.

23 MR. DOAR: Right. The building is  
24 still there so the people who go there will have  
25 some HRA employee who can redirect them to the new

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2 location for this service.

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COUNCIL MEMBER JACKSON: As a result of that, are you calling that a closure or a consolidation? What is it being called?

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MR. DOAR: We call it more a consolidation or a re-organization because the facility is still operating and providing services of other kinds, I don't consider that. If we were shutting the building down...

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COUNCIL MEMBER JACKSON: You would call that a closure.

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MR. DOAR: ...I would call that a closure.

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COUNCIL MEMBER JACKSON: So this is re-organization of the job service.

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MR. DOAR: The job center, just the cash only. The Hamilton facility will continue to have HASA facility and we're putting some home care facilities there as well.

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COUNCIL MEMBER JACKSON: But that one function, the job center.

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MR. DOAR: But the cash assistance job center is going to be Dyckman.

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COUNCIL MEMBER JACKSON: As a

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result of that re-organization concerning the job center function at that location what is the core savings, if any at all?

MR. DOAR: Did we explore that?

MS. TYLER: We're able to save on administrative staff, 28 positions and the annualized tax levy on that is \$839,000.

MR. DOAR: \$839,000?

MS. TYLER: Yes.

MR. DOAR: And those 28 positions, are they going to be relocated to other locations, to the Dyckman? Are they going to be laid off or are they going to be reassigned to other functions.

MS. TYLER: No layoffs. Any staff who would have been impacted would be reassigned. What we're reducing from the budget are 28 vacancies.

COUNCIL MEMBER JACKSON: 28 vacancies.

MS. TYLER: Yes.

COUNCIL MEMBER JACKSON: Okay. I look forward to the details of that letter or communication.

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2 MR. DOAR: We'll both attach the  
3 previous HASA to add greater detail.

4 COUNCIL MEMBER JACKSON: Thank you  
5 Chair de Blasio.

6 CHAIRPERSON DE BLASIO: Thank you  
7 Council Member. Now Council Member Peter Vallone,  
8 Jr.

9 COUNCIL MEMBER VALLONE: Thank you  
10 Mr. Chair. Just very quickly I just wanted to  
11 know that my esteemed colleague Eric Gioia does  
12 not speak for me or all of us on the finger  
13 imaging issue. I'm the public safety chair of the  
14 City Council. The mayor just cut the new police  
15 class to save money, which I vehemently oppose.  
16 But I can't think of any better way to save money  
17 than cutting down on fraud. And I agree with you  
18 that fingerprinting deters fraud, prevents fraud.  
19 Even if it costs \$1 million and only save \$1  
20 million, it's still worth it. So I support you on  
21 that and I look forward to continuing that  
22 program. Thank you.

23 MR. DOAR: Thank you Councilman.

24 CHAIRPERSON DE BLASIO: Thank you  
25 Council Member. Did Jessica Lappin leave? Okay.

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Council Member Lou Fidler.

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COUNCIL MEMBER FIDLER: Thank you

Mr. Chairman. I wanted to ask you a question

about the capital budget, which is not something

that is generally brought up at an HRA hearing. I

wanted to allow my colleagues to ask questions

before that about the issues I think affect front

line services in the immediate future for New

Yorkers and the immediate needs of New Yorkers.

But as I understand the capital

program for HRA, if I could define it in one

sentence it would be that which will keep you

modern and in the century that you're supposed to

be in in terms of being able to provide your

services efficiently. And based on the data that

I've been given by the Council finance staff, over

the next five years the capital budget of HRA has

been cut \$18.5 million. I would like to know,

from you Commissioner, what programs, what

improvements, what technology are not going to be

done because of the \$18.5 million cut in your

capital budget over the next five years.

MR. DOAR: Kathleen.

MS. TYLER: We'll have to get you

1  
2 details of that but I do know one of the recent  
3 cuts was not really a cut. It was moving the  
4 projects out to future years and that may be part  
5 of what you're looking at.

6 COUNCIL MEMBER FIDLER: But it's  
7 not actually. I've acknowledged the money that's  
8 been pushed to FY213. But if you roll over the  
9 money that was in the FY08 plan that was not  
10 committed and then you add it all into the next  
11 five years you're going to have \$18.5 million less  
12 in capital projects. For HRA, I'd like to know  
13 what's not being done.

14 MR. DOAR: Let us go back and give  
15 you a detailed response in writing on that because  
16 I don't have in front of me. We are believers at  
17 HRA in modernizing our offices. We've had some  
18 nice openings of much nicer offices in the past  
19 year. We'd like to continue that process and I  
20 want to be able to report to you accurately on  
21 what we've had to either slow down, delay or put  
22 off as a result of this cut.

23 COUNCIL MEMBER FIDLER: I  
24 appreciate that you're not going to try to make up  
25 the answer. I will say that this is unfortunately

1  
2 typical. Not of your agency necessarily but of  
3 the agencies that come before us in being  
4 perfectly able to talk about the expense money but  
5 the capital budget somehow becomes a weak step  
6 sister. I'm not so concerned about if the offices  
7 are going to be spiffy and all that. I'm  
8 concerned about the technology, the transferring  
9 of paper records into computer records so that you  
10 are in fact in the 21st century. And that is  
11 going to impact on the economic efficiency of your  
12 agency, the efficiency of your agency in  
13 delivering the services that you're supposed to  
14 deliver.

15 I want to make sure that we're not  
16 sacrificing here, at five years from now we won't  
17 be sitting here or the next Council won't be  
18 sitting here saying well why is HRA stuck in 1997  
19 using PC juniors or something like that when the  
20 technology has marched passed them. And it's  
21 going to affect your ability. I ask that question  
22 for that reason. I look forward to your answer.

23 MR. DOAR: We will get you it and  
24 it's a good question.

25 COUNCIL MEMBER FIDLER: Thank you.

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2 CHAIRPERSON DE BLASIO: Thank you  
3 Council Member. Finally Commissioner just two  
4 close out questions I have. One on the child  
5 support question, obviously it is impressive and  
6 appreciated that you've increased the collections  
7 in terms of child support. A question though, we  
8 talked about the force of the other effects of  
9 efforts to do that enforcement. Do you have a  
10 statistic on how many parents dropped out of your  
11 child care subsidy efforts due to the child  
12 support requirement and those enforcement efforts?

13 MR. DOAR: No, I do not. I don't  
14 have a statistic on that. What I've heard of that  
15 is anecdotal and it's kind of quieted down lately.  
16 I think what you're referring to is the folks who  
17 are seeking child care subsidies and no other, not  
18 cash assistance, and are single parents are  
19 required to seek child support by coming and  
20 filing an application or doing something to pursue  
21 a formal agreement, an understanding of payment  
22 from the absent parent. I have not discussed this  
23 issue with our partners at ACS in some time. I  
24 know from my child support program colleagues that  
25 we haven't seen a lot of open resistance to that

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2 in our offices.

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CHAIRPERSON DE BLASIO: Okay. Just to conclude on that, one other quick question. It would look, again, everyone who wants those who owe money to pay their money. That's never the question. The question is watching out as we always do in government for unintended consequences.

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I remember our previous debate or discussion on this question, I believe you that you think it is not an overwhelming problem. I would urge that there be some study because we keep hearing about it. I think it would be important to find out. Obviously, it's particularly sensitive for immigrant folks, whether there is some deterrent impact we don't realize and whether that can be somehow addressed without losing our ardor for collecting the money due. So I would just ask that that be looked at and maybe your staff could see if other research has been done on that.

23

24

25

One other question I believe.

Council Member Vacca you have a follow up?

COUNCIL MEMBER VACCA: Yes, just a

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2 follow up.

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CHAIRPERSON DE BLASIO: Okay. Go ahead.

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COUNCIL MEMBER VACCA: In reviewing your testimony--first, I want to associate myself with the remarks of Councilman Vallone because I feel that finger imaging, to me, involves accountability. I go back with your agency years before you were involved. There was an issue with the appropriate use of taxpayer money in making sure we got our bank out of the buck and making sure there was productivity accountability. So I disagree with my colleague. Councilman Gioia and I want to indicate that I think Councilman Vallone is on the path I'm on.

But I also want to commend you to indicate that you do not seem to have taken a scalpel. You seem to have made cuts that are least harmful. We've been at some of these hearings now and we're going to be at more. My concern is that when the Mayor comes to every agency and says cut 2.5% that an ax will fall. I commend you for trying your best to save the safety net programs that poor people depend on. I

1  
2 know that we're facing more cuts as the economy  
3 continues to pose problems. I hope that you  
4 maintain that outlook and I encourage you to do  
5 so.

6 MR. DOAR: Thank you.

7 CHAIRPERSON DE BLASIO: Thank you  
8 Council Member. Commissioner, my last question.  
9 And I must admit I'm concerned about this issue  
10 but I may need your help in interpreting a bit  
11 here. On the HASA question how you're handling  
12 the case loads, a concern has been raised to us  
13 that in terms of the psychological and social case  
14 management that there may be an alternative way  
15 for that to be handled by COBRA providers that  
16 would mean your current case workers wouldn't have  
17 to take on the additional type of work for which  
18 they're not, as I understand it, currently trained.  
19 It wouldn't add a burden. There's another way to  
20 get it done. Do you have, forgive me I don't have  
21 all of my detailed definitions in front of me but  
22 when I say to you is there some alternative  
23 methodology for those cases to be handled through  
24 COBRA providers does that make sense to you?

25 MR. DOAR: It may make sense; it

1  
2 may not. I don't know enough about that state to  
3 speak to it. Kathleen has a comment.

4 MS. TYLER: As part of our  
5 transition plan for the clients that are currently  
6 in Scatter Site Two, there will be individual  
7 assessments conducted. And based on those  
8 assessments a determination will be made if the  
9 client is highly functioning and only needs the  
10 HASA case manager or if they are less than highly  
11 functioning, they need a combination of the HASA  
12 case manager's effort and COBRA.

13 MR. DOAR: In other words, we're  
14 taking into account the possibility that some of  
15 the case management needs to be done using COBRA  
16 providers.

17 CHAIRPERSON DE BLASIO: Okay. So I  
18 would certainly say the obvious, the more, the  
19 better.

20 MR. DOAR: It makes very much sense  
21 to us.

22 CHAIRPERSON DE BLASIO: Excellent.  
23 We look forward to following up with you on that.  
24 Very good. I just will say before we close out  
25 this piece, I didn't get to welcome before Council

1  
2 Members Gale Brewer and Leroy Comrie. I'd like to  
3 welcome them. I want to thank you Commissioner.  
4 We're going to have a turnover now to the next  
5 agency. Let me thank you. I'm going to turn to  
6 Council Member Gerson in just a second who wants  
7 to welcome some guests. But Commissioner, to you  
8 and your team, thank you very much.

9 MR. DOAR: Thank you.

10 CHAIRPERSON DE BLASIO: We look  
11 forward to seeing you next week on the hunger  
12 issues, which are obviously a major concern for  
13 our city. Thank you for your testimony. Now  
14 Council Member Gerson.

15 COUNCIL MEMBER GERSON: Thank you  
16 Mr. Chair. Just as we transition I wanted to  
17 acknowledge that we're joined by some very special  
18 guest from the Borough of Manhattan Community  
19 College, the students of government classes taught  
20 by Professor Ron Hyduck who is also joining us.  
21 Fresh from our recent victory in getting back  
22 Fidderman Hall, we welcome you to City Hall.

23 CHAIRPERSON DE BLASIO: We welcome  
24 you and I want to say to Professor Hyduck, who  
25 I've had the honor of serving with even in

1  
2 government. Welcome, thank you for your service  
3 to New York City. All right.

4 [Applause]

5 CHAIRPERSON DE BLASIO: And now  
6 we're going to welcome ACS to come up. Breaks are  
7 good. Would ACS please come forward? Please  
8 everyone, we have to move quickly. I apologize,  
9 we unfortunately got a late start this morning. I  
10 know a number of our colleagues, a number of folks  
11 here are waiting for the hearing after this to  
12 begin. So we're going to do our best to keep  
13 moving quickly. It's a joint hearing now of the  
14 General Welfare Committee and the Finance  
15 Committee. We welcome Commissioner Mattingly and  
16 his team. We have introduced a number of council  
17 members earlier and as new members come in, we  
18 will introduce them. Thank you again to everyone  
19 who helped prepare this segment of the hearing.

20 Commissioner, welcome. We're going  
21 to move very quickly today because we're running  
22 late and also because this is not structured as  
23 our normal March and May budget hearings are  
24 structured. We're doing these hearings in  
25 reaction to the rather overwhelming information in

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the Mayor's recent plan. We thought, as a Council, it's very important to air these issues publicly and have a public debate on the decisions the Mayor has put forward. Many of which, I think many of us feel have quite a huge impact on people, particularly people in need. That was the intended purpose, per se, to look at information that was put forward in the last days and to analyze it and to have a public debate.

Commissioner, to say the least we were all blind sided yesterday by a new proposal from the administration related to child care centers. You don't need to hear me lecture but I will say simply, I think we're all confounded at how such a major new proposal was dropped on us at the last moment. More importantly than the process involved is the substance.

You and I have talked about this. You know I respect greatly the work you've done and I know your team has done a lot to try to improve child care in this city. But this new proposal threatens the existence of numerous child care centers around our city. It's as simple as that.

1  
2 For years, we've all known that  
3 there was some work to be done to try and make  
4 sure that every center was at capacity, filling  
5 every seat. We've all talked about this before.  
6 No one is saying it's acceptable to have a seat go  
7 unfilled when there's a child who needs it. No  
8 one's trying to say that if management of a center  
9 could be better it shouldn't be better. We want  
10 it to be better. And we've offered, over the last  
11 few years, to work in any way we could to improve  
12 the management of these centers, to improve  
13 enrollment, to work hand in hand with ACS. And at  
14 moments along the way I think we thought there was  
15 an atmosphere of cooperation and a common mission.  
16 Every time we turn around, we are surprised.

17 We were surprised last year when 14  
18 centers were suddenly potentially threatened with  
19 closure in Brooklyn alone. We are surprised now  
20 to hear 21 centers will suddenly lose a classroom  
21 and losing a classroom means losing such an amount  
22 of funding that the underlying finances of that  
23 center could be threatened and the survival of  
24 that center could be threatened. So I don't know  
25 why this keep happening when the goal should be to

1  
2 protect and preserve the centers, to protect the  
3 service in the community.

4 Commissioner I've said to you and I  
5 want to be very public. When a center closes, it  
6 doesn't come back. If you can prove to me there  
7 is an ample history of centers closing in  
8 communities and then coming back to life later,  
9 you can educate me. But I've never heard you or  
10 anyone else in your agency claim that that  
11 happens. In fact, we know once a center closes,  
12 the chances of us ever seeing that service again  
13 in the community are limited.

14 The need is increasing in this  
15 city. The population is increasing. We're going  
16 through tough economic times when families will  
17 depend on child care. If they don't have  
18 affordable child care, many families will have no  
19 chance at self sufficiency. This is not about a  
20 moral judgment and are you and your colleagues  
21 good people. You are good people trying to do  
22 important work. I don't know why you keep doing  
23 this particular thing. I don't know why we take  
24 one step forward and then two steps back. And I  
25 don't know why we have a policy that threatens to

1  
2 strangle child care centers to death and lose this  
3 precious resource in the community.

4           This goes far beyond the current  
5 fiscal crisis. This is something we've been  
6 talking about for years. We all should have done  
7 better in the past. I think all of us deserve  
8 some blame for not getting ahead of this crisis.  
9 But because we are hitting tough times it doesn't  
10 mean we should suddenly take such a militant step.  
11 Certainly, if you're talking about reducing  
12 capacity by 18% that goes far beyond any of the  
13 types of cuts that are being experienced in other  
14 agencies. So clearly today we want to talk first  
15 and foremost about that.

16           Also, as you and I have discussed,  
17 despite the amazing achievements and you deserve  
18 credit for them in terms of improving our child  
19 protective work. I am very concerned that the  
20 trends I see lately in terms of the decision most  
21 especially to eliminate 127 child protective  
22 supervisor positions. We have to today delve into  
23 what that means in terms of our ability to  
24 continue to protect kids. And obviously something  
25 this committee and I have cared about deeply, the

1  
2 preventative services that have so effectively  
3 stopped child abuse before it starts for the first  
4 time in many years I'm worried that we're starting  
5 to slip backward on that front. We want to go  
6 over that with you. With that opening  
7 Commissioner, we welcome your testimony. I can  
8 assure you there will be many questions today.

9 JOHN MATTINGLY: Good morning Chair  
10 de Blasio, member of the General Welfare and  
11 Finance Committees. I'm John Mattingly, the  
12 Commissioner of the Administration of Children  
13 Services. With me today are Susan Nuccio, our  
14 Deputy Commissioner for Financial Services and  
15 Melanie Hartzog, our Deputy Commissioner for Child  
16 Care and Head Start.

17 We are here today to discuss our  
18 financial plan submitted for fiscal years 2009 and  
19 2010 and our upcoming changes in our budgeting for  
20 child care. Before we get into the details and  
21 I'm not going to take much time, I want to  
22 emphasize one thing. Like all city and state  
23 agencies, we are faced with difficult choices,  
24 decisions that need to be made to identify  
25 reductions in our budget this year. Nevertheless,

1  
2 we have done everything possible to keep intact  
3 our core ability to protect children through child  
4 protective investigations, our primary mission as  
5 the city's child welfare agency.

6 We are above all, committed to  
7 sustaining the progress that has been made since  
8 made since 2006 in strengthening our work to keep  
9 children safe. This means maintaining capacity in  
10 the front line workforce including attorneys who  
11 represent us in family court because it is  
12 critical that child protective staff have  
13 manageable work loads. When case loads get  
14 larger, it makes it much harder for each worker to  
15 do what they have to do to make the best decisions  
16 possible about safety in the timeliest way.

17 We have been successful as we  
18 promised in getting case loads in our child  
19 protective borough offices down to historic  
20 levels. In October, the system wide average was  
21 10 cases per worker compared to a high of 21 on  
22 average in 2006. Now we have to continue to  
23 ensure that, despite financial challenges, we do  
24 not slip back on that progress. Case loads are  
25 not the only thing but they're a base, they're a

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foundation for good child protective work.

For the November plan, ACS has identified initiatives to reduce our budget by \$19.3 million in fiscal year 2009 and \$38.4 million in fiscal year 2010. In making these reductions, we have focused on preserving our core mission to protect children, to strengthen families and to provide child care services to the city's families who need them most.

We work to preserve the essential child safety reforms enacted at Children Services as previously mentioned and at our provider agencies during the past three years. For example, we are still committed to our strategic initiative improved outcomes for children which will enhance the supervision of children in foster care and a provision of quality preventative services to families.

We also work to continue the efforts underway through our strategic plan for child care and Head Start designed to strengthen the contract in child care system in New York City. We have worked to find savings every where possible and to maximize our use of resources

1  
2 including through cut backs and non-essential  
3 supplies and materials, for example. We will be  
4 able to save more than \$5 million annually through  
5 reduced expenditures for supplies and materials.

6 A decrease in spending on audits  
7 for terminated foster care contracts, reductions  
8 in IT support, child welfare consulting contracts  
9 and immediate campaigns and delayed hiring of non-  
10 critical positions agency wide. We are also in  
11 the midst of a functional analysis in each  
12 division at ACS to determine where cuts can be  
13 made or efficiencies implemented in response to  
14 any future anticipated cuts.

15 Now in the November plan we were  
16 able to avoid layoffs to staff. Meanwhile we are  
17 saving approximately \$4 million annually for a  
18 staffing shift in which level one supervisors will  
19 carry a case load of the more complex child  
20 protective cases, helping to maintain the  
21 historically low case loads that I mentioned  
22 previously. Through our enhancements to training,  
23 ongoing assessment of practice through child staff  
24 and the highest ever level of front line case  
25 workers now on staff, we are able to maintain our

1  
2 work load in child protective services without  
3 filling the 127 level one supervisor slots that  
4 are currently vacant.

5 The November plan budget reductions  
6 also reflect our long-standing emphasis on quality  
7 practice in child protection, foster care and  
8 preventative. For example, we have long held the  
9 goal that children do better in the long term if  
10 they are living with families rather than in  
11 institutional settings. And we have sought for  
12 the past several years to reduce the length of  
13 stay for young people in group settings.

14 We anticipate saving \$11.2 million  
15 annually by reducing the length of stay for  
16 children placed in congregate care facilities in  
17 the hope of encouraging stakeholders to work with  
18 these children and families to be placed in less  
19 restrictive, more appropriate settings more  
20 quickly. We believe that alternatives to group  
21 settings will be identified more readily through  
22 our family team conference model now that we are  
23 implementing that as part of improved outcomes.

24 We anticipate \$10 million saved  
25 annually through a small reduction in the rate

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2 paid for the number of children with unique needs  
3 who are placed by ACS and DOE in institutions and  
4 schools outside the city. Many of these children  
5 are not in foster care or involved in any child  
6 welfare related case. We believe this reduction  
7 will provide an incentive to move these children  
8 into less restrictive settings closer to home  
9 without putting system wide limitations in place  
10 that could prevent treatment of some children who  
11 do require this type of care on a short term  
12 basis.

13                   We have also aimed to retain  
14 services where ever possible to maintain supports  
15 for our city's most vulnerable families. We  
16 worked hard to avoid further reductions in funding  
17 for preventative services. Preventative services,  
18 as you know, provide critical supports to families  
19 in helping them to keep children safe. They  
20 assist us in our efforts to keep children safely  
21 in their own homes and to prevent families from  
22 experiencing recurring cases with ACS.

23                   We are working within our existing  
24 budget to keep quality preventative services in  
25 the communities where there is the highest need.

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2 We did decide that it is necessary to raise by  
3 approximately \$2 per week on a sliding scale, the  
4 minimum co-payments that families pay for child  
5 care. However, we continue to work to keep this  
6 increase as small as possible. Had we not  
7 implemented this change, we would have need to  
8 eliminate child care subsidies that are available  
9 to some low income families and we have not done  
10 that.

11 Our children services is in fact  
12 committed to continuing to serve the city's  
13 families with quality child care. In this time of  
14 scarce resources, this goal is even more  
15 important. As we hold ourselves accountable to  
16 making sure that we are using our limited  
17 resources in the most efficient way possible, we  
18 are faced with a tremendous challenge in this area  
19 of our work.

20 As I have advised the Council since  
21 2005, the cost of providing child care has  
22 continuously risen, including increased cost of  
23 health care insurance for employees, liability  
24 insurance, facility costs, etc. In contrast, the  
25 funds provided by the state and federal government

1  
2 have not increased anywhere near in proportion to  
3 these expenses resulting in more and more funding  
4 for the child care system coming out of the city  
5 tax levy. As a result, we are facing this year  
6 and next a \$62 million gap to Children Services  
7 budget for the subsidized child care system.

8 Over the past several years the  
9 city has made up the difference in child care  
10 spending with one time financial strategies.  
11 Those strategies are no longer viable I am afraid  
12 in this economic time. We are unable to continue  
13 subsidizing the system as we have in the past. We  
14 need to make immediate changes in order to focus  
15 our limited resource on the most vulnerable  
16 families and quality programs. And also not to be  
17 in a position of having to deny child care to any  
18 family now receiving this service.

19 I want to be clear about this, we  
20 must make significant spending cuts but we are  
21 committed to doing so without having to turn away  
22 even one child who is currently receiving child  
23 care. The choice that we have to make is  
24 difficult but we are out of alternatives. Either  
25 we target our cuts by making changes to our system

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2 now that are consistent with a direction that we  
3 believe we need to be moving in to build a  
4 sustainable system or we cut services to families.  
5 If we do not make the changes that I am about to  
6 describe, we would need to cut out subsidies for  
7 more than 7,300 children from low income families  
8 in the course of this year in order to manage the  
9 system within our existing funds.

10 Not addressing this now,  
11 particularly in this financial climate, would be  
12 even more devastating to the system. Failure on  
13 our part to take action is likely to push the  
14 system to a point where we would be forced to shut  
15 the doors of child care centers throughout the  
16 city that are currently serving thousands of  
17 children. There simply is not enough money to  
18 continue operating as we have been.

19 The pleas that you, Council, and  
20 ACS and the advocates and providers have made to  
21 the state since 2005 have gone unheard. We must  
22 find the number of children that we can serve with  
23 available resources in this system right now so  
24 that we can count on the system for children in  
25 the future. To address the deficit in the child

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2 care budget we're going to make some changes in  
3 the system to focus our limited resources on the  
4 most vulnerable families and the highest quality  
5 programs. This includes, where ever possible,  
6 coordinating and leveraging city resources among  
7 our partner city agencies responsible for  
8 children's care and education.

9           Guiding our decision are two  
10 critical principles. First, every child currently  
11 being served by ACS will continue to be served by  
12 the city's early care and education system. We  
13 must maximize the services provided by the  
14 Department of Education and the Department of  
15 Youth and Community Development.

16           In order to keep serving as many  
17 children as possible and to avoid the possibility  
18 of having to deny services to any families now  
19 being served, we must do all that we can to insist  
20 upon the system being as efficient as possible.  
21 We can therefore no longer continue to pay for  
22 vacant seats as we do now by paying for capacity  
23 and not enrollment.

24           To accomplish these goals Children  
25 Services will no longer pay child care contractors

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2 to provide kindergarten beginning this summer,  
3 July 2009. Currently, more than 3,000 slots in  
4 ACS's child care centers are for children who are  
5 kindergarten age. Instead these children will be  
6 served by public school kindergartens and the out  
7 of school time system. In addition, we will  
8 expand our partnership with the Department of  
9 Education so that effective January 2009, very  
10 soon, we will begin to enforce cost allocation for  
11 all UPK child care seats in our funded centers.

12 I testified before the Council in  
13 April regarding Project Full Enrollment and  
14 recently we provided the Council with an update on  
15 the timeline and the work that has been underway  
16 to prepare programs for this change. In our  
17 testimony, we outlined the progress that we have  
18 made over the past three years to support programs  
19 that had been chronically under enrolled and to  
20 streamline the enrollment process, including  
21 restructuring functions at ACS's resource areas.

22 While some programs have in fact  
23 improved their enrollment over the past three  
24 years, there are still significant numbers of  
25 programs across the city which continue to be

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2 severely under enrolled by at least one classroom  
3 or 15 or more children. For this reason starting  
4 in this January, we are going to reduce capacity  
5 within child care programs that have been  
6 chronically under enrolled and still are as  
7 defined by a three year average, a 12 month  
8 average and current levels.

9           As a result of implementing these  
10 initiatives, ACS will oversee a more efficient  
11 center based system where we will be providing  
12 child care to the city's most vulnerable families  
13 and most effective way possible and without having  
14 to reduce services for any child being served.

15           The changes that we are making are  
16 fiscally prudent ones designed to make this system  
17 sustainable into the future. They will put in a  
18 better position to strengthen the system  
19 especially for infants and toddlers as our fiscal  
20 outlook improves. In the coming weeks, Children  
21 Services plans on providing additional information  
22 on these initiatives to City Council, delegations,  
23 providers and parents.

24           We are also looking at strategies  
25 to increase the market rate paid on an ongoing

1  
2 basis to child care providers. However, there too  
3 we are faced with considerable challenge in this  
4 unfunded mandate because without additional  
5 funding from the state we might find ourselves  
6 forced to cut services for children in order to  
7 increase payments to providers.

8 In summary, day care costs have  
9 increased dramatically as has the city's  
10 commitment to meet those costs year over year.  
11 But state and federal dollars have not kept pace,  
12 leaving the city with a growing deficit which in  
13 good times we have been able to close at the end  
14 of each year. But that we can no longer do given  
15 the fiscal situation. So we had a choice, find  
16 some ways to maintain all of these services to  
17 every child that relies on our service or cut  
18 services to at least 7,300 families to bring  
19 expenses in line with our ability to pay.

20 We chose to make the choice that  
21 every child who is receiving care today will  
22 continue to be served. But that means we need to  
23 better leverage partner agencies and reduce waste  
24 and inefficiencies. It's not going to be easy and  
25 we know some of the non-profits will have to cut

1  
2 back and make very tough choices. But these are  
3 difficult times and we all need to work together  
4 to make sure our neediest families continue to get  
5 the services they need.

6 In conclusion, we are facing  
7 difficult times all over the city. As ACS  
8 approaches our budget for the current and the  
9 coming years, we hold ourselves accountable for  
10 making tough choices about our spending so that we  
11 can use our limited resources in a way that  
12 maintains our most critical functions. We have  
13 worked hard to maintain services that keep our  
14 children safe and provide much needed support to  
15 our most vulnerable children and families. We  
16 appreciate your support and your ideas and your  
17 criticism as we face these challenges. We know  
18 that you join us in our desire to sustain the  
19 strongest possible child welfare and child care  
20 systems for New York City. Thanks very much.

21 CHAIRPERSON DE BLASIO: Thank you  
22 Commissioner. We've been joined by my fellow  
23 Chair, David Weprin. We will be turning to him  
24 for questions in just one moment. We also were  
25 joined earlier in addition to all the members who

1  
2 were here earlier in the day, by Council Member  
3 Lui, James, Stewart and Yassky. Welcome to all.

4 Commissioner, I want to focus on  
5 the child care issues for a few minutes. I know a  
6 number of colleagues have questions and I want to  
7 come back to the preventative and case load issues  
8 and CPS issues. But right now, on topic,  
9 Commissioner we profoundly disagree.

10 Again, beyond the fact that we were  
11 blind sided here and this doesn't resemble  
12 anything we've ever talked about previously as an  
13 approach to our child care centers. I feel like  
14 this is sort of another example of the  
15 administration saying trust us, we'll take care of  
16 everything. We're the great fiscal managers; it  
17 will all be okay. When in fact we have a lot of  
18 evidence it doesn't work that way.

19 The OST program, I won't dwell on  
20 it. I will simply say the OST program has been a  
21 tremendous disappointment in terms of the level of  
22 service provided doesn't resemble the quality of  
23 the service that's been provided in our child care  
24 centers. The fact we're going to move more and  
25 more effort that way says that we are giving less

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2 and less support to our children and the fact that  
3 we've struggled for years to find a way to protect  
4 precious community resources. These child care  
5 centers and the non-profits that provide so many  
6 other supports to communities that are fundamental  
7 to the life of our neighborhoods. And we're now  
8 taking a chance of numerous child care center  
9 closures. It's a dangerous and destructive  
10 strategy.

11           You frame it as while we're  
12 suddenly out of money we have no choice. I just  
13 can't accept that because we've all been working  
14 on this issue for so long. The first question we  
15 all have to ask is what are our priorities as a  
16 city. I don't think you would disagree that it  
17 should be no greater priority than children in  
18 need and that should mean everything from the  
19 preventative and the protective work straight  
20 through to the child care for low income kids. I  
21 would argue with anyone in this city that when  
22 we're creating a priority of where we're going to  
23 put our energy first and our resources first,  
24 vulnerable children should be at the top of the  
25 list.

1  
2           There is not an equality between  
3 every agency and every type of work we do as a  
4 city. This is an area that's fundamentally  
5 sacred. It doesn't mean there are no cuts, it  
6 means it needs to be handled differently. I'm  
7 sure you would not in broad stroke disagree with  
8 that given everything you've devoted your life to.

9           The second question is we have to  
10 make sense of the revenue front as a city; the  
11 public, the Mayor, the Council, all of us  
12 together. What are our options in revenue before  
13 we start taking such radical steps as potentially  
14 closing child care centers? I know you don't sit  
15 around saying I look forward to closing child care  
16 centers. I know no one wants to do that. But you  
17 know that that could easily be a consequence of  
18 cutting out this funding. So it's just not fair  
19 to say we're just about out of money so we had to  
20 do this; there's no choice. There are always  
21 choices.

22           In this instance, I thought we were  
23 on the path to say how do we if each center, put  
24 it on the strong footing, bring in whatever mix of  
25 customers, clients. Work with the UPK program,

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2 whatever it would take to stabilize the center for  
3 the long term. Now we've suddenly and radically  
4 shifted to a strategy that could lead to the  
5 closure of centers. So I'm sure you will disagree  
6 with me but I'm just saying there are choices  
7 here. This wasn't your only choice.

8           And certainly the notion that this  
9 had to be turned on so suddenly rather than saying  
10 we're going to set a clear time line to try and  
11 stabilize each center and hopefully save as many  
12 as possible in a tight time frame and put all of  
13 our efforts into that. You've made a strategic  
14 choice here to risk the survival of these centers.

15           So I'll just ask you this, do you  
16 not agree this could lead to the closure of  
17 centers? Do you not agree that once closed it's  
18 very hard to reopen them?

19           MR. MATTINGLY: Chair de Blasio, as  
20 you know we've been at this. I've been here four  
21 years going on five and I remember my very first  
22 testimony in front of this Committee, although not  
23 the Finance Committee but I think Chair Weprin was  
24 here as well. When I laid out the early stages of  
25 this chart and said that we were in dire straits

1  
2 and that steps had to be taken to get additional  
3 funds from the state or federal government, who  
4 keep cutting us back.

5 And I want to point out to you, you  
6 probably can't see it at this distance, the state  
7 of New York puts a whopping \$66 million into our  
8 \$800 million child care program. We have worked  
9 together as best we could, I think, to effect the  
10 Assembly and the Senate working on this and to  
11 effect the Governor and it has not worked. We are  
12 not getting additional funds for child care.

13 Faced with that I have, with you  
14 and with I think your knowledge, done two things.  
15 First, we have been working for at least three  
16 years on making sure that we paid only for slots  
17 that were filled with children, not for empty  
18 slots and thus paying a budget to a center that in  
19 my view, they did not deserve. We've worked long  
20 term to do that. We started three years ago on  
21 our strategic plan to bring down the number of  
22 vacancies. We had great success early on. We  
23 have stalled since.

24 It seems to me that a fairest way  
25 to begin to look at this, if you assume you have

1  
2 to look at it, is that those centers. And there  
3 are 21 of them that have at least 15 vacancies  
4 three years ago, one year ago and today are not  
5 going to get to the point that we all want to get  
6 them to that they are filled with eligible  
7 children. So that's why we made that particular  
8 choice.

9           The timing is difficult. I  
10 understand that but that is because of the  
11 pressure of the current budget situation. Two  
12 things happen, first we had a very, very difficult  
13 time for the first time in the four years I've  
14 been here closing this child care budget at the  
15 end of the fiscal year. All of those one time  
16 funding savings we got from other sources, all of  
17 the options we had had at the end of each year to  
18 come up with \$20 and \$40 and \$50 million are  
19 basically used up and gone.

20           By the fall, it became clear given  
21 the continuing problems with our revenues that we  
22 had to begin to do something. We have struggled  
23 very long and hard in the midst of the peg  
24 discussions to come up with a plan that achieves  
25 the goals that we have with the impact on the

1  
2 fewest families and children. So that's a bit of  
3 the background as to why this comes forward now.

4 If we had seen easier ways to do  
5 it, if we had available revenue elsewhere I think  
6 my record is quite clear of our willingness to  
7 struggle to get the revenue we needed even from  
8 other sources. But there is a point at which we  
9 hit the wall. So now we're facing a \$62 million  
10 short fall which is nothing more than a  
11 continuation of this problem we've had for five  
12 years. And facing that short fall we have to do  
13 something now. If we wait next spring we're going  
14 to be sending out letters to 7,500 families  
15 telling them that their subsidy is no longer  
16 available. In this case, we for example in  
17 January will not be sending out those letters. We  
18 will be taking away vacant slots, not hurting  
19 families or children.

20 CHAIRPERSON DE BLASIO:

21 Commissioner respectfully, you are repeating what  
22 you said in your testimony; you didn't answer my  
23 question. Will this lead, can this lead to the  
24 closure of child care centers? And once they  
25 close is it not a fact that it is very unlikely

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2 they will ever reopen?

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MR. MATTINGLY: Child care centers have had options, that's why we did Project Full Enrollment for some time. They will continue to have options but I certainly will not predict that there will be no loss of centers in these 21 sites that have at least one vacant classroom. I wouldn't predict that.

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CHAIRPERSON DE BLASIO: Okay. So we're just going to get ourselves very clear and on record. 21 centers are not losing a substantial amount of funding and you are agreeing that it's perfectly likely that some will close. You're not putting a number to it, you're saying it's fair to say that some may close.

17

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MR. MATTINGLY: It's fair to say that some may close, yes.

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CHAIRPERSON DE BLASIO: And I would conjecture, unfortunately it's not just going to be a few given what's happening in the overall environment. Second, would you agree once they close they don't come back?

24

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MR. MATTINGLY: I don't have the history here long term as to how centers were

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2 created over time. But since I have been here,  
3 new centers funded with subsidized money from the  
4 city have not opened.

5

CHAIRPERSON DE BLASIO: So the  
6 bottom line, I won't dwell because I know my  
7 colleagues have a lot of questions. The bottom  
8 line is 21 centers by definition in poorer  
9 communities, any number of them may be forced to  
10 close as a result of this action. So this is an  
11 action that really needs to be criticized because  
12 it's not a narrow budgetary choice. It's not we  
13 need to tighten our belt, end of story. It is a  
14 decision with a huge negative multiplier effect;  
15 it is a structural decision; it is a mistake  
16 because it will take away capacity in communities.

17

We need to focus everything we do  
18 in government on neighborhoods and this is the  
19 exact opposite. We're taking away capacity from  
20 our neighborhoods and the neighborhoods that need  
21 it most. So talk about unintended consequences.  
22 I feel like you're making a decision that you're  
23 going to look back on in a few years and  
24 profoundly regret. I'm sure we can do better.  
25 I'm not doubting how hard people have worked in

1  
2 your agency. I am saying you didn't succeed here  
3 - period.

4 We've offered to help you in a lot  
5 of ways. People tried to find creative solutions.  
6 I believe they are still out there. I think you  
7 should stop this plan right now and we should all  
8 work together center by center and figure out a  
9 plan to save each one. Right now people are  
10 trying to figure out how to save the auto  
11 industry. Smart people are putting their heads  
12 together all around this country and saying we're  
13 in tough times. We're not giving up on it; we're  
14 trying to find a way to fix it. We need to say 21  
15 centers is a precious resource, how do we fix them  
16 case by case.

17 One last point Commissioner, you're  
18 predicating all of this on the notion that you're  
19 going to be able to serve kids the same way. I  
20 guarantee you that the quality of service they're  
21 getting now doesn't even resemble what they would  
22 get in OST for example.

23 But a lot of us are also asking the  
24 obvious question, can our schools even handle  
25 these additional kids considering that every time

1  
2 we talk about trying to find the ability to expand  
3 not only UPK but increasingly there's more demand  
4 for kindergarten. We keep being told many of our  
5 schools are physically maxed out.

6 They're over capacity, there's no  
7 where to go. So you're taking kids out of  
8 physical spaces that exist that can accommodate  
9 them and pushing them towards facilities that are  
10 already overwhelmed. I don't see how that's going  
11 to work. Do you care to comment on that?

12 MR. MATTINGLY: Sure. We have met  
13 with Chancellor Kline and his staff and he assures  
14 us that by working together in coordination we  
15 will be able to serve those 3,300 or so children  
16 in the fall when the time comes.

17 CHAIRPERSON DE BLASIO: Those 3,300  
18 children obviously we're fearful that number could  
19 grow. But those kids by definition are in the  
20 neighborhoods where schools are overcrowded the  
21 most and I'm very, very worried about gerry  
22 rigging this and trying to figure out how we can  
23 do it on the fly again, when we have a system in  
24 place. It just seems backwards.

25 If there's such a wonderful path to

1  
2 creatively working with the schools to a solution,  
3 why don't we try instead a creative focus path and  
4 let's turn to the private sector. Let's bring in  
5 management experts, whatever it would take to save  
6 each of these centers in place and not give up  
7 that resource. Let me turn now to my fellow  
8 Chair, David Weprin.

9 CHAIRPERSON WEPRIN: Thank you  
10 Chair de Blasio. I'm going to just follow up on  
11 that line of questioning for a minute because  
12 Chairman de Blasio touched on a number of points  
13 that concern me as well.

14 It seems you don't have a  
15 particular number, although potentially you can  
16 see closing child care centers. Do you have a  
17 priority of which centers potentially won't close  
18 or may close? Do you have a handle on the amount  
19 of employees that may be laid off or removed or  
20 consolidated by a result of this reorganization  
21 and potentially closing child care centers?

22 MR. MATTINGLY: The priority is not  
23 about centers. The priority is about vacant  
24 classrooms so that we will close vacant classrooms  
25 that have been vacant for three years. Yes, we

1  
2 will close those. Centers will then have to  
3 determine how many classrooms they have and where  
4 they go from here. But there's nobody teaching in  
5 those classrooms anyway because they're vacant or  
6 there are 15 or more vacant slots in that center.

7           So they will have to decide, can we  
8 fill them with private paid? Can we work with  
9 another center very nearby to see if we can save  
10 costs? That's the kind of thing that we have been  
11 urging them to do for at least three years. And  
12 at this point in time, I don't have the money to  
13 pay for vacant classrooms. I only have the money  
14 to pay for children who are being cared for.

15           CHAIRPERSON WEPRIN: Are there lay  
16 offs involved in this reorganization?

17           MR. MATTINGLY: That will be up to  
18 the center, how they go about it. And whether if  
19 you have multiple empty classrooms, there may well  
20 be a determination by that center that they can't  
21 continue to staff the way they have been. But  
22 they've been staffing to cover vacant classrooms,  
23 that's what we can not continue to find.

24           CHAIRPERSON WEPRIN: Okay. In your  
25 talks with Chancellor Kline and the school people,

1  
2 we do have a shortage of classrooms and I'm afraid  
3 that the capital budget for school construction is  
4 going to be cut or stretched out and delayed. And  
5 we're going to have more of a capacity problem as  
6 the population seems to be rising. At the same  
7 time we seem to have a lack of space.

8                   What would you see happening the  
9 even that there isn't capacity in the schools or  
10 through various school construction? Would you  
11 then, at that point, look to go back to some of  
12 these child care centers and re-evaluate that?

13                   MR. MATTINGLY: We will, beginning  
14 this year, sit with the schools, sit with the  
15 Chancellor and his staff and go specifically  
16 through those where the children who are receiving  
17 kindergarten services in our centers are. So that  
18 we can then plan together how we're going to make  
19 sure that they get kindergarten spots.

20                   Our choices are limited here. If  
21 we just simply let the system crash, we then won't  
22 have child care for people who need it. If we  
23 focus on empty classrooms and focus on  
24 kindergarten where there is another option, that's  
25 how we believe we can save this money without a

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crash.

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CHAIRPERSON WEPRIN: Going on to another subject, child care co-payments. The agency will increase child care co-payments for non-public assistance families by I believe about \$2 per week per child. What is the direct impact to non-public assistance families who are unable to absorb this additional cost? What is the plan for that?

MR. MATTINGLY: We believe that this additional cost is marginal enough that families will be able to cover it. Again, faced with not enough money we're trying to get funds from where we can. These rates are much lower than what we've seen around the country. I don't want to raise them, Lord knows I don't want to raise them but I don't know what else to do. So within the total context of what we're struggling with, this is a small piece of it.

CHAIRPERSON WEPRIN: Is there some provision made for those families that legitimately have trouble making the payments but for some reason are not eligible for public assistance?

1  
2 MELANIE HARTZOG: We would have to  
3 work with each program where they're not  
4 collecting parent fees on an individual basis to  
5 figure out how that particular program would close  
6 that revenue--

7 CHAIRPERSON WEPRIN: [interposing]  
8 Just for the record, I'm sorry.

9 MS. HARTZOG: Melanie Hartzog,  
10 Deputy Commissioner for Child Care and Head Start  
11 at ACS.

12 CHAIRPERSON WEPRIN: Okay. Talking  
13 about miscellaneous client subsidies, I understand  
14 the agency is cutting \$1.2 million in fiscal 09  
15 and \$2.8 million in fiscal 2010 in the out years  
16 for funding one time emergency grants for  
17 furniture and miscellaneous needs for families.  
18 This may have child welfare implications for those  
19 families who have opened ACS cases and are unable  
20 to provide adequate furniture, etc for their  
21 children. How will this affect those families who  
22 are unable to provide adequate furniture for their  
23 children such as cribs, beds, etc.

24 MR. MATTINGLY: That's a very  
25 important question. We are continuing the housing

1  
2 subsidy program. We are attempting to save some  
3 resources by targeting those resources better. We  
4 are keeping intact all of those housing subsidies,  
5 that's what it's generally called, all of those  
6 housing subsidies for families but for housing  
7 could reunite with their kids who are in foster  
8 care. That's intact. All of the young people  
9 leaving care, getting into an apartment and  
10 starting their life on their own. That's not  
11 being cut at all.

12           What we've experienced in the past  
13 two years has been a dramatic increase in  
14 preventive agencies asking us for funds to help  
15 families, whether they were involved in child  
16 welfare or not. We couldn't continue to handle  
17 that huge increase so we had to find some ways to  
18 target the resources that we provide.

19           For example, some preventive  
20 agencies, some preventive staff were each month  
21 asking us to pay for the rent that would keep a  
22 family from being evicted, month after month after  
23 month. We can't do that. The preventive agency  
24 has to help that family get on a budget and move  
25 forward. So that's just one example.

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2                   Secondly, we should not in these  
3 days be paying for televisions for families. So  
4 we narrowed down on what we will pay for and we  
5 especially will, certainly will pay for furniture  
6 such as cribs and beds. That's the kind of cut  
7 you have to make in a situation like this. We  
8 just couldn't continue to allow it to continue to  
9 grow.

10                   CHAIRPERSON WEPRIN: Council has  
11 pointed out a question. How is the \$62 million  
12 gap that you referred to reflected in the November  
13 plan or the January plan because we don't seem to  
14 see it in our documents?

15                   SUSAN NUCCIO: Because this is a  
16 deficit above the budget it is not in the November  
17 plan because the peg program is around adjusting  
18 your budget. This is a series of initiatives to  
19 bring down our spending so that we can live at our  
20 budget.

21                   MR. MATTINGLY: I would say,  
22 because I think very legitimate questions are  
23 being raised about the timing of this. I told you  
24 what I can about why we feel we have to move now  
25 and why when we found we had a lot of trouble

1  
2 closing last year, that's what made us start to  
3 look at this.

4 But what we're trying to do here  
5 with this approach as opposed to putting into the  
6 peg is to maintain the foundation. If you put  
7 savings into a peg it goes away forever from the  
8 budget of the agency. You have to do a new need  
9 to get that back in. By bringing our budget under  
10 control we will still have that foundation to  
11 build on when the resources become more available.  
12 That's why we have done it this way.

13 CHAIRPERSON WEPRIN: We have a  
14 number of people that want to ask questions so I'm  
15 not going to prolong the questioning. We've been  
16 joined by Councilman Simcha Felder from Brooklyn.  
17 The next questioner is Councilman John Liu.

18 COUNCIL MEMBER LIU: Thank you very  
19 much Mr. Chairman for indulging me. I was trying  
20 to get from your testimony, Commissioner, but  
21 maybe I missed it. Is there going to be a  
22 reduction in the number of child protective case  
23 workers?

24 MR. MATTINGLY: No.

25 COUNCIL MEMBER LIU: I guess

1  
2 there's another division that so many cases have  
3 been shifted towards, the family services  
4 division.

5 MR. MATTINGLY: There will be no  
6 reduction in family services.

7 COUNCIL MEMBER LIU: So the number  
8 of case workers will stay the same as fiscal 08.

9 MR. MATTINGLY: Yes.

10 COUNCIL MEMBER LIU: Okay. All  
11 right. Thank you.

12 CHAIRPERSON WEPRIN: Thank you  
13 Council Member. Council Member Sears:

14 COUNCIL MEMBER SEARS: Thank you  
15 very much Mr. Chairman and it's good to see you  
16 again, Melanie. First I just wanted to say that I  
17 think it's really commendable that in two years  
18 you reduced your case load from 21 to 10. I know  
19 that was a huge effort to do that, which was the  
20 object of Chairman de Blasio. So I really want to  
21 commend you for reaching that. I know you're  
22 going to strive to reduce it even more but in  
23 these times I'm not so sure.

24 I just have a couple of questions  
25 and you can combine them both maybe. What are

1  
2 non-essential supplies and materials for these  
3 centers? I'm not sure exactly what that means  
4 because when we're dealing with kids I'm not so  
5 sure what's non-essential.

6 MS. NUCCIO: If you're referring to  
7 materials and supplies we're talking about our  
8 administration, not the contract agencies.

9 COUNCIL MEMBER SEARS: That I can  
10 accept. And for the 127 level one supervisors  
11 that you will not fill and can do without that top  
12 level stop and they're going to have more of a  
13 case load, what do they actually do that now you  
14 don't need them anymore? What kind of a thing  
15 were they doing?

16 MR. MATTINGLY: There's a big, long  
17 story here.

18 COUNCIL MEMBER SEARS: You can  
19 shorten it, I'm sure, and get to the point.

20 MR. MATTINGLY: Each unit in Child  
21 Protective Services had or the model has for a  
22 supervisor two, five workers, which is a very  
23 small case load for a child welfare/child  
24 protective agency. It's the right one. It's not  
25 too small; it's the right one. Plus what amounted

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2 to a senior worker, these were called supervisor  
3 ones, at least for the past 10 years. They are  
4 more experienced and they sometimes take cases  
5 that are more complex and sometimes they work with  
6 the other workers on their cases.

7           During the process of staffing up  
8 to get the case loads down and the staffing up to  
9 have Family Services intact, people were moving  
10 up. If we filled those 127 positions during the  
11 case load crisis, people would keep on moving up  
12 and we'd never have enough workers to get the case  
13 loads down. So that's why we didn't fill them at  
14 the time.

15           We believe and I believe based on  
16 my experience that a supervisor two and five  
17 workers can get the job done. When we are in a  
18 position to get those senior workers back we will  
19 try to do that because I have some ideas about how  
20 they can be more fully used. But they will not  
21 effect, we believe the ability of our system to  
22 protect children.

23           COUNCIL MEMBER SEARS: Secondly,  
24 the issue that Councilman de Blasio brought up in  
25 the shifting to the public schools from your

1  
2 kindergarten. I agree with you that you should be  
3 paying for attendance, those that are registered  
4 and not to just by full capacity and have these  
5 empty seats. That's quite unfair. I don't  
6 understand how with the lack of seats for the  
7 Department of Education and they keep asking every  
8 Council Member to find us the spaces, they will do  
9 that. Spaces are very short.

10 Now there are districts - and I'm  
11 going to get parochial here for a moment only to  
12 prove a point that I probably have the most  
13 overcrowded district in the entire city. I'm not  
14 without day care.

15 MR. MATTINGLY: I know.

16 COUNCIL MEMBER SEARS: I'm not  
17 without day care and you know that. So how on  
18 earth are we going to take these children? And I  
19 say this respectfully, when you invoke the name of  
20 Chancellor and the fact that he comes before  
21 Finance and talks about how we do have this lack  
22 of seating and we need pre Ks and Ks and we can't  
23 find the spaces for them.

24 So how are we going to treat fairly  
25 these children that we're going to displace from

1  
2 those centers and place them in a public school  
3 system that in my opinion, there's no space for  
4 them. And if there is then that space becomes  
5 immediately overcrowded and we can't provide what  
6 is necessary for those children. So I don't  
7 understand that.

8           Maybe you can clarify that because  
9 when you give a number that way, has the  
10 Chancellor stated he's got a space for everyone of  
11 those children? Because I would doubt that, I  
12 really would.

13           MR. MATTINGLY: He hasn't said  
14 that. He has committed and we have committed to  
15 working to see to it that every one of those 3,300  
16 slots of kindergarteners are indeed served in  
17 kindergarten by the DOE. Now we have nine months,  
18 we have to work on that to figure out how to make  
19 it work. In some cases, there may be centers who  
20 have space and that could become available for  
21 DOE. We don't know.

22           But the fact of the matter is we  
23 are very tight, as you know, with kindergarten  
24 slots. But we will find space for these children,  
25 that's our commitment.

1  
2 COUNCIL MEMBER SEARS: Mr. Chairman  
3 really I think that as you progress with that,  
4 that you might want to report back to the  
5 Committee as we get closer to that registration  
6 time.

7 MR. MATTINGLY: I'd be happy to.

8 COUNCIL MEMBER SEARS: Just how  
9 many you have been able to do and how many you  
10 have not and where are they going. Thank you.  
11 Thank you very much.

12 CHAIRPERSON WEPRIN: Thank you  
13 Council Member. Council Member Liu had one very  
14 quick follow up.

15 COUNCIL MEMBER LIU: it was about  
16 the 127 supervisors so it was asked. Thank you.

17 CHAIRPERSON WEPRIN: Okay. Thank  
18 you. Council Member Gale Brewer.

19 COUNCIL MEMBER BREWER: Thank you.  
20 I just have one comment. My guess is the reason  
21 that the kindergarteners are in your programs is  
22 they like them. Parents like them and they don't  
23 like the local public school. I'll put money on  
24 that. I'm just saying that maybe they have a  
25 reason, actually you have fantastic child care

1  
2 centers. When you say that you're going to find  
3 3,300 spaces, you're going to have a fit from the  
4 parents. I left off with this--everybody is  
5 panicked, oh my God, is that my district. That's  
6 what we're all thinking, just so you know.

7           So the question would be, last I  
8 left off there was a list and it said what the  
9 percentages per center. I guess all I'm saying is  
10 it would have been great to come back to us and  
11 say so and so hasn't done what they said they were  
12 going to do. The technical assistance hasn't  
13 worked, they've been there 100 times. Then we  
14 would say to you, you're right, let's try  
15 something different. I'm just saying that would  
16 have been helpful because that's...

17           Number two, the Life program; I  
18 have one at Brandies High School. What cuts are  
19 mandated or being proposed for the Life and what  
20 does that mean for these Life programs?

21           MR. MATTINGLY: This is work that  
22 we will continue to do with the Chancellor as  
23 well; it's not final. We have been providing  
24 funding for the child care aspects of the Life  
25 program. The Life program is quite severely under

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2 utilized.

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COUNCIL MEMBER BREWER: I know that.

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MR. MATTINGLY: And we have just been providing the funding so what we're proposing to do is to, as we move forward, not provide that funding for the child care aspect of that. Should we have need to do so we can make sure that child care is provided for those young ladies but not in the way it's being done.

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COUNCIL MEMBER BREWER: You got to translate that because when you say not provided you mean not on site?

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MR. MATTINGLY: That's right.

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COUNCIL MEMBER BREWER: That's a problem because guess what? That girl isn't going to school. So if that girl doesn't have on-site she doesn't go to school, end of discussion, not complicated. Is that part of the discussion? How do you keep those girls in school?

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MR. MATTINGLY: It will be as we go forward.

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COUNCIL MEMBER BREWER: Okay. So I guess I would like to know exactly what you're

1  
2 doing, how many Life programs. They are under  
3 utilized but I've always wondered why they  
4 couldn't... Perhaps maybe you could have young  
5 people who aren't in that school participate, that  
6 would be against every deal we thought in the  
7 world. But it might actually be something that  
8 would make sense in terms of that space is free,  
9 the quality of the parenting and the classes is  
10 excellent. It's clean, it's fresh, it's fabulous.  
11 Did that every come up as an idea? God forbid you  
12 would think outside the box. Not you, but the  
13 City of New York. Go ahead.

14 MR. MATTINGLY: Yes, it's an idea.  
15 There are resources in this city, private and  
16 public, to do better by these young people and  
17 their children than continuing to fund an under  
18 utilized program.

19 COUNCIL MEMBER BREWER: I just  
20 really think we should have more discussions about  
21 that because those kids will drop out without that  
22 school. Folks in the audience want to know if, to  
23 clarify, what is meant by enforcing cost  
24 allocation on ICS particularly regarding the sites  
25 with UPK contracts. What do you mean by that?

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2 MS. NUCCIO: What we mean--Susan  
3 Nuccio, I don't think I said that before. Deputy  
4 Commissioner of Financial Services. What we mean  
5 is that there is UPK funding coming in for two and  
6 a half hours in a ten hour day. And what we're  
7 saying here is that the child care and the UPK  
8 funding will be looked at to see who should be  
9 paying what percentage of that time or the cost  
10 associated with those two and a half hours. As  
11 opposed to the money just being added on to the  
12 program, which is the way it's being done now.

13 COUNCIL MEMBER BREWER: Help me to  
14 understand because we are often asked to try to  
15 come up with more places to put the UPK money.  
16 That's always an issue. Some goes back to the  
17 state. We don't really know, you know how much;  
18 I'm never really clear. It's like this big mush.  
19 Those in the audience probably have the exact  
20 numbers but for those of us who are trying to  
21 follow this, it's confusing. Obviously there was  
22 a lot of effort this year to try to fund your  
23 centers in any way possible. But what was the end  
24 result of that and is that something that should  
25 be done on the state level that could assist us?

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Obviously we want full day and not half day. Are you any closer to that in Albany?

MR. MATTINGLY: Not that I'm aware of.

COUNCIL MEMBER BREWER: Okay. But do you fuss about it a lot?

MR. MATTINGLY: Yes.

COUNCIL MEMBER BREWER: So is that part of the challenge of keeping these 21 centers open to be able to have this UPK money that would be full time?

MS. NUCCIO: No, that's not part of the challenge for these programs. These programs have been chronically under enrolled, as the Commissioner said, for the past three years. They have had those vacancies.

COUNCIL MEMBER BREWER: If those 3,300 actually go to the public school is there a difference of hours of care between the child care center and the Department of Education?

MS. NUCCIO: The child will attend public school kindergarten.

COUNCIL MEMBER BREWER: Until 3:00 probably.

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2 MS. NUCCIO: And then the balance  
3 of the day from 3:00 to 6:00 would be with the OST  
4 wrap around for a full ten hour program.

5 COUNCIL MEMBER BREWER: And the  
6 wrap around is located where traditionally,  
7 physically?

8 MS. NUCCIO: This is where we have  
9 to work with both Department of Education and  
10 Department for Youth and Community Development to  
11 ensure where that wrap around will be served,  
12 where the child will be served.

13 COUNCIL MEMBER BREWER: So the  
14 kindergartener probably has to go to another site  
15 in order to get care?

16 MS. NUCCIO: Not necessarily, OST  
17 does have slots in public schools. So this is  
18 when I refer to the work we have to do but we will  
19 have a sense of that in the coming months as to  
20 whether or not that five year old would have to  
21 have safe passage provided to another location.

22 COUNCIL MEMBER BREWER: These are  
23 huge issues. The other question I have is on the  
24 technology front. Obviously that's something that  
25 I'm interested in. What are the cuts and what do

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2 they mean in terms of your budget?

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MS. NUCCIO: We're cutting - basically it's a small cut - around consultant support, around trouble shooting systems. So add on site support

COUNCIL MEMBER BREWER: And what is the status of the day care centers being technology supported, which was a discussion point in the past two and three years, just overall.

MS. NUCCIO: Are you referring to web based enrollment and attendance? We are still on track to implement web based enrollment and attendance. We've had some slippage in the timeline, which we're now looking for I believe it's August.

COUNCIL MEMBER BREWER: People are complaining about it, just so you know.

MS. NUCCIO: I'm sorry. The slippage is originally scheduled for the fall roll out. We're not moving to winter so February.

COUNCIL MEMBER BREWER: People are complaining about it, just to you know. It's not a happy campers. Finally, the leases of any way to negotiate some of your leases so that you save

1  
2 money that way and maybe not have such a challenge  
3 with these 21 centers. I think you're going to  
4 have a problem with these 21 centers,  
5 Commissioners. There's a lot of fuss about this.  
6 If it doesn't happen, then what? What's plan B?

7 MS. NUCCIO: You're referring to  
8 the issue of fixed cost, correct? In that in  
9 looking at whether or not a center may have to  
10 close, one of the biggest issue is that a center  
11 looks at their fixed costs which is primarily the  
12 lease. Of the 21 sites, 80% are in city  
13 facilities, whether it's a city lease facility or  
14 a NYSHA facility. We will continue to pay the  
15 rent; we can't pro-rate the rent for those sites  
16 so that issue is somewhat, for those particular  
17 centers, not so much of an issue.

18 COUNCIL MEMBER BREWER: So you  
19 couldn't reduce costs, for instance, by lowering  
20 the rent in some way so that that center could  
21 stay open and have smaller. Is there any way to  
22 have smaller space so that you could in fact have  
23 the children and the teachers and not have the  
24 extra classroom and pay less rent or something  
25 like that?

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2 MS. NUCCIO: What option that we're  
3 always opened to looking at, some programs do  
4 approach us which is consolidation of sites. So  
5 for instance, we have two city lease sites and  
6 both have vacant classrooms. The program is  
7 seeking to consolidate both programs into one site  
8 and save city lease by terminating a lease for one  
9 of those sites, which may be an option in these  
10 cases moving forward.

11 COUNCIL MEMBER BREWER: Okay.  
12 Thank you.

13 CHAIRPERSON WEPRIN: Thank you  
14 Council Member. Council Member Tish James.

15 COUNCIL MEMBER JAMES: Based on my  
16 experience, and as you know Commissioner--first  
17 Commissioner Hartzog welcome back and how's the  
18 baby.

19 MS. HARTZOG: He's wonderful, thank  
20 you.

21 COUNCIL MEMBER JAMES: Good.  
22 Congratulations. As you know in my district and  
23 in Council Member Vann's district two centers have  
24 already closed so I have some degree of experience  
25 in dealing with parents and in addressing the

1  
2 closure of day care centers, ACS child care  
3 centers. Based on my experience and based on  
4 conversations with parents, the reason why parents  
5 prefer ACS child care centers is because they do  
6 not want their young child to be part of a safe  
7 passage.

8 Your hours are extended to 6:00 for  
9 the convenience of parents. As you know,  
10 kindergarten schools end at 3:00 and then children  
11 are then transferred to OST centers, sometimes  
12 they're off site. Most parents are very much  
13 concerned about their five year old or six year  
14 old being transferred to an OST site, which might  
15 be off site. That is the number one issue that I  
16 hear in the district that I represent, which I  
17 don't believe is unique to my community.

18 So saying that, there's a question  
19 with regards to these 3,000 slots and these 3,000  
20 children who are of kindergarten age, obviously I  
21 share the sentiments of my colleagues in whether  
22 or not you will provide safe passage to most of  
23 these children to OST centers, which are off site.  
24 I'm very, very much concerned about that and I  
25 just wanted to know, I think the City Council and

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2 the Chair would like to see plans with respect to  
3 that.

4 My second issue is the criticism of  
5 OST. My experience, again, which I don't believe  
6 is unique to my district, OST is not structured.  
7 OST does not provide any academic enrichment.  
8 OST, based on my experience and I visited a number  
9 of them in my district, are pedagogically  
10 deficient. They do not provide assistance to any  
11 of the children, particularly the young children  
12 who need help with their homework. Whenever I had  
13 visited them it's nothing more than a inside  
14 playground.

15 Your centers have provided them  
16 with that structure. Your centers have provided  
17 some of these children with assistance with their  
18 homework. And have provided them with educational  
19 enrichment. OST in my experience has been a  
20 complete failure. To transfer all of these  
21 children, particularly at a vulnerable age when  
22 they are forming their ability to learn, I think  
23 is going to have an adverse impact on the  
24 development of children, particularly low income  
25 children. And I do not want to engage in

1  
2 regressive tactics which will further retard them  
3 in their development. Any thoughts?

4 MR. MATTINGLY: I don't want to be  
5 glib and simply say and we have never said in this  
6 process that this is the way in which every family  
7 would choose to move forward. People have  
8 children in centers at various ages for different  
9 reasons and it many times makes perfect sense for  
10 them and their family to do that. I am just at  
11 the point, I'm afraid, in which we are going to  
12 have to chop out thousands of subsidies from under  
13 families overall whether they have an option in  
14 kindergarten or not.

15 So what we're trying to do is make  
16 sure that with OST and the DOE, make sure that  
17 there are alternatives. Will they be perfect?  
18 No. But are we going to work hard to make sure  
19 that these kindergarteners are protected, are  
20 cared for and get help? Yes.

21 Jeanne Mullgrav, as you know is the  
22 Commissioner of DYCD over OST. It's been now  
23 three or four years since the changes were made  
24 that remove funds from our budget. We must make  
25 sure that OST is as strong as we all want it to be

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2 and we do take responsibility for that as well.  
3 It's just that I don't have a lot of choices.

4 COUNCIL MEMBER JAMES: It's really  
5 the transfer. Parents, particularly mothers,  
6 single, female headed households, mothers who have  
7 to work who do not want to be on the Dole, who do  
8 not want to be on public assistance. Pray that  
9 their children each and every day are transferred  
10 safely from kindergarten to OST. These children  
11 unfortunately because of DOE can not have a cell  
12 phone and it's hard to check with their child to  
13 make sure that they safely arrive to these OST  
14 centers.

15 And so they call me with concern.  
16 It's the safe passage is a major, major issue  
17 particularly given the lack of space in a lot of  
18 these OST centers and the criticism that I  
19 mentioned earlier.

20 In addition to that, my major  
21 criticism of these 18 centers, as you know this  
22 weekend, your agency is working with me. We're  
23 doing a major day care fair at New York Tech and I  
24 thank you for that. I also thank your staff  
25 member. I don't know who it was who assisted me

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2 with one constituent who needed a grant for  
3 furniture and who needed a grant in paying back  
4 their rent. I don't know who that was. I believe  
5 it was your Chief of Staff. So I thank you for  
6 that. They did that in record time and they have-  
7 -

8 MR. MATTINGLY: [interposing] Amy  
9 Baker is my Chief of Staff.

10 COUNCIL MEMBER JAMES: Thank you.  
11 You averted a mother with two children from being  
12 evicted and being put on the street within 24  
13 hours. My heart goes out to you and I thank you  
14 for that. She did that on I believe it was a  
15 Friday at 4:00, which is usually when they call  
16 me, at the 23 1/2 hour. So I just thank you.

17 The centers that I mentioned again,  
18 in my universe, in my world a significant number  
19 of them have made improvements. It's not a one  
20 big classroom. It's children all throughout the  
21 centers. I know when you add up the number of  
22 children it equals a classroom but it's not an  
23 empty classroom; it's a couple of children in  
24 Classroom A, a couple of children in Classroom B  
25 and a couple of children in Classroom C, which

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2 equals a classroom. So to argue that it's a  
3 classroom that's empty it's really not true. It's  
4 empty seats in each classroom.

5           What has happened, again based on  
6 my experience, it's resulted in a significant  
7 number of workers at these ACS centers. Again,  
8 single female headed women taking care of their  
9 homes who were put on welfare, public assistance,  
10 who were laid off and who live in Central  
11 Brooklyn. It's sort of ironic and it's in  
12 conflict with the Mayor's policy to address  
13 poverty in central Brooklyn because a lot of these  
14 day care centers are in central Brooklyn. So it's  
15 in contradiction to what he's trying to do which  
16 is to address and reduce poverty. By closing some  
17 of these centers, based on my experience the two  
18 centers that have already closed in my district,  
19 you are increasing poverty.

20           I thought we were working together  
21 to address full enrollment, to get all of the  
22 centers towards full enrollment. And I thought  
23 we'd made progress. To argue that we have not  
24 made progress and that none of these enters have  
25 addressed the vacancy rate, I question that.

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2 MR. MATTINGLY: We certainly want  
3 to continue those efforts. This is driven by the  
4 need to find ways in which to fund our child care  
5 system based on the number of children served.  
6 These centers, these 21 sites are on the far end  
7 of empty slots and they have been for three years.  
8 But we want to continue to work to get every slot  
9 filled. We can not continue in this extreme case  
10 to fund vacant slots.

11 COUNCIL MEMBER JAMES: My last  
12 point is I have to draw a line in the sand for the  
13 Life centers. For those who do not know, Life  
14 centers are for student parents, high school  
15 student parents. I have one at Prospect High  
16 School. They provide ACS child care centers for  
17 young girls who are trying to get their diploma in  
18 high school. We can not and should not close  
19 those centers. My last question to you  
20 Commissioner is has DOE indicated that they're  
21 going to pick up the cost of these Life centers so  
22 that these young girls who had made mistakes can  
23 get that diploma from high school?

24 MR. MATTINGLY: We do not have that  
25 commitment yet. You do have our commitment and

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2 I'm sure the Chancellor's as well to make sure  
3 that those services remain available. Whether it  
4 will be done in exactly that same way or not, I  
5 don't know. We'll work on that.

6 COUNCIL MEMBER JAMES: As Council  
7 Member Benjamin indicated, if we take away these  
8 Life centers from these young girls, these young  
9 girls will stop going to school. And that will be  
10 a tragedy and an indictment of us as a society.  
11 Thank you.

12 CHAIRPERSON WEPRIN: Thank you  
13 Council Member. Council Member Gerson.

14 COUNCIL MEMBER GERSON: Thank you  
15 Mr. Chair. I think in part of your testimony you  
16 identified one of the underlying problems  
17 pertaining to the budget issues we face. You said  
18 that we're going to try and maximize services  
19 provided by DOE, DYCD. Part of the endemic issue  
20 that we have yet come to grips with in this city  
21 is that we have so many agencies providing  
22 overlapping services.

23 DOE, DYCD, you mentioned you could  
24 have added to that DHS, Department of Homeless  
25 Services and the family shelters for the children

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2 that it operates. You could have added to that  
3 numerous settlement houses and other organizations  
4 throughout the city who do great work. I've said  
5 this before and I'm going to keep saying this  
6 until we do it, at some point we've got to come to  
7 grips and rationalize not all but all appropriate  
8 human services centrally within each neighborhood.  
9 That would not only save money, it would provide  
10 better neighborhood based services. So I urge us  
11 to maybe seize this challenge by the financial  
12 crisis to once and for all get that job done.

13           That being said, just two or three  
14 technical questions for clarification as part of  
15 this need for coordination, have we put in place a  
16 program where in public schools know to refer  
17 families to ACS centers when they have to turn  
18 applicants away for pre-K or kindergarten slots.  
19 I know in my district office gets calls repeatedly  
20 from constituents that say they have gone to their  
21 local public school to register their kids either  
22 for Pre-K or K and they're told the schools are  
23 over enrolled. Where do they go? The school did  
24 not direct them maybe to one of these ACS centers  
25 with vacant seats. Has that been done? Or can

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2 that be done?

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MS. HARTZOG: Council Member I'm not sure of the answer to that question. I believe that would be handled through 3-1-1 so I would have to get back to you on that. But if it's not done I'm sure that we can establish that through 3-1-1.

COUNCIL MEMBER GERSON: If a parent goes to a school and the school doesn't have a slot, the school should know where to direct the parent to an alternative city run facility rather than to 3-1-1. I'll save my 3-1-1 comments for another day. I urge you please to follow up with that.

Let me ask you, you mentioned an \$11.2 million saving by reducing the length of stay for children in congregate care facilities. I think we all agree that congregate care facilities are not the preferred choice. But let me just ask you, when you say reducing the length is that like a target through the family teen conference model and other approaches or are we imposing an absolute cut off wherein after a certain period of time the kids are out. The

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2 concern is what if there aren't appropriate family  
3 settings for some of these children. Do we have a  
4 safety net for them?

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MR. MATTINGLY: It's a very good  
6 question. We are not imposing that kind of  
7 deadline. Our residential treatment centers do  
8 good work. What we have done is estimate that  
9 however the length of stay in these centers based  
10 on my experience around the country is quite long.  
11 And what we have done is pose a challenge to  
12 everybody here to take 30 days off the average  
13 length of stay for the children in that RTC. So  
14 that gives people the ability, some youngsters  
15 will have to stay longer, some do not need to.  
16 That's why we built it this way.

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COUNCIL MEMBER GERSON: A challenge  
18 is always a good thing as long as you build in the  
19 direction and the understanding that someone's not  
20 going to be penalized if they don't meet the 30  
21 days to the point where they're transferring a  
22 child to a setting that is not appropriate just in  
23 order to meet that 30 days. And then God forbid,  
24 we have a terrible situation involving a child.

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MR. MATTINGLY: Bringing their

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2 length of stay down by 30 days. Not any given  
3 case.

4 COUNCIL MEMBER GERSON: You  
5 understand the concern and I urge you to please  
6 build that into the system. Two more, the \$10  
7 million through what you call the small reduction  
8 in the rate paid for the number of children not to  
9 be placed elsewhere. These are children often  
10 with severe special needs who are placed elsewhere  
11 because we don't have the facilities. Have you  
12 done the analysis to make sure that the rate  
13 change, will a lot of them remain? Are there in  
14 fact facilities to serve those children?

15 MR. MATTINGLY: We are in fact  
16 discussing with the state how this is done and  
17 what we can do to affect the ever rising cost.  
18 Right now, up to now we get an April and a July  
19 statement from the state saying that the rate at  
20 each of these facilities has gone up from \$425 to  
21 \$450 a day and we're supposed to pay it. We have  
22 to work with the state and with DOE to find better  
23 ways in which to control some of these costs,  
24 which we have no control over yet. We're going to  
25 keep at that. Some of it will be facility by

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2 facility.

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COUNCIL MEMBER GERSON: But we're still going to serve every child with a special need of course.

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MR. MATTINGLY: Yes. And the more we can do that close to home the better off we'll be.

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COUNCIL MEMBER GERSON: That's always better but the bottom line is the kids get the service. Finally, there are those program with a so-called wrap around UPK wherein they get a certain rate for the 2.5 hours. We understand that that rate is being cut significantly. I think something like \$3,300 to \$800; I'm getting this information from folks who are involved with that. The effect on the services of that cut, are we going to still serve the children adequately? Usually that type of draconian cut really does have an effect on what children are receiving. What are we going to do for those kids?

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MS. HARTZOG: What we explained before and what Deputy Commissioner Nuccio explained was that ACS provides funding for a ten hour day with child care funding for that four

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2 year old. At the same time, that provider has a  
3 separate contract for UPK for two and a half  
4 hours. Right now that funding is layered on top  
5 of the ten hours. There's no cost allocation in  
6 place so that if in fact a teacher is being paid  
7 for, it's not being allocated across those two  
8 funding streams.

9           We are now saying it has to be that  
10 teacher and the time spent has to be allocated  
11 across those two funding streams, which is that  
12 teacher serving the same four year old. So in  
13 effect, ACS will be paying for the seven and a  
14 half hours of the day, UPK pays for the two and a  
15 half and it's a full ten hour day. We anticipate  
16 and we hope there will be no impact on services.  
17 As we move forward with implementing this we'll  
18 have to work with programs on a case by case basis  
19 to see what the impact is.

20           We know that these programs must  
21 meet the UPK standards, that is the most important  
22 thing. We do not want to jeopardize their ability  
23 to do that. Clearly because it's an impact on  
24 children, obviously that's the most important  
25 thing. But also we would then be turning away UPK

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2 funding from the state which we don't want to do.

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COUNCIL MEMBER GERSON: Hope springs eternal but children grow up in a set period of time. We don't want to change up. I'd like follow up information on the monitoring process and on the programs that will be affected, if we could follow up with that.

MS. HARTZOG: Yes.

COUNCIL MEMBER GERSON: I'll conclude my questioning for now. Thank you Mr. Chair.

CHAIRPERSON WEPRIN: Thank you Council Member. Council Member Diana Reyna.

COUNCIL MEMBER REYNA: Thank you Mr. Chair. Good afternoon. I just wanted to make sure Commissioner. To Melanie congratulations on the birth of your baby.

MS. HARTZOG: Thank you.

COUNCIL MEMBER REYNA: I wanted to just touch base concerning the schools and the shift of kindergarten slots being shifted from the subsidized centers into our Department of Education public schools. Has there been a full assessment as to what schools have full day and

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2 what schools have half day? And understanding  
3 that the system won't give a full level of service  
4 if we're transitioning five year olds into an un-  
5 evaluated scenario so that we have schools that  
6 are fighting to get full day classrooms but  
7 currently have half day. How is that school going  
8 to transition to provide a full day of service?

9 And having asked that, I'd like to  
10 find out how much did the city return back to the  
11 state in dollars as far as the pre-K program was  
12 concerned?

13 MS. HARTZOG: On the first  
14 question, in terms of planning with the Department  
15 of Education and Council Member James brought up  
16 planning with DYCD around safe passage. These are  
17 all issues that both of you brought up that we are  
18 concerned about and part of our process with  
19 planning with the Department of Education. So we  
20 will be giving them a listing of all of our  
21 programs that are currently serving five year olds  
22 in kindergarten classrooms where there programs so  
23 we can match up where their kindergarten slots  
24 are. What kind of kindergarten; are we providing  
25 full day, part day? What are the implications as

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we move forward?

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We're also working with DYCD.

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We've heard on numerous occasions the issue of

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safe passage and what can we do around that issue.

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I also want to point out that many of our child

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care centers operate OST programs at the same

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location. So they're operating both a child care

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center and OST program at the same location.

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Looking at options as to expansion there is one of

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the things we're going to explore with DYCD.

12

COUNCIL MEMBER REYNA: If I were to

13

ask you how many schools are out there per

14

district that have full day kindergarten class in

15

our public school systems, do we know that? And

16

how many are half day?

17

MS. HARTZOG: I don't know the

18

answer to that question at this time. Regarding

19

your question around universal pre-K and state

20

dollars that may have been turned down, that's a

21

better question to ask the Department of

22

Education.

23

COUNCIL MEMBER REYNA: Today, you

24

wouldn't know how much money we lost as far as the

25

City of New York on the pre-K dollars?

1  
2 MS. HARTZOG: We don't manage the  
3 universal pre-K program, that's the Department of  
4 Education. We do partner with DOE around the  
5 expansion in our contracted settings serving four  
6 year olds. But in terms of the actual funding,  
7 the claiming to the state, that's all done within  
8 the Department of Education, not within ACS.

9 COUNCIL MEMBER REYNA: It's my  
10 understanding that there is an estimated amount of  
11 \$20 million was given back to the state. And we  
12 have day care centers, subsidized slots that could  
13 use this money. But again, our subsidized centers  
14 are used as the step child in this system as  
15 opposed to the primary level of service to provide  
16 families opportunities for pre-K slots.

17 It would be disheartening to see  
18 that we gave back to the state funding because the  
19 Department of Education refused to use our  
20 subsidized centers as the primary level of  
21 education for families and couldn't provide it for  
22 their schools because families do want options and  
23 deserve options. If the school that they were  
24 trying to put their child in did not have a wrap  
25 around service and the only option was to have

1  
2 them transport their child from one school and  
3 then into a wrap around service at another school  
4 by safe passage through let's say a school bus, at  
5 the age of four that's not what the parent wants  
6 then they're going to look for a subsidized center  
7 to provide the level of education that the pre-K  
8 dollars are meant for. And so I am just trying to  
9 understand here.

10           There is a \$62 million gap that you  
11 had referred to in your testimony Commissioner.  
12 The fact that the state is refusing to listen to  
13 our concerns and our asks and in the meantime  
14 we're transforming what has been a quality  
15 educational early childhood care system into a  
16 DYCD/DOE system. And we're losing slots with all  
17 this transition.

18           First it was our centers are being  
19 closed and they're going to go in to capacity by  
20 combining them and consolidation. I've seen  
21 happen in order to save centers and we lose a  
22 center when that happens. Now you're introducing  
23 the five year olds are going to be transferred  
24 into the Department of Education so that's another  
25 segment. You refer to 3,000 slots there of

1  
2 kindergarten students moving into the Department  
3 of Education system.

4           So we're left with half the amount  
5 of four year olds that the subsidized system used  
6 to take care of, no five year olds. How do we  
7 expect these centers to have utilization if we're  
8 taking away everything they've worked for?

9 Because that's less funding that they will have in  
10 order to operate a center. We are literally  
11 closing centers with all these plans, not perhaps  
12 tomorrow, but in two years. If you mentioned in  
13 your testimony, you care for 200 centers, we will  
14 be seeing perhaps 100 centers in two years. And  
15 in another two years maybe 50 because we're taking  
16 away their classrooms with all these different  
17 models that we think are better for our children.  
18 When in fact the model that they've been depending  
19 on that has worked we know we shouldn't change.

20           If we continue to say it is a  
21 utilization problem then let's fix the  
22 utilization. Let's apply the Head Start, the  
23 infant/toddler programs within the subsidized  
24 centers. We have the certified teachers there, we  
25 know it's working. Is it utilization or is it a

1  
2 transformation of eliminating the early childhood  
3 service within ACS and giving to DYCD and DOE?

4 MS. HARTZOG: Council Member, and I  
5 don't want to take away anything you said about  
6 the serious nature of this, but we are in a  
7 situation right now as the Commissioner testified  
8 where we just do not have the funding. You will  
9 recall about I would say last fiscal year or more  
10 than a year ago in the fall, that we outlined  
11 along with Department of Education, DYCD and with  
12 Deputy Mayors Gibbs and Walcott, a strategy  
13 amongst the three agencies to really leverage all  
14 of the services available in the early care and  
15 education system. With the goal being that our  
16 child care centers, child care and Head Start will  
17 be serving children zero to four.

18 The four year olds, primarily the  
19 funding would be universal Pre-K, Head Start, with  
20 child care being the wrap around, to provide the  
21 full ten hour a day and the full year. Because as  
22 you know, universal pre-K is through the school  
23 year and we have working families that need care  
24 through the summer. For children 5 through 13,  
25 OST would be the option for those children.

1  
2           Towards the goal of universal pre-K  
3 for every four year old in a child care setting,  
4 we've pretty much achieved that over the last two  
5 years. We have, as we talked about today,  
6 programs with stand alone or separate contracts to  
7 provide universal pre-K for the same four year  
8 olds that they have a contract with ACS. That's  
9 about 13,000 four year olds.

10           Over the past two fiscal years  
11 we've expanded the number of four year olds in our  
12 system receiving UPK by another 2,000. So what  
13 that means now is that virtually every four year  
14 old in our system, child care and Head Start, has  
15 UPK funding to enhance the program overall. So  
16 we've achieved that.

17           The next step of that is what we're  
18 talking about today in terms of now working on the  
19 five year olds, shifting to kindergarten with the  
20 OST wrap around. Again, that's not withstanding  
21 your concerns around the safe passage, around  
22 issues of quality that we need to work on with  
23 both agencies to ensure that one, no child goes  
24 unserved and two that they maintain the quality of  
25 services that they're receiving.

1  
2 COUNCIL MEMBER REYNA: In your full  
3 statement I never heard the subsidized centers be  
4 the recipient of this collaboration where centers  
5 will be intact and utilization will be the focus.  
6 But rather than slots are being transferred into  
7 the Department of Education and wrap around  
8 services through DYCD system of OST will be the  
9 answer to all of our problems.

10 And so, the problem that I'm  
11 stating is the subsidized centers are being  
12 choked. We're taking away their poor reason of  
13 existence. How do we expect them to remain open  
14 if we're taking away their level of service at the  
15 five year old level, at the four year old level.  
16 We're certainly not making it a mission of ours to  
17 see the subsidized centers become a real zero to  
18 four early childhood education system where  
19 capital funding and renovations to zero down. So  
20 they become an infant/toddler, three year old,  
21 four year old center, which is where the need is.

22 If we're doing very well at the  
23 four year old level but it's really targeted for  
24 Department of Education's facilities or school  
25 buildings then what are we doing for the

1  
2 subsidized centers, that's my core question. I  
3 just feel like we're not answering that  
4 specifically but rather saying that we're taking  
5 care of all the kids and this is how, through the  
6 Department of Education and wrap around services,  
7 through DYCD.

8 MS. HARTZOG: When we talk about  
9 expanding universal pre-K for four year olds,  
10 we're talking about it in our subsidized child  
11 care centers. So when I say that I'm saying that  
12 every child care center that we contract with  
13 that's serving a four year old now has universal  
14 pre-K, virtually every one of them.

15 To answer your question around  
16 serving the infants and toddlers, that is a goal  
17 that we've laid out in the strategic plan. It's  
18 one that we still want to accomplish. The  
19 challenge is financing for that system. At a time  
20 right now where we're facing the \$62 million  
21 problem, if we weren't facing that we would be  
22 converting and aging down all of this capacity so  
23 that the five year olds transitioning to  
24 kindergarten. We'd age down that capacity just to  
25 serve the younger population. We just don't have

1

2 the operating money to do that at this time, which  
3 is unfortunate.

4

5 COUNCIL MEMBER REYNA: There's a  
6 \$7.8 million capital in fiscal year 09 towards day  
7 care renovations. Do those day care renovations  
8 include aging down to zero?

8

9 MS. HARTZOG: In some of the  
10 instances it may very well include aging down  
11 existing capacity to serve the younger population,  
12 yes.

12

13 COUNCIL MEMBER REYNA: Would you  
14 have a listing of where that capacity is going to  
15 be intended for?

15

16 MS. HARTZOG: We do have a list of  
17 what the renovations are for. I don't have that  
18 with me but we can get it to your office.

18

19 COUNCIL MEMBER REYNA: I would  
20 appreciate it. I just want to understand where  
21 we're focusing the zero to four, aging down  
22 attempt to continue to see our subsidized centers  
23 continue to serve families. Thank you.

23

24 CHAIRPERSON WEPRIN: Thank you  
25 Council Member. I think Chair de Blasio is just  
going to wrap up and then we'll probably take a

1  
2 couple of minute break and then hear from the  
3 Health Commissioner.

4 CHAIRPERSON DE BLASIO: Thank you  
5 Chair Weprin, just very quickly. I know it's been  
6 a long session but as you know we're deeply,  
7 deeply concerned particularly about the recent  
8 announcement. So I'm going to make statements,  
9 you can respond to them as you wish. This will be  
10 very quick. One, I think there's a tremendous  
11 concern about the money that was sent back on UPK.  
12 So you've heard all these different permutations,  
13 is there something better we can do between DOE  
14 and ACS with UPK dollars, with the physical space  
15 at the child care centers. \$20 million, \$25  
16 million got sent back. If we're looking at tough  
17 fiscal times is there some way we can fix it no  
18 matter how many changes we have to make to get  
19 there. Is there something different we can do  
20 short of taking the risk of numerous child care  
21 closures - point one. If you want to comment at  
22 any point, jump in.

23 MS. HARTZOG: I can answer the UPK  
24 piece which is right now through the intricacy  
25 that we've established which essentially means

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2 that UPK funding flows through our budget into  
3 existing budgets of our providers. A program can  
4 expand if they have a vacant classroom to provide  
5 universal pre-K to a private family who is not  
6 subsidy eligible.

7 The challenge is that that UPK  
8 funding is for two and a half hours. So yes, they  
9 can provide it but it's only for two and a half  
10 hours of care--

11 CHAIRPERSON DE BLASIO:

12 [interposing] I hear you and I appreciate the  
13 answer. We have talked about, all of us, fixing  
14 the problem in Albany that causes that. I'm  
15 saying rather than risk the survival of centers,  
16 can we go back to the drawing board with a new  
17 governor, with this mayor personally intervening  
18 and saying let's fix the UPK rules. Let's fix the  
19 law affecting it so that then you can use the  
20 money more flexible DOE and you can work together.  
21 That, to me, is a much more productive solution  
22 than risking the survival of centers. But I  
23 agree, we got to climb a mountain to get there but  
24 it's time to climb the mountain - point one.

25 Point two, I assume you'll get us a

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2 list quickly of all centers, all the 21 centers.

3 Will we have that today?

4

MS. HARTZOG: No, you'll have it  
5 next week when we begin the notification to those  
6 centers first.

7

CHAIRPERSON DE BLASIO: Thank you.  
8 Point three, a quick mention was made earlier  
9 going now over to child protective on the case  
10 load issue. I appreciate the numbers you gave.  
11 There's a concern about the Family Services unit.  
12 A question was raised but I just want to go one  
13 step deeper. What I am hearing is that a number  
14 of active cases go into the Family Services unit  
15 and that doesn't show up in the case load number,  
16 in the ratio you talk about. But in fact it does  
17 effect the work case workers do and it does effect  
18 their overall time, energy and workload. Can you  
19 respond to that?

20

MR. MATTINGLY: Sure. It's been a  
21 long standing claim by some folks. What goes on  
22 is the investigative worker hands the case and the  
23 case moves over to Family Services so they can  
24 link up with Preventive and keep the family safe.  
25 That CPS worker may well have to be called into

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court to testify on what she saw when she did the investigation. That has to continue and it's not part of her case load. Do I think that they are over burdened with this addition? No, I don't.

6

7

8

CHAIRPERSON DE BLASIO: You don't think it involves actual work that then comes away from doing the 10 or the 12 other cases?

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10

MR. MATTINGLY: It's actual work in the times they have to go in to court.

11

12

CHAIRPERSON DE BLASIO: As we all know about family court, that can add up.

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MR. MATTINGLY: Well sure it can add up. Chair de Blasio, you won't find case loads this low anywhere. The FSU units are also counted so we--

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19

CHAIRPERSON DE BLASIO:  
[interposing] That's what I'm asking. So I'm saying to make general--

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21

MR. MATTINGLY: [interposing] The cases are over in FSU, yes.

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CHAIRPERSON DE BLASIO: So when you say 10 or 12 per case worker you're including the FSU cases in the active total?

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MR. MATTINGLY: You're talking

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about investigative workers case loads.

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CHAIRPERSON DE BLASIO: Yes.

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MR. MATTINGLY: That's what you're hearing now, the average of them. We also have the data for average case loads for FSU workers and they are not linked together because they have two completely separate functions.

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CHAIRPERSON DE BLASIO: Okay. We can pursue it separately but I want to understand that better. I'll have a follow up with you on the overall case load situation. You said earlier in the questioning that the 127 supervisor slots not being filled, you still feel you can handle that in terms of the existing, the remaining supervisors taking on more cases. But they do take on, I assume by definition, harder cases than the CPS's. So I'm concerned. Do you really believe as things add up that that system doesn't get overloaded?

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MR. MATTINGLY: As I've said before in here the moment at which, whatever the cause, our case loads get over where they are we will hire the people we need to hire to get them back down.

1  
2 CHAIRPERSON DE BLASIO: I want to  
3 make sure that's still true and that's helpful to  
4 hear. On Preventative, we've lost 1,000 slots,  
5 are we at a point where case workers can not get  
6 preventative services for families that need it?

7 MR. MATTINGLY: The numbers, we'll  
8 start there. We have the highest number of  
9 families in Preventive Services in the history of  
10 New York City. Based on my experience every  
11 Thursday morning, I had to miss it this morning  
12 because of Council but that's okay, the child stat  
13 meetings. We ask every field office during those  
14 discussions, can you access Preventive cases?  
15 When we started the answer was no, it takes a long  
16 time. It's come down. So it's now rare for us to  
17 hear, we can't access that.

18 CHAIRPERSON DE BLASIO: Okay. We  
19 will keep monitoring that closely. Obviously we  
20 all agree how pivotal that is. Finally, just one  
21 quick close out on the NYSHA re-organization,  
22 we're all very, very concerned what that's going  
23 to mean on the ground. It appears from what I'm  
24 hearing that there's a Preventative Services piece  
25 to that that was done in NYSHA that now will come

1  
2 to you. But with everything swirling around here,  
3 will you be able to maintain those preventative  
4 services, the actual on the ground services for  
5 families if they're transferred to you from NYSHA.

6 MR. MATTINGLY: Yes.

7 CHAIRPERSON DE BLASIO: Thank you.  
8 We'll come back on details on all of it. Thank  
9 you very much and thank you Chair Weprin.

10 CHAIRPERSON WEPRIN: Thank you  
11 Commissioner. We're going to take a five minute  
12 break and then we'll hear from the Health  
13 Commissioner.

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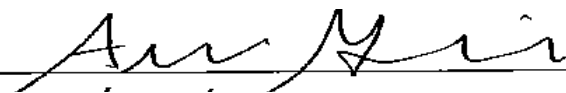
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C E R T I F I C A T E

I, Amber Gibson, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script, appearing to read "Amber Gibson", written over a horizontal line.

Date December 11, 2008