

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON COMMUNITY DEVELOPMENT
JOINTLY WITH COMMITTEE ON CONTRACTS

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November 2, 2015
Start: 1:14 p.m.
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HELD AT: 250 Broadway - Committee Room
14th Fl

B E F O R E: MARIA DEL CARMEN ARROYO
Chairperson

HELEN K. ROSENTHAL
Chairperson

COUNCIL MEMBERS: Annabel Palma
Elizabeth S. Crowley
Andy L. King
Vanessa L. Gibson
Alan N. Maisel
Peter A. Koo
Ruben Wills
Costa G. Constantinides
Chaim M. Deutsch
Corey D. Johnson
I. Daneek Miller

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

PV Anantharam, Deputy Director
NYC Office of Management and Budget (OMB)

Simonia Brown, Associate Director for Education,
Intergovernmental and Community Boards
NYC Office of Management and Budget (OMB)

Laura Ringelheim, Deputy General Counsel
NYC Mayor's Office of Contract Services (MOCS)

Allison Bricke, Assistant Director
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Emily Miles, Policy Analyst
Federation of Protestant Welfare Agencies

James Parrott, Deputy Director & Chief Economist
Fiscal Policy Institute

Michelle Jackson, Associate Director
Human Services Council

Carmen Rivera, Assistant Vice President
Community and External Affairs
Community Services

Gregory Bender, Policy Analyst
United Neighborhood Houses

Amina Ross (sic)
Women's Center for Education and Career Advancement

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[sound check, pause]

CHAIRPERSON ROSENTHAL: [off mic] [on
mic] Now it's on. Thank you.

COUNCIL MEMBER: Now you have to start
all over.

CHAIRPERSON ROSENTHAL: Oh, thank you,
mama. So good afternoon. I'm Helen Rosenthal, Chair
of the New York City Council's Committee on
Contracts. We're here today to discuss the New York
City Human Service Contract workers' wages and to
determine if they are a living wage. The City relies
on Human Service workers--Human Services workers to
provide essential assistance to many vulnerable New
Yorkers ranging from job training and placement to
early childhood education, services for seniors,
people with disabilities and patients like community
health centers. There are 17,613 Human Service
contracts, and I'm happy to be corrected if some of
this not accurate. Located in--this is just not
possible, 117 city agencies. So you'll get us the
information about how many contracts, how many
agencies, and the total value. It's a lot. The
Human Service sector also employs a significant
portion of New Yorkers. In 2011, Human Service

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industry jobs accounted for 40% of all occupations in the Bronx alone. Unfortunately, over half of Human Service--services workers, the majority of whom are women and people of color, who provide these vital services to our communities earn less than \$14 an hour. Frankly, it's troubling that many Human Service workers due to their low income are eligible for the same services they provide in their professions such as food stamps and homeless shelters. However, the Council and Mayor de Blasio have made steps toward trying to improve wages for these workers.

In 2002, the Council passed the Living Wage Law requiring city service contractors and subcontractors who provide home care, day care, Head Start services, and services to people with cerebral palsy to pay their workers a living, and we're interested to see the Controller's review of that--of those--of those contracts. Most recently, the Mayor's Fiscal Year 2016 Budget allocates nearly \$59 million to establish a 2.5% COLA and an \$11.50 per hour wage floor for Human Service contract workers. This is the first time in seven years that Human Services contract workers have received a cost of

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living adjustment or wage increase from the city. As many of us at the Council would agree, this is well overdue and we appreciate the Mayor taking the first steps to rectify the situation. The budget increase reflects new mayoral support for the Human Services sector. However, many of us hope that this increase will be just the first step towards an additional funding for Human Service contract workers to get paid at least \$15 an hour with annual COLA adjustments tied possible to DC 37 wage increases.

We're here today to explore how the Council can facilitate increased wages for Human Service contract workers so they can meet the growing cost of living and working in New York City. We will also discuss the Administration's progress in allocating the funds to agencies so they can pass along the wage increases to the Human Service contract workers as well as hearing about the Career Rata (sic) Program that they envision. Thank you in advance to the Administration, the Human Services Council, the Human Service contract providers who are here and other interested parties for attending this hearing, and providing substantive testimony that is important to understanding the issue at hand. And

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now, I'm very pleased to introduce Council Member Arroyo, Chairwoman for the Committee on Community Development who will give an opening statement, and I'm very pleased to be sharing this committee hearing with her.

CHAIRPERSON ARROYO: Thank you my co-chair, Council Member, and thank you all for being here. My name is Maria Del Carmen Arroyo, and I chair the Committee on Community Development, and I would also like to thank all of my other colleagues who have joined us and will join us to come together for this hearing today. The Committee on Community Development shares many of the concerns raised by Chair Rosenthal, and we would also like to thank the Center for Women's Welfare and the United Way for putting together a report--the Report on Self-Sufficiency Standards that ultimately served as the basis for this hearing today. So thank you for that work. I promised you some time in the spring that we would have this conversation. Today here we are. When I was approached by the United Way several months ago, I was appalled to learn that many of the workers on city Human Service contracts are not paid to what amounts to be a living wage. And, in our

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1 budget hearings in May, I was very adamant about the
2 fact that we cannot contribute to poverty wages in
3 our city through the services that we purchase, and
4 for the services that we provide to our residents.
5 We do recognize that the city can be an expensive
6 place to live, but that government should not
7 contribute to the problem of being the largest
8 provider of poverty wages in the city, as I stated
9 before. Both of these committees are aware of the
10 state law that restrains city contracting, and we're
11 not here to debate that law with the Administration.
12 Our goal today is to hopefully begin to think outside
13 the box, and try to collaborate in developing
14 contracting programs to ensure that workers hired for
15 city projects do not need to take on a second job or
16 apply for food stamps or low-income housing.

17
18 In particular we would like to hear
19 specifics from the Administration on the city's--
20 first on the city's implementation of Hire NYC and
21 its impact on Human Service contract workers, and the
22 Administration's progress towards establishing the
23 \$11.50 per hour wage floor for Human Service workers.
24 And lastly, whether non-profits, worker cooperatives
25 and other alternative business models can receive

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special consideration for city contracts in order to
reduce worker exploitation. We hope this hearing
will serve as an opportunity for the Council and the
Administration to work towards providing sustainable
wages for workers employed through our city's
contracts.

I want to thank my committee staff for
their work in preparing for this hearing, Alex
Paulenoff, the counsel to the committee to my right.
Jose Conde who's somewhere in the corner, the Policy
Analyst and Jessica Balson, our Fiscal Analyst, and
now I turn it over to my co-chair and thank you for
joining us for this conversation.

CHAIRPERSON ROSENTHAL: Thank you Council
Member Arroyo. I also want to acknowledge the
council members in the room. We have Council Member
Wills, Palma, King, Koo, Constantinides and Maisel,
and I also want to thank my General Counsel Alicia
Barron and my staff, Sarah Mallory who helped us to
prepare today. Now, we have--it's my understanding
we have from primarily OMB we have Simonia Brown.
Hi. PV Anantharam, Allison Bricke Hi and also Laura
Ringelheim from the Mayor's Office of Contracts.

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Welcome. Thank you for coming here, and I'll turn
over the testimony to you.

[pause]

PV ANANTHARAM: I'm checking. Yeah, this
works. Perfect thank you.

CHAIRPERSON ROSENTHAL: [off mic] Just
try it again. (sic)

PV ANANTHARAM: It used to be you had to
press a button for that one. There we go. Thank you
again. Thank you very much for giving me the
opportunity to testify here today. Good afternoon
Chair Arroyo and Chair Rosenthal. I am PV Anantharam
Deputy Director at New York City Office of Management
and Budget, and it is my pleasure to speak to you
today at the oversight hearing on the self-
sufficiency standards for workers on Human Service
contracts. My testimony today will provide
information regarding the de Blasio Administration's
Human Service provider wage adjustments and
corresponding implementation by the applicable city
agencies. For most of the last decades, clients of
service providers working under contract with city
agencies have asked for increased funding to
reimburse them for the increased wages for their

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employees. These dedicated professional work in programs that the city and its residents rely on each day for essential services in the areas of aging, safety, education, health, housing and development. They care for and provide safety net services to some of the city's most vulnerable populations. (coughs) The Administration heard their pleas and made a major commitment to addressing the situation. The Mayor's 2016 Executive Budget provided \$54 million for \$11.50 or 2-1/2% cost of living wage adjustment. And we want to thank the City Council for their support in this effort. This wage adjustment will affect more than 50,000 employees working for non-profit agencies providing vital services for the City of New York through direct line service line contracts with ACS, DFTA, the Department of Corrections, DOE, DOHMH, Department of Probation, Youth Services, HPD, HRA, the Criminal Justice Coordinator's Office, and Small Business Services.

Significant effort was undertaken to ensure that it captured all eligible employees, and as a result more programs and providers are receiving the adjustment than were eligible in 2008, the last time the adjustment was given by the city. This is a

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long and overdue step in the support of employees doing important social work. Over the course of three months, the department worked--this administration worked with stakeholder organizations to develop a streamline process for implementation of this wage adjustment. This was a significant undertaking involving rigorous technical, legal, administrative, and in turn communication coordinating between the 11 affected agencies, which oversee 4,000 eligible contracts. And I have to say the number of contracts differ every time the definition changes. With over 800 eligible providers altogether representing more than 50,000 employees. Perhaps most importantly given the complex nature of the implementation, providers can make the wage increases retroactive to July 2015 for all impacted employees. Considerable efforts were undertaken to ensure that an efficient and effective process will be put in place so that every single eligible vendor is able to obtain the funding from the city for the wage increase for their employees, and that every single eligible employee can take advantage of the adjustment.

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Implementing the wage adjustment requires every eligible provider to amend its exist contract to the city. This an enormous undertaking for the city and its provider. As a result of the comprehensive and intensive development process the city undertook, city agencies and providers will work off a new standardized two-page contract amendment that will work for every single one of the different arrangements providers have with the city. As part of this process, providers are required to submit documentation of their eligible employees' payroll data. This information will allow the city to accurately budget for wage adjustments, reflect the numbers in the new contracts, and submit those contracts to the controller for prompt approval. Recognizing that this reporting requirement places a new burden on providers, the city has created a template for providers to use, and they can submit their information using the HHS Accelerator program, which is a familiar streamlined system aimed at making it easy for providers who contract with multiple city agencies. As you can see, the implementation process I am about to describe in greater detail is the result of tremendous

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interagency coordination and collaboration with relevant stakeholders and providers, and every effort has been made to streamline and simplify what would otherwise have been an enormous and complex undertaking for all involved.

I will now describe the process used to implement the wage adjustment. Each eligible worker will receive the greater of \$11.50 per hour and a 2-1/2% wage increase. This wage adjustment may be given at any time within 2016--fiscal year 2016, and will be retroactive to and can be retroactive to July 1. As I have said, as part of the wage adjustment, service providers must meet certain requirements. The funds must be used solely to provide wage increases to employees and providers will need to submit payroll and benefit information prior to initiating contract amendments, and then annually. Every effort will be made to make compliance with this requirement simple and fast while still ensuring that new funds all go towards the wage increases these workers deserve. The Administration decided to use the HHS Accelerator as a vehicle for vendors to communicate with their respective agencies about the wage adjustment. As you know, the Accelerator is a

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centralized online portal that aids the procurement process for direct line service providers, and they are all familiar with it. On October 1st, eligible providers received an email from Accelerator team. This email included a cover letter, a draft of the Standard--the Standardized Contract Amendment and the simple easy-to-use Excel template for submitting payroll information with instructions on how to report information, and share it with the appropriate city agencies using the Accelerator. The specific instructions ask providers to fill out information on the template. The information includes listing all active and vacant positions, current salary or hourly wage and the portion funded under the contract being amended, and any state or federal cost of living adjustments provided over the last two years. In order to give providers fast and accurate answers to any questions they might have, the Administration has requested that they contact the HHS Accelerator team via a centralized email address. The Accelerator team will then answer the questions or route them to the appropriate city agencies as necessary.

In order to implement the adjustment and get the additional raises into the hands of deserving

employees as quickly as possible, providers were asked to return the completed templates as soon as they can. Once a provider submits its template, the appropriate city agency will review it, and contact the provider with any questions or corrections before entering their contract amendment and registering it with the Controller.

Every effort is being made to streamline this process including expedited review by the oversight agencies. And follow-up outreach providers occurred last week both through the HHS Accelerator and through our partners such as the Human Services Council. In closing, again I thank you for the opportunity to share the details of the service provider wage adjustment, and I now look forward to answering any questions that you may have on the contents of my testimony. Thank you.

CHAIRPERSON ROSENTHAL: Thank you so much, Mr. Anantharam. Ms. Brown, do you want to provide testimony at this time?

SIMONIA BROWN: [off mic] No, not testimony.

PV ANANTHARAM: They're fine.

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SIMONIA BROWN: No testimony. I'm just here to answer questions that we have.

CHAIRPERSON ROSENTHAL: Great and is anyone from the HHS Accelerator team here to answer questions.

PV ANANTHARAM: No, but we can definitely carry forward any questions that we can't answer ourselves.

CHAIRPERSON ROSENTHAL: Thank you. I'm going to turn it over to Chair Arroyo.

PV ANANTHARAM: Thank you.

CHAIRPERSON ARROYO: Thank you, Council Member. Thank you for your testimony. It raises quite a number of questions, and I know that we have a number of colleagues who have questions. So the co-chairs will kind of bounce back and forth in between our colleagues. So \$54 million was allocated in Fiscal Year '16 for addressing the cost of living. What are we calling it, cost of living?

PV ANANTHARAM: It's a wage adjustment-- it's a wage adjustment for Human Services workers.

CHAIRPERSON ARROYO: How far along in the process are we in ensuring that providers have a

signed--executed contract and the \$54 million is indeed being used for the cost of living increase?

PV ANANTHARAM: Excellent question. So the 1st of October was when we sent out a standardized communication from the HHS Accelerator to all of the Human Services agencies that have contracts with the city. We solicited these--this information from all the city agencies, and approximately 4,000 contractors received communication from the Accelerator, which included a cover letter explaining the wage increase, a simple template in Excel format that can be uploaded to the Accelerator. That includes the wage information, and also a two-page contract amendment document that we spent an extensive amount of time developing so that each individual agency did not have to do the same thing over and over again, which used to be the practice in the past. We have to date--this has been a month now--received about 30% responses back.

CHAIRPERSON ARROYO: And the due date is when?

PV ANANTHARAM: Well, we originally--we said submit it as fast as possible, and our original estimate was I think the 13th of October. Clearly,

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1 some of our contractors have had issues and
2 challenges filling out the documentation. We had
3 hoped that it was going to be as simple as possible
4 because we had made it standard across all the city
5 agencies, across all the contracts because individual
6 providers have contracts with multiple agencies. And
7 one of the goals that we had was to ensure that the
8 contractor did not have to provide information in a
9 different format to every single agency. And that was
10 the reason we undertook this process of coming up
11 with a template that would have been standard for all
12 city agencies. So, it's--clearly, we haven't gotten
13 all of the responses back by the 13th, but we've got
14 a decent number of them, and we are--and as I said,
15 it's about 30% have responded to date so--

17 CHAIRPERSON ARROYO: [interposing] So if
18 you expected to have them by October 13th and you
19 have 30%, I wouldn't define that as decent. Decent
20 is like 85%, but if you're grading it as if I was
21 taking calculus and I got 30% I'm going to fail the
22 class.

23 PV ANANTHARAM: That's probably true.

24 CHAIRPERSON ARROYO: No, no, that is
25 true.

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PV ANANTHARAM: Yes. (laughter)

CHAIRPERSON ARROYO: That is true.

PV ANANTHARAM: So we have 30% to date.

That much we can tell you, and we are--we are continuing to work with all the Human Service Council and all providers who have raised questions on this.

CHAIRPERSON ARROYO: We were chatting before this hearing started and my co-chair threatened you that she was going to ride you very hard. She was going to beat you up.

PV ANANTHARAM: Yes, she did.

CHAIRPERSON ARROYO: I think I'm going to do that.

PV ANANTHARAM: Thank you very much.

(laughter)

CHAIRPERSON ARROYO: It just--it just--this is a serious conversation--

PV ANANTHARAM: [interposing] Yes.

CHAIRPERSON ARROYO: --and you state in your--in your testimony that given the complex nature of the implementation providers--they either do it or they don't. I mean I'm--I'm--I'm very simple. I think in a very simple way. They--they have a mandate. This money is--is intended to be used for

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ensuring that a contract--So who are eligible employees? Because your--you--you have a lot of language in here that's very vague and--and that concerns me. So don't providers have a very clear mandate--

PV ANANTHARAM: [interposing] Uh-huh.

CHAIRPERSON ARROYO: --from the city that they are required to do X by a particular time, and then how are you going to monitor that moving forward?

PV ANANTHARAM: So, yes, they have a clear mandate to--

CHAIRPERSON ARROYO: [interposing]
Assuming like you are the end all to this conversation?

PV ANANTHARAM: So, the--it--it is--it's important that providers fill out this information so that we can actually get the contract amendment process in place. We are doing outreach efforts to our city agencies to find out why these agencies have not responded, and we will follow with each one of them.

CHAIRPERSON ARROYO: The agencies or the organizations?

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PV ANANTHARAM: The agencies--the city agencies will follow with the organizations--

CHAIRPERSON ARROYO: [interposing] Okay.

PV ANANTHARAM: --and we will follow up with each one of them to--to ensure they're filling out their proper template. (sic)

CHAIRPERSON ARROYO: And what's your deadline for that?

PV ANANTHARAM: We are starting this week and we expect by the end of this week or early next week we will contact all of them.

CHAIRPERSON ARROYO: And to what end?

PV ANANTHARAM: To the require them to fill out the information that is necessary in the template.

CHAIRPERSON ARROYO: What's the consequence if they don't? And I know that some of them are here in the room. I don't want you coming up here whining about how this is. Okay, so let's be clear.

PV ANANTHARAM: The--at this point in time we can only strongly encourage them to supply the information that's required.

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CHAIRPERSON ARROYO: That's not good
enough.

PV ANANTHARAM: The contract process that
we currently have in place and the contracts that we
have in place cannot force them to provide that
information. We can request that they provide that
information, and we are requesting it as part of the
amendment process. I--from our--

CHAIRPERSON ARROYO: [interposing] Let's
not get stuck there. I disagree with you. I think
that if they have a contract with the city they have
an obligation to meet certain requests for
information the city may have. But I commend you for
trying to streamline it and making it as user-
friendly as possible. But at the end of the day, they
have a contract with you and they have an obligation
to provide the requested information.

PV ANANTHARAM: And it is our expectation
that they will all do so because they have all been
asking for wage increases for quite some time and--

CHAIRPERSON ARROYO: [interposing] Uh-
huh. I know. They come to us every year asking for
it.

PV ANANTHARAM: So--so it is incumbent--

CHAIRPERSON ARROYO: [interposing] For
you guys to do it.

PV ANANTHARAM: And it is incumbent that
they--they provide this information as quickly as
possible because the expectation was that the
intention and the expectation clearly is to ensure
that all the workers get their rate increases as
quickly as possible.

CHAIRPERSON ARROYO: Okay, so and--and I
agree with you, and--and I think on that end we--we--
we are on the same page. I'm concerned about what
appears to be something that puts you in a place
where you have no control over their responses--
responding to you. Let's just leave that there.
Okay, define an eligible worker.

PV ANANTHARAM: All contracts that are
held by city agencies that are providing Human
Services in all of the agencies that I identified in
my testimony are covered. Certain programs that
recently were introduced like the UPK program or non-
Human Service contracts or programs that are covered
under grants that have their own limitations and own
requirements were not included. But, other than that,
almost everything has been included. In fact,

1 agencies that in previous iterations were not covered
2 like the Mayor's Office of Criminal Justice
3 Coordination and the Small Business Service, the
4 Employment programs all in the past have never been
5 included. And this time around we went--we undertook
6 a very collaborative effort meeting the providers. As
7 you recall, the budget was passed in--in June. The
8 Mayor proposed it in May, and they only just sent out
9 the letter. So we have been working quite some time
10 trying to make sure that all agencies and all
11 contractors as much as could possibly be covered
12 under this process were covered. So it is a most
13 expansive to date that I know of.

14
15 CHAIRPERSON ARROYO: I--I guess for the
16 members of this--of these two committees what will be
17 helpful, and maybe we do a different forum, maybe not
18 a public hearing. But what are all those nuances and
19 I think understanding them--

20 PV ANANTHARAM: [interposing] Uh-huh.

21 CHAIRPERSON ARROYO: --and being very
22 clear and transparent about those nuances is
23 important--important for us so we don't beat you up
24 unfairly, right. Anyone that gets beat up on her
25 should deserve it, and it can't be out of a lack of

1 information and/or a misunderstanding that we may
2 have about what is at play here. It's important, and
3 I will encourage my co-chair for our staff to follow
4 up with you, and the other players at the table here
5 to see if we can understanding better the nuances of
6 what contracts are expected to follow this living
7 wage increase or the \$11.50 an hour, and which ones
8 are exempt and the logic behind why they're exempt.
9 As far as I'm concerned, city contracts should all
10 require the same kind of bottom line salaries for
11 what employees are paid on those contracts regardless
12 of whether they are driving--I don't know--a bus or
13 whether they are doing HIV counseling at some clinic.
14 It really ought not matter what they're doing. They
15 all have a right to earn a wage that allows them to
16 take care of themselves and their families. And I
17 can't stress enough how strongly we all feel that
18 city dollars should not contribute to poverty in our
19 city.
20

21 CHAIRPERSON ROSENTHAL: Than you, Chair
22 Arroyo. I just want to acknowledge the presence of
23 Council Member Johnson. Welcome. And also, in my
24 list of gratitude, Casey Iverson is here the policy
25 staff for the Contracts Committee. Mr. Anatharam,

1 just one quick questions--question. Is part of the
2 challenge trying to separate out for a certain title
3 of worker how much is paid by the federal government
4 or state government and how much they pay per hour?
5 Is this part of what the contract agency is juggling
6 in figuring out the answer?

8 PV ANANTHARAM: Not exactly. It used to
9 be the case that we used to in previous wage
10 increases that has been given out to the Human
11 Services sector that we used to have agencies isolate
12 the portion that was purely tax refunded. There are
13 a variety of funding streams that attach themselves
14 to our Human Services contracts. Some are matching
15 funds that goes up regardless of whether the state
16 has approved it or not. In other instances you are
17 required to get the state's approval prior to giving
18 out the cost of living increases. Those are
19 adjustments that have to be addressed, but mostly
20 that are being addressed by the agency and the budget
21 office. So, from the contractor perspective--

22 CHAIRPERSON ROSENTHAL: No, no wait.
23 Hold on. On that situation are you saying that if we
24 have agency contract that's jointly funded by city
25 and state funds, probably federal as well, to the

1 extent that the city puts in a dollar, the state
2 would be required to put in a dollar and the federal
3 government two?
4

5 PV ANANTHARAM: Um, as long--

6 CHAIRPERSON ROSENTHAL: [interposing] Or
7 depending on the--

8 PV ANANTHARAM: --as long as they're
9 open-ended funding streams--

10 CHAIRPERSON ROSENTHAL: [interposing]
11 Yeah.

12 PV ANANTHARAM: --and that the statute
13 does not prohibit increases, yes that's true.

14 CHAIRPERSON ROSENTHAL: So you have to
15 for each contract--each of the 4,000--for each of the
16 4,000 contracts then you have to figure out--or the
17 agencies have to--

18 PV ANANTHARAM: [interposing] Yeah.

19 CHAIRPERSON ROSENTHAL: --figure out
20 those issues?

21 PV ANANTHARAM: Well, it wouldn't--it
22 wouldn't be for each of the 4,000, it would be much
23 bigger categories because it's by program areas. So
24 you could have 200 contacts in a particular program
25 area that behave in a certain fashion.

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CHAIRPERSON ROSENTHAL: [interposing]

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Yeah.

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PV ANANTHARAM: The other 200 are rather

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simple so--

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CHAIRPERSON ROSENTHAL: When you put the

7

money in the budget, the additional--I forget what

8

the dollar amount is, \$54 million.

9

PV ANANTHARAM: Yeah.

10

CHAIRPERSON ROSENTHAL: Do you put in--

11

was a portion of that state and federal funds or was

12

that all city tax levy?

13

PV ANANTHARAM: In addition to the \$54

14

that was granted--

15

CHAIRPERSON ROSENTHAL: [interposing]

16

Yeah.

17

PV ANANTHARAM: --\$15 million that were

18

state and federal funds.

19

CHAIRPERSON ROSENTHAL: 5-0?

20

PV ANANTHARAM: 15, 1-5. So it would be

21

like 6-59 or 69? (sic)

22

CHAIRPERSON ROSENTHAL: Okay, great.

23

Thank you very much. Council Member King and then

24

Council Member Wills.

25

COUNCIL MEMBER KING: Good afternoon and thank you for your testimony, Madam Chairwoman, and thank you again for leading today's conversation. I'm going to fall in line with my chair, my--my colleague from the Bronx knowing that the Bronx according to United Ways report has the highest inadequacy as far as if salaries or people trying to live. I know we get complaints constantly, you know, trying to be home for--with your children, but you've go to work two shifts and three shifts just to be able to sustain, not to mention how many city workers that we haven't even had the conversation in regards to them fining themselves living in shelters just because they're not able to provide for themselves of their families. So something is wrong. So when we start talking about the contract process and people not being able to--it's kind of like you humbly asking them please, please, please, please we need this information. They're saying, oh, the process is a little difficult. I will get back to you when we can. The problem that I'm having is that if we put \$54 million, but if you're getting money from the city you have a responsibility to comply. You don't have a choice. To have a responsibility to comply.

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So I'm going to have to ask you all what do you do?

What--what consequences are there and--because I know

in some cases if some other agencies if they don't

get their paperwork together for MOCS or OMB (sic)

they don't have it together, they don't get their

money. So what are you all prepared to do for

everybody else of those who can't figure it out

because at the end of the day those families are

still struggling while we're trying to figure out

process? So help me understand that, and what--what

can you do to help us other than us trying to do

this. What can you do?

PV ANANTHARAM: So--so right from the

onset what is expected here is that the agencies

would be swift in responding. So rather than--right

from the beginning we believed that (background

comments)--I'm sorry. Okay. Right from the

beginning there was the expectation that the contract

agencies would respond swiftly. We don't quite know

all the reasons why they haven't, which is why we're

reaching out to them individually to find out what

their issues are.

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CHAIRPERSON ARROYO: I'm sorry. You say contract agencies are not responding. Our city agencies?

PV ANANTHARAM: No, the contractors.

CHAIRPERSON ARROYO: Okay. So why don't we say organizations?

PV ANANTHARAM: Okay.

CHAIRPERSON ARROYO: Agencies are an animal of government. There's a difference.

PV ANANTHARAM: Okay.

CHAIRPERSON ARROYO: So we're talking about the providers.

PV ANANTHARAM: The provider organizations.

CHAIRPERSON ARROYO: Okay, thank you.

PV ANANTHARAM: So it could very well be they're encountering difficulties that we don't know about and that is the reason why we have asked the city agencies to reach out to these organizations to find out how we can be helpful in the process. So I do not want to at this point in time to point the blame at the organizations without completely understanding what their issues are. I am certain that all of them want to do this.

COUNCIL MEMBER KING: Is there a timeframe for a response, and if they don't respond in the timeframe what do we do because then again we still have people who can't manage their lives because we in downtown haven't figured out--or someone at some place or in some organization hasn't figured out how to communicate that they're having challenges. What are the consequences? Because there have to be some consequences. Otherwise, we'll be going to Fiscal '17 and still having this conversation.

PV ANANTHARAM: SO for the three months or four months that we've worked on this issue with the Human Services Council and major providers in the arena, I have not heard for one instance where they have not--they've said no we don't want this money. Almost universally everybody has asked that we do this fast, as quickly as possible, as simply as possible and that's what we've tried to do. Again, before we go into a penalty phase of identifying how--what could be done, I think it's important for us to understand what limitations our organizations have. I guess I'm less skeptical than you all are in this process.

COUNCIL MEMBER KING: Well, you keep saying the challenges that these organizations have. So then I have to move to what kind of communication is happening to find out what challenges they're having because you've got to know this, you know, it can't keep going on. So I want to ask you again. I'm having a problem because what I'm hearing from you are people haven't responded. There has to be a reason why somebody responds, and what do we do when people haven't responded?

PV ANANTHARAM: So our outreach this week will tell us a lot more about that, and we can definitely communicate back to you what we have heard back in responses and what kind of time frame we can expect. I'm glad to follow up.

COUNCIL MEMBER KING: Okay. I'll look forward to that, and hopefully you set your own time frame not just leaving it out there and hopefully that someone responds. Control the process a little more. I would like to see that happen.

PV ANANTHARAM: It will be absolutely imperative for us to get this done as quickly as possible.

COUNCIL MEMBER KING: Okay. Thank you.
Thank you so much. Thank you, Madam Chairs.

CHAIRPERSON ROSENTHAL: Yeah, thank you
Council Member King. You know, we'll hear I thin
from the Human Services Council about specific
problems that the providers are having, and I
appreciate that OMB is sort of one layer removed--

PV ANANTHARAM: Uh-huh.

CHAIRPERSON ROSENTHAL: --because you're
not talking directly to the provider. You're talking
to the agencies. I also think there's an interesting
dynamic of the HHS Accelerator folks being much
close--closer to the provider than MOCS in this
situation. I mean because as we learn about what
problems the agencies are having in filling out the
forms, would that--what can we learn--

PV ANANTHARAM: Uh-huh.

CHAIRPERSON ROSENTHAL: I'm sorry, the
providers--thank you--in filling out the forms, what
are we learning about that from a contracting point
of view? And in a way maybe it's not MOCS who's at
the end of the day responsible but the HHS
Accelerator folks. Is that a fair thing to say?

1 LAURA RINGELHEIM: So, I--I think it's a
2
3 two-part question.

4 CHAIRPERSON ROSENTHAL: Oh, and can you
5 introduce yourself for the record.

6 LAURA RINGELHEIM: Okay, Laura
7 Ringelheim, Deputy General Counsel at MOCS. There's
8 a portion that is submitted through HHS Accelerator
9 that's going to have the two-page contract amendment,
10 but then the agency will submit the R-Cam (sic)
11 through the regular process. So it's not--I'm not
12 sure that HHS Accelerator can give you additional
13 information in terms of what the contracting process
14 is or the problems that they might be having. They--
15 if there--if there are problems, the organizations
16 can still reach out to the agency to help them
17 through that. I--I--and I don't know because I'm not
18 sure of the process that they would go through
19 Accelerator, but I believe they're going to go
20 through the agency with any problems that they have.

21 CHAIRPERSON ROSENTHAL: And so should we
22 be talking to the ACCOs of a particular agency like
23 the HRA. What does ACCO stand for again?

24 LAURA RINGELHEIM: It's Agency Chief
25 Contracting Officer. Can you answer.

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PV ANANTHARAM: Yes, I'm going to. The-- the Accelerator has been the work that we've used to try and coordinate questions from different agencies--different organizations. Sorry. Thank you. It hasn't gotten to the agency level yet. Wherever we have--what we have tried to do is feed the questions through a single point so that we can be consistent in our responses to other agencies. So we work very collaboratively--we and the Office of Management and Budget has worked very collaborative with the Accelerator to try and answer the questions that have come through the Accelerator. The Accelerator in itself or the clean Accelerator in itself does not necessarily answer questions other than standard responses that we have sort of laid out for things that might be which contract do I respond to? My contract is not showing up in the Accelerator or in the email that you sent me. Why is it not there? Those kinds of questions are what we're fielding today. Where there are substantive programmatic agency related question, we reached out to the agency to try and get a response, and funnel it back to the Accelerator to the contract to the organization

because it's important in our perspective to have a single point of review as opposed to--

CHAIRPERSON ROSENTHAL: No absolutely and it would become incredibly important in years going forward in many ways as you're taking the time now to set the stage so that the process in the future will run much more smoothly. So you think that for this window of time maybe only in the first year that--I don't know who it would be. Maybe in the contracting officer's office in the agencies or at HHS Accelerator at MOCS, do you think that there might be a need for additional staff in order to process this because it's so new for the providers and they are, as we'll hear later, working with through so many different component parts.

PV ANANTHARAM: Again, I think that the outreach that we do next week (laughs)

CHAIRPERSON ROSENTHAL: Come PV, it's your parting shot.

PV ANANTHARAM: No, the outreach that we do next week will inform us a whole lot--

CHAIRPERSON ROSENTHAL: [interposing]
Okay.

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PV ANANTHARAM: --about how--what we need to do. I--I don't want to minimize staff and resources if necessary. I--I think all of us have embarked on this journey to make sure that workers get all the money as soon as possible so there is no hesitation on our part to have resources if necessarily.

CHAIRPERSON ROSENTHAL: Oh, good, I mean I--Terrific. Thank I'm going to turn it over to my co-chair.

CHAIRPERSON ARROYO: So Fiscal Year 16 started July 1st. Today is November 2nd? What? Why are we having this conversation today and why we doing outreach this week and we'll know by next week maybe what the problems are?

PV ANANTHARAM: It is true we are four months into the process already, but we did use the four months to try to minimize any difficulties in the process going forward. So we have invested time at the front end of the process so that things can be a lot more systematic and straightforward, and that we gather information that can be useful for us in future iterations, and also to plan better for this workforce.

CHAIRPERSON ARROYO: Is this a brand new process?

PV ANANTHARAM: Absolutely it is.

CHAIRPERSON ARROYO: Okay, and at some point somebody is going to explain to me what this HHS Accelerator is because there's--there's an assumption that we all understand what it is and what it does, and whether or not it's appropriate and the technology works and all that other stuff. So, along with the nuance conversation that we hope to have so that we can have a better understanding of why certain services or contracts are not included in this cost of living increase that we as council members understand some of the mechanisms that enable contracts to get successfully executed, and people to get paid. So I--I mean I'm not one to demand penalties on a provider. God knows we don't pay them enough to do the work they do, and--and slowing money to getting to the providers is just not going to make any of what we're discussing any better. But certainly there has to be--so what is it and what does it do? Not for right now--not for right now, but at some point when we have a follow-up conversation on this.

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PV ANANTHARAM: [interposing] Absolutely,
and we can get you--and we can get you a document
outlining what the--

CHAIRPERSON ARROYO: [interposing] Thank
you. Council Member Wills.

COUNCIL MEMBER WILLS: Good afternoon. I
just have a couple quick questions for clarity. The--
-this additional funding is only for the--for the
employees?

PV ANANTHARAM: That's right. Wages and
wage related fringes.

COUNCIL MEMBER WILLS: Okay. So then are
we considering fringes only the health benefits--the
health?

PV ANANTHARAM: No, fringes would be
payroll related.

COUNCIL MEMBER WILLS: So they can use
their money towards their portion of the Social
Security and Medicare and things like that?

PV ANANTHARAM: The Social Security
increases that are considered payroll taxes will be
covered. Yes.

COUNCIL MEMBER WILLS: And that would be
covered by the additional money?

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PV ANANTHARAM: The \$54 or the \$69 million it would cover all of those increases. So it will include the increase of the 2-1/2% for the individual plus the associated fringe costs.

COUNCIL MEMBER WILLS: [interposing]
Okay. I just wanted to be on that. And how does this impact the long-term costs like pension costs?

PV ANANTHARAM: So if there are pension costs associated with the wage increase, we will cover that, too.

COUNCIL MEMBER WILLS: Okay, Mrs. Miller in her statement--well, in her record that she input for the record, her testimony, she said in raising the wage floor in enacting the appropriate COLA that is automatically adjusting (sic) inflation will keep not-for-profit wages competitive and ensure the recruitment and retention of skilled workers. Do you agree with that?

PV ANANTHARAM: Um--

COUNCIL MEMBER WILLS: I can read it again if you want me go again.

PV ANANTHARAM: It's--it's too open a question. I think I haven't time to take it in. I started to ascertain that. Clearly what we--

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COUNCIL MEMBER WILLS: [interposing] So-

PV ANANTHARAM: Clearly what we--

COUNCIL MEMBER WILLS: [interposing] An appropriate wage--and I'm sorry, PV, I'm a fan of you work so I know when I'm asking you a question. An appropriate wage is what most or often times helps us to sustain a workforce that is diligent and able to carry out the job functions right?

PV ANANTHARAM: [interposing] Yes, that's correct.

COUNCIL MEMBER WILLS: It's a pay that you get monthly?

PV ANANTHARAM: That is correct.

COUNCIL MEMBER WILLS: So if this is true in the not-for-profit sector if they're not competitive at this point and us giving this money and going up to \$11.50, how--when do we begin to bridge that gap to make sure that they become competitive? Is it a year, two years, three years after this implementation that we're raising it up?

PV ANANTHARAM: So, one of the reasons why we undertook a survey prior to actually doing this wage increase was to understand what workers in this sector make. We got back responses that were

1 all over the place, but clearly indicated that a lot
2 of people were working two jobs or part-time work and
3 things of that nature. And it was the basis that
4 allowed us to decide what the increase ought to be,
5 and the Mayor had already commented the living wage
6 ought to be for of \$11.50 and pegged the number at
7 \$11.50. The--the Administration has also been very
8 much on the record in--in suggesting that the minimum
9 wage ought to be \$15.00, and we're glad that the
10 Governor has stepped up in the same manner, and the
11 legislature has also equally agreed. So, it is our
12 expectation as we move forward that that will become
13 law and it won't be for debate.

14
15 COUNCIL MEMBER WILLIS: So, we--we--you're
16 saying that we're waiting until the \$15.00 becomes
17 law before we acknowledge that people need to make
18 \$15.00 and pay them that? Because if that's the
19 case, I think that we should have share (sic) that
20 goes up to \$15.00 in two years regardless.

21 PV ANANTHARAM: What--what we have done
22 in this process is address wage increases that this
23 sector has not received for a long time. What we
24 have done in--in recognition of that is pegged the
25 floor at \$11.50, which is the living wage of the city

1 and 2-1/2% increase. That's what this particular
2 initiative has done. As regards to future increases,
3 I'm sure that as we go through this process and do
4 budget after budget we will come to some recognition
5 of what the needs are in this sector and address it
6 accordingly.
7

8 COUNCIL MEMBER WILLS: The--will the
9 future RFPs take this into account, the needed or
10 the--yeah, the needed additional funding for
11 salaries. So the next RFPs that come out for these
12 providers will we already that hey we know that they
13 need to be paid \$15.00 an hour so let's--let's make
14 sure that that we compensate them at those levels so
15 when we get the requests back in we already need to
16 know that they need to come back to that point. So
17 that way it stops us from having to go do four or
18 five budget cycles to get to that point. Is that
19 something that you guys have looked at?

20 PV ANANTHARAM: We haven't looked at it
21 that specifically, but I do know that there are some
22 legal limitations on what we can and cannot ask in
23 our contracts, and I guess corporation counsel is
24 much better at responding to that.
25

COUNCIL MEMBER WILLS: I don't--I don't understand that. How could--I understand how limitations legally, but if we're paying and they're saying that we should meet this amount or the services are due this amount in pay, then how would that present a legal hurdle? Where--if the city is paying the money, then it shouldn't present a legal hurdle if we're providing the finances for the contracts. If we're recognizing it in an RFP that shouldn't present a legal hurdle.

PV ANANTHARAM: I--I defer to the Law Department on that. I don't know that I can specify an agency in my contracts. I am not certain about it, but I defer to the Law Department--

COUNCIL MEMBER WILLS: [interposing]
Okay.

PV ANANTHARAM: --and get their response if you'd like.

COUNCIL MEMBER WILLS: Co-Chairs, my last question would be the specific employees that are covered under this are there any employees that are not eligible for this initiative? The DOE employees for instance that are food handlers that come in contact with our children every single day, are they-

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-if they're not contracted by a client provider or providing, if they're just working directly for the agency, are they covered? What happens with their wages?

PV ANANTHARAM: I can get you clarification on that. I don't know the specifics, but I can definitely get you--get you clarification on that.

COUNCIL MEMBER WILLS: Thank you very much. Thank you Co-chairs.

CHAIRPERSON ROSENTHAL: Council Member Johnson.

COUNCIL MEMBER JOHNSON: Thank you, Chair Arroyo and Rosenthal for having this hearing. PV, thank you for your testimony and for answering the questions today. I know that the Mayor has talked very frequently, of course, about income and equality in our city and also nationally and doing all we can here in the city in partnering with the Council when possible when our goals are aligned on trying to help folks who are not making enough to make ends meet in New York City. One of the ways we've done that is through Universal Pre-K lifting the burden off of people. Instead of having to pay for childcare they

can then use that money for other purposes to support themselves and their families. The Mayor supports raising the minimum wage to \$15.00 an hour.

PV ANANTHARAM: That's correct.

COUNCIL MEMBER JOHNSON: That's right.

Yes. So why aren't we putting in money to raise this up to \$15.00 an hour?

PV ANANTHARAM: I--I go back to my previous response. This particular wage increase was to address the fact that our contractors had not received wage increases for a long time. And at the time that we proposed that, the floor that the Mayor had laid out for \$11.50. It made sense for us.

COUNCIL MEMBER JOHNSON: [interposing]

The previous Mayor.

PV ANANTHARAM: This Mayor?

COUNCIL MEMBER JOHNSON: This Mayor?

PV ANANTHARAM: This Mayor and--

COUNCIL MEMBER JOHNSON: [interposing]

Oh, at that time?

PV ANANTHARAM: Right. In September of 2014.

COUNCIL MEMBER JOHNSON: Before the Wage Board was called for fast food workers to get--

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PV ANANTHARAM: [interposing] That is correct.

COUNCIL MEMBER JOHNSON: --the \$15.00 increase.

PV ANANTHARAM: That is correct.

COUNCIL MEMBER JOHNSON: But now the Mayor supports fast workers--

PV ANANTHARAM: [interposing] The Mayor--

COUNCIL MEMBER JOHNSON: --getting \$15.00 an hour?

PV ANANTHARAM: [interposing] The Mayor has always supported a \$15.00 wage increase, and I think it's incumbent on all of us to support that, and the Governor has stepped up to that, as has the Legislature. So there is an expectation that it will become law. You have to also understand that he phased in the raise to \$15.00. We are at this point in time about that schedule that the Governor has set out. We--we expect that that minimum wage will come to pass.

COUNCIL MEMBER JOHNSON: Do you--or I know given your, you know, history and your position at OMB, of course, you are--you know about the self-

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sufficiency standard that--that's talked about. The United Way submitted testimony today related to a self-sufficiency standard here in New York City. And it shows that a single adult living in the Bronx constituting the least expensive neighborhood across the city's five boroughs, must earn at least \$12.76 hourly, which in turn ends up being \$26,951 annually just to afford basic minimum expenses. It starts to go up when you get to more expensive neighborhoods. In Queens it would need to be \$15.36 an hour. In the Bronx if it was a parent that had a child the floor would have to be \$20.99 an hour, and when they're not making those wages, what happens frequently is people then rely upon government programs to be able to get the support needed to actually support themselves and their family. And we, of course, want people to be self-sufficient, and to make good wages and to put that money back into the economy and to have a good life. So, what is the ultimate plan to get it higher than what we're talking about today? Besides the Legislature, I mean we could never rely upon the Legislature doing the right thing ever. I mean us relying upon a Republican State Senate raising wages for workers here in New York City. I mean I'm glad

1 the Governor called the Wage Board, but what do we
2 do? I don't feel comfortable. I think the Assembly
3 will do the right thing, but I don't feel comfortable
4 waiting until next June to see if this is going to
5 happen.
6

7 PV ANANTHARAM: I--I'm sorry, I don't
8 know--

9 COUNCIL MEMBER JOHNSON: [interposing]
10 What's the plan? What's the plan to get it up higher
11 than \$11.50 eventually if the Mayor has a core belief
12 that the minimum wage should be \$15.00 an hour?

13 PV ANANTHARAM: And I think the Mayor's
14 core belief is true of all workers in the--

15 COUNCIL MEMBER JOHNSON: [interposing]
16 Yes, yes.

17 PV ANANTHARAM: --City of New York.
18 This--this particular wage increase was intended for
19 Human Service workers in contract with the City of
20 New York.

21 COUNCIL MEMBER JOHNSON: But we still
22 don't think it's enough, right?

23 PV ANANTHARAM: We clearly want the
24 minimum wage to be \$15.00. There is no question
25 about that, and we are expecting that the Legislature

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will react appropriately and move it forward. At
this point in time, what we have on the table is
\$11.50--

CHAIRPERSON ARROYO: [interposing] So
Council--

PV ANANTHARAM: --wage increase.

CHAIRPERSON ARROYO: --Council Member
Johnson if I may add to--to the question. So the
state says yay, \$15.00 an hour and we're all happy,
and we celebrate that, and it gets us a little
further along in the conversation. How do we fund it
or are the provider's contracts going to remain
stagnant, and then we're having a conversation about
maybe cutting services as opposed to increasing
salaries?

PV ANANTHARAM: If the law were to pass,
and the minimum became whatever the minimum becomes
we would normally evaluate what the needs would be,
and discuss it with the Council in passing a budget
that would allow for that increased wages to be
passed through to the extent that we have an
agreement in that regard. It isn't a clean automatic
contractual process that increases it. It has to be

pursuant to further action, but the exact
increase.(sic)

CHAIRPERSON ARROYO: I understand that.
Where does the money come from? Do we go print it at
City Hall or the--do we presume that it's going to
come with--or is this going to be another one of
those unfunded mandates that we often talk about? It
feels good. It's a nice press release, a nice press
conference. At the end of the day, the revenue of
the city is what it is. How do we accommodate?

PV ANANTHARAM: We definitely hope that
any increases that come as a result of state
legislation will bring funding along with it, but--

CHAIRPERSON ARROYO: [interposing] Okay.

PV ANANTHARAM: --at the same token, we
also recognize--

CHAIRPERSON ARROYO: [interposing] I'm
sorry, Council Member.

COUNCIL MEMBER JOHNSON: I just have one
final question. SO, you know, we're talking about
record numbers of people in the shelter system in New
York City. I really applaud the Administration for
all the money they've put forward over the last two
budget cycles in trying to set up a rental assistance

1 program, and get support to individuals who need it
2 to get them out of shelter and into permanent
3 housing. And we've seen actually tens of thousands
4 of people get moved into permanent housing because of
5 these programs, but the number is still at a record
6 high. And I know you're not with DHS, but I think a
7 good question to ask here is we know that a certain
8 number--I think it's over 30% of that 57,000 number
9 of folks that are in shelter right now. I think it's
10 30% of people with full-time jobs working 40 hours a
11 week, which is shameful. I mean it's awful that
12 someone is working 40 hours a week playing by the
13 rules, trying to support themselves and their family,
14 and they still can't afford a roof over their heads.
15 I wonder out of that--whatever that number is of
16 individuals who were working full time in our--in the
17 shelter system, how many of them are these type of
18 workers? How many of them are doing this type of
19 working supporting other people in New York City
20 through Social Services, and then ending up in the
21 shelter system themselves because of where the wage
22 is. I just think it's a question that we should ask
23 and see if DHS has any statistics and number on that.
24 We saw--there was report--not that I go by what the
25

1 New York Post says--but we saw a report in the Post a
2 couple of months ago that said that there were
3 certain Parks Department employees who were sleeping
4 in their own cars and were in the shelter system
5 because they weren't being paid enough money. The
6 point here is--and--and I'm not attacking you because
7 I think the Administration has been moving in the
8 right direction. As I said, on UPK and on putting
9 money towards social services and on this, but the
10 ultimate issue is we are hamstrung by the federal
11 government and by Albany because they set the minimum
12 wage. And what we can do as a city to raise wages
13 for workers that need it most, workers that are
14 really contributing to the city, workers who are
15 primarily women and people of color, we should use
16 every tool in our budget arsenal to do that. Thank
17 you for your question today. Thank you very much.

19 CHAIRPERSON ARROYO: Thank you.

20 CHAIRPERSON ROSENTHAL: Thank you,
21 Council Member Johnson for nailing it as always.
22 Hang on one second. (background comments) So, Mr.
23 Anantharam, could you please introduce the people
24 from OMB who are with you and their titles?

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PV ANANTHARAM: Sure. To my right is Allison Bricke. She's the Assistant Director for Social Services, and to my left is Simonia Brown who is the Associate Director Education, Intergovernmental and Community Boards.

CHAIRPERSON ROSENTHAL: Okay, and between the two of them, how many of the 11 agencies does that cover?

PV ANANTHARAM: Probably 9 of the 11 or 8 or 9 of the 11.

CHAIRPERSON ROSENTHAL: Oh, okay.

PV ANANTHARAM: So Allison Bricke oversees all the social service agencies, which is the vast majority of these programs. Ms. Brown's portfolio includes education and the higher education related programs that are covered here, too. What is not--the people who are not here are the Health Service Agency and the Criminal Justice agency.

CHAIRPERSON ROSENTHAL: Why is Criminal Justice being covered under this? There are Human Service--

PV ANANTHARAM: [interposing] It's the Human Services aspects of criminal justice. The alternatives to detention, alternatives displacement,

1 legal services for things of that nature. It's for
2 the 18B attorneys.

3
4 CHAIRPERSON ROSENTHAL: And SBS?

5 PV ANANTHARAM: SBS is cover, too, and
6 they're not here I don't believe so.

7 CHAIRPERSON ROSENTHAL: And what are the
8 Human Service contract?

9 PV ANANTHARAM: The employment programs
10 under SBS are covered.

11 CHAIRPERSON ROSENTHAL: Would it be
12 possible for you to provide to the Council by agency--
13 --you say it's 800 providers, 4,000 contracts, what's
14 the easiest way? I don't know how to pitch the
15 question--

16 PV ANANTHARAM: [interposing] Uh-huh.

17 CHAIRPERSON ROSENTHAL: --but if wanted
18 to get a sense by agency of either the category of
19 contracts or--I don't want to make the work harder,
20 but something that you already have at your desk.

21 PV ANANTHARAM: We can--we can get you a
22 list of programs, broad programs under agencies--

23 CHAIRPERSON ROSENTHAL: [interposing] For
24 each agency.
25

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PV ANANTHARAM: --to give you the flavor.

3

(sic)

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CHAIRPERSON ROSENTHAL: That would be great. And then ultimately is where you're trying to go that--and I don't know that the Council as an oversight agency needs to see--the oversight body needs to necessarily see this, but you would have by title sort of the wage--

10

PV ANANTHARAM: [interposing] Uh-huh.

11

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CHAIRPERSON ROSENTHAL: --from where you're going. But the titles for each contract could be getting currently the different--different wages hypothetically, right?

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PV ANANTHARAM: Uh-huh.

16

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CHAIRPERSON ROSENTHAL: So then--so for each title, for each contract, the wage then and then up to the \$11.50 or higher depending on the 2.5, and then you said there's a piece that is a Social Security add-on, a pension add-on. What are the other add-on pieces?

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PV ANANTHARAM: Any payroll like, you know, unemployment insurance benefits they would be covered.

25

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CHAIRPERSON ROSENTHAL: So you would have that and then--and then that would be a total for each title, for each contract, and then it would hypothetically add up to \$54 million.

PV ANANTHARAM: It would yes, hypothetically yes.

CHAIRPERSON ROSENTHAL: Okay.

PV ANANTHARAM: We're rather \$69 million because there's that \$1,500 (sic).

CHAIRPERSON ROSENTHAL: What?

PV ANANTHARAM: Either expectation that we can aggregate that kind of information from the-- from the template that we've put out--

CHAIRPERSON ROSENTHAL: [interposing] That's right.

PV ANANTHARAM: --to the organizations so that we can then look at and analyze it and understand the labor force better than trying to figure out which program areas would be better, which services would be better, which grades would be better. It's a whole a lot of functions--

CHAIRPERSON ROSENTHAL: [interposing] So hypothetically--

PV ANANTHARAM: --that you can ask.

CHAIRPERSON ROSENTHAL: --you're going to
be hypothetically equalizing the contracts?

PV ANANTHARAM: Not necessarily
equalizing it, but it allows us to understand the
differences--

CHAIRPERSON ROSENTHAL: [interposing]
Yes.

PV ANANTHARAM: --and rationalize why so
or not, and then make policy decisions based on that.

CHAIRPERSON ROSENTHAL: Do you have a
rough idea just off the top of your head, and I know
this is a hearing, but I won't hold you to it--

PV ANANTHARAM: [interposing] Okay.

CHAIRPERSON ROSENTHAL: --because this is
why we have drafts, and we're going to call it a
draft--what you think it would cost to get us to
\$15.00 an hour for the Human Service contract
workers.

PV ANANTHARAM: Okay.

CHAIRPERSON ROSENTHAL: And I know it
means opening Pandora's Box because then we have
crossing guards that we have to get from \$11.1--
\$11.50 to \$15.00 an hour. But if we were only
talking about Human Service contract workers.

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PV ANANTHARAM: It's a--it's a very
difficult question to answer only because the results
that we got back from the survey identified people
making \$4.00 an hour.

CHAIRPERSON ROSENTHAL: Wait. So
something is wrong with the question?

PV ANANTHARAM: It's--

CHAIRPERSON ROSENTHAL: [interposing]

PV ANANTHARAM: --the survey is very
impromptu. It wasn't necessarily an aggressive
survey document. It was just to get a sense of what
it might be, and as a basis for making an estimate in
the budget. So, I--I would be loathe to put
something out there that is--

CHAIRPERSON ARROYO: [interposing] \$4.00
an hour on a city contract?

PV ANANTHARAM: I'm sorry? Well, this is
the thing, it was incorrect in its responses. We
clearly knew that was not the case.

PV ANANTHARAM: Right.

CHAIRPERSON ARROYO: And--which is the
reason why I look to share information that--

CHAIRPERSON ROSENTHAL: [interposing]
Okay.

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PV ANANTHARAM: --that is--

CHAIRPERSON ROSENTHAL: [interposing]

Hypothetically once we have the information that gets
us to the route of the \$50 of the \$69 million--

PV ANANTHARAM: [interposing] Right.

CHAIRPERSON ROSENTHAL: --you could then
make an estimate?

PV ANANTHARAM: Absolutely.

CHAIRPERSON ROSENTHAL: So do you think
that--is the goal to get this really ready to go by
the January/February preliminary budget so that you
could amount(sic) over money around then?

PV ANANTHARAM: Yes, the expectation
clearly is that we would have all of the responses by
then, and--

CHAIRPERSON ROSENTHAL: [interposing]

So--

PV ANANTHARAM: --and be able to identify
the amount per agency.

CHAIRPERSON ROSENTHAL: And then--so who
would we ask the question to? As a Council would we
ask the OMB director at the beginning of the budget
season what the number would be and he would, you
know--?

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PV ANANTHARAM: Well, we've--they've
already budgeted for the amount, it's just the--

CHAIRPERSON ROSENTHAL: [interposing] No,
up to \$15.00.

PV ANANTHARAM: Oh, I think you have to
wait for the responses to come back and conduct an
analysis to see what the numbers would look like
whether it can be done based on the preliminary plan
depends on how many people respond, how fast they
respond.

CHAIRPERSON ROSENTHAL: Yeah, yeah.

PV ANANTHARAM: So--

CHAIRPERSON ROSENTHAL: Thank you. Chair
arroyo.

CHAIRPERSON ARROYO: Thank you, Madam
Chair. So eligible employees is something I have an
issue with, and also providers can make the wage
increase retroactive to July 1st. Why wouldn't they?

PV ANANTHARAM: They will.

CHAIRPERSON ARROYO: Is that--are you
leaving that up to them?

PV ANANTHARAM: Yes.

CHAIRPERSON ARROYO: Why?

PV ANANTHARAM: What we can do at this point in time is provide the funding necessary to go back to July 1. It is--

CHAIRPERSON ARROYO: [interposing] Why wouldn't they want more money?

PV ANANTHARAM: I--I don't dispute that. I agree that they should want more money, and they should do it and they hopefully would do it.

CHAIRPERSON ARROYO: There's no mandate that they--?

PV ANANTHARAM: It--it-it is--yes, there is no mandate on it.

CHAIRPERSON ARROYO: Despite the fact that you're giving them the money?

PV ANANTHARAM: I'm--?

CHAIRPERSON ARROYO: Despite the fact that the \$54 million accommodates for that?

PV ANANTHARAM: That's correct. Our expectation is that almost everybody would go back to July.

CHAIRPERSON ARROYO: [interposing] Okay, so I guess we'll get from the providers whether or not they intend to do that. And--and I'm still not-- I'm having a hard time understanding what's an

eligible employee, and maybe I'm not the smartest person in the room, but--

PV ANANTHARAM: [interposing] Well, I--

CHAIRPERSON ARROYO: --I just don't understand why every single employee on a contract with the city is not covered under this living wage or cost--

PV ANANTHARAM: [interposing] In--in general--

CHAIRPERSON ARROYO: -- of living increase?

PV ANANTHARAM: --in general they're all covered. All titles in the contract are covered. I-- I--there's probably very few. The eligible worker category is in terms of legal significance I guess. There are some program areas that are not covered that are--that are the kind of pro--organizations that receive funding from both the city and the state and federal government. So the contractor--so the funding that follows, the state contract is not covered by this so--

CHAIRPERSON ARROYO: [interposing] I understand. I understand that. I just--

PV ANANTHARAM: Yes.

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CHAIRPERSON ARROYO: --and, you know, for the basis of this conversation this is about city contracts and that every employee on a city contract is making at least--

PV ANANTHARAM: [interposing] Yes.

CHAIRPERSON ARROYO: --\$11.00 an hour.

PV ANANTHARAM: Yes.

CHAIRPERSON ARROYO: That is the expectation--

PV ANANTHARAM: [interposing] That's correct.

CHAIRPERSON ARROYO: --regardless of the service.

PV ANANTHARAM: That's correct.

CHAIRPERSON ARROYO: We did say there are some services that are exempt like Universal Pre-K. Why?

PV ANANTHARAM: Universal Pre-K was--is--is a new contract. It was--they--the--the terms of the wages that they negotiated within the organization and the Department of Education took into account all the exemplary standards that were necessary to provide for a qualitative UPK program.

1 So it's our expectation that those wages are already
2 covered.
3

4 CHAIRPERSON ARROYO: Covered in what?
5 What do you mean covered?

6 PV ANANTHARAM: In that the right amount
7 of wages are already being reported.

8 CHAIRPERSON ARROYO: That they're making
9 at least that?

10 PV ANANTHARAM: Yes.

11 CHAIRPERSON ARROYO: Okay, so--so I am
12 really looking forward to a follow-up conversation so
13 that I can better understand the--the nuance.

14 PV ANANTHARAM: Uh-huh.

15 CHAIRPERSON ARROYO: So that I can be a
16 little smarter about this overall conversation. I
17 don't see why there should be a difference, and if
18 what you're explaining--if I understand what you're
19 explaining that there really isn't a difference then
20 we shouldn't be talking about eligible workers. Like
21 every worker on a contract should be making a minimum
22 \$11.50 an hour whether they work two hours or 20 or
23 40. And then we're going to talk about the--the
24 nuance about how sometimes these are part-time
25 workers and they have to get more than one job

1 because they are not full-time employees. And having
2 run a program myself for many years, I understand the
3 nuances about that--

4
5 PV ANANTHARAM: [interposing] Uh-huh.

6 CHAIRPERSON ARROYO: --but hopefully
7 we're employing people full-time, and paying them
8 well over \$11.50 an hour. That--that just has to be
9 the bottom line. We shouldn't even be having this
10 conversation at all. You didn't make it up. So I'm
11 not going to beat you up. (sic)

12 CHAIRPERSON ROSENTHAL: Thank you so much
13 Chair Arroyo, and we have--

14 CHAIRPERSON ARROYO: I'm sorry. One more.
15 And we've been joined by Council Member Gibson from
16 the Bronx. Thank you for joining us. There--the--
17 the city contract process often when you read the
18 language on the RFP eligible responders, must be a
19 501(c)(3) are you contracting with for-profit
20 entities now or is--is there a different requirement
21 for--for different services based on the 501(c)(3)
22 status?

23 PV ANANTHARAM: I am not certain that
24 there are for-profit contractors with us. I'm sure
25 that there--

CHAIRPERSON ARROYO: [interposing] You
are not certain that there not?

PV ANANTHARAM: That is correct. I am--
I'm sure there are some for-profit contractors in--in
the--

CHAIRPERSON ARROYO: So every RFP that is
released by the city for-profit companies are
eligible to compete for that money?

PV ANANTHARAM: That's my understanding.
I don't know of any indication--

CHAIRPERSON ARROYO: [interposing] That
is your understanding?

PV ANANTHARAM: The Law Department can
reply better on that, but it is my understanding
that--that the competition is open that there is not
a limitation.

CHAIRPERSON ARROYO: It's no longer
limited to--

PV ANANTHARAM: [interposing] Yeah.

CHAIRPERSON ARROYO: --non-profit?

PV ANANTHARAM: Yeah, for the vast--for
the vast majority of our contracts are non-profit
contractors.

CHAIRPERSON ARROYO: No, I understand that but I--I know that one of the greatest criticisms we levied against the Bloomberg Administration is that he changed the landscape--

PV ANANTHARAM: [interposing] Yes.

CHAIRPERSON ARROYO: --and that our 501(c)(3)s in the city that had been providing services for decades are now competing against larger firms that have significantly stronger abilities to put stuff on paper, not necessarily provide better service. Which is why we've been so adamant about the non-profit stabilization fund to make sure that the--the non-profits, the guys that have been there in the trenches for decades have a much better ability to compete for these contracts because for-profit companies are coming in, and basically taking over the work. And then, when we talk about requirements under a contract, for-profit entities and non-profit entities what's the--what's the requirement each and is there a different bar for either one?

PV ANANTHARAM: I'm--I'm sure that there's not more than a handful of for-profit providers if there are any. I do remember in the

personal care arena, Personal Touch used to be a service--

CHAIRPERSON ARROYO: [interposing] Uh-huh.

PV ANANTHARAM: --and that's a for-profit company, and I'm sure there are some employment programs that were for-profit, but they're far and few between.

CHAIRPERSON ARROYO: We shouldn't be encouraging them.

PV ANANTHARAM: That is a problem.

CHAIRPERSON ARROYO: You know, for-profit companies to come in and--and--and run services that we all know end up not being as quality as the non-profit provider--

PV ANANTHARAM: [interposing] Uh-huh.

CHAIRPERSON ARROYO: world provides in our communities. The bottom line is what they focus on, and they're going to cut corners every time, and that is not something that I, and I'm sure my co-chair would not be in support of. That we should look at reverting back to in order to compete for city contracts you must be a private 501(c)(3).

Thank you.

CHAIRPERSON ROSENTHAL: Mr. Anantharam,
just one quick last question. Is it the case that
the federal government mandates that state and city
localities allocate a 10% overhead for non-profit
contract--contracting providers?

PV ANANTHARAM: I know that the federal
government has recently promulgated new rules on the
administrative overheads that relate to grantees and
the sub-grantees. We are still evaluating what that
particular ruling applies to, and which are for our
sub-grant, which are for our grantees. If we are--if
we are the grantees, which of the sub-grantees would
be eligible for that increase. So I don't have a
clean answer for you, but yes it is a federal
requirement.

CHAIRPERSON ROSENTHAL: Great. I think
it's going to be a topic of another hearing. So it's
something that I'm very interested in. I just want
to end by saying that OMB was lucky to have you for
25 years from my perspective, and it was a pleasure
for me to work side-by-side with you when we did at
OMB. And boy, you've left really big shoes to fill,
but it looks like you have some incredibly able
people who are going to help the next person do the

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job. But I know I'm really going to miss working
with you.

PV ANANTHARAM: Thank you very much.

CHAIRPERSON ROSENTHAL: Okay. Okay, I'm
going to call up the next panel. Emily Miles from the
Federation of Protestant Welfare Agencies; James
Parrott from Fiscal Policy Institute; and Michelle
Jackson from the Human Services Council. You did a
great job.

(background comments, pause)

CHAIRPERSON ROSENTHAL: So I know you
guys work together all the time. Is there someone--
have you already decided who goes first. Just kick
it off when you're ready. Thank you. If you could
just introduce yourself when you start your
testimony.

JAMES PARROTT: Thank you. Is this on?
My name is James--James--James Parrott. I'm the
Deputy Director and Chief Economist at the Fiscal
Policy Institute and Emily and Michelle will
introduce themselves before they testify. Thank you
very much for having this hearing. Obviously, this
is a very important topic that affects a lot of what
New York City does, and a lot of people live in New

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York City. In including funding for the first ever \$11.50 on our wage floor and a 2-1/2% COLA for other workers in the adopted budget, the Mayor and the Council took an important first step in moving toward reaching pay adequacy for social service workers in New York City. We are particularly pleased to see that in implementing the wage floor a wide net was cast that extends even the Human Services contracts managed by the Department of Education. This new approach to Human Service contracts is in sharp contrast to how thousands of low paid Human Service contract workers were treated in city contracts for many years when their pay and fringe benefits were a subject of total indifference at best. Up to this point the city has never compiled systematic data about the pay and compensation of its Human Services contract workforce. It's as if the city were buy widgets, and the only thing that mattered was to minimize the cost of widgets as much as possible. We estimate that 15,000 to 18,000 full and part-time Human Service workers will see their average pay increase by 17% retroactive to July 1st and another 50,000 or so workers in this sector will benefit from a 2-1/2% COLA, the first since 2008. This workforce

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is overwhelming female and persons of color, and many live in some of the poorest neighborhoods in the city. It has always been clear to the advocates pushing for meaningful Human Services wage floor that we needed to reach a living wage level of \$15.00 in relative short order, and that it needed to be indexed from that point on. We are working toward that end, and toward the companion goal of instituting a sector wide education and training fund so that Human Service workers will be able to acquire additional education, skills and credentials in order to move up the career ladder further enhance their earnings, and help contributed to improved quality of service delivery. We're heartened by and have been integrally involved in the establishment of a \$15.00 wage for fast food workers, and the Governor's recent proposal for a statewide \$15.00 minimum wage across all sectors of the state economy. The crucial thing that has to happen at this point, as the Legislature and the Governor move forward on the proposal for an across-the-board \$15.00 minimum wage, is to make sure that state Human Service contracts include funding to allow non-profits around the state to pay higher wages. And that the state provide additional

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1 assistance to local governments so that county Social
2 Service contracts and also other local government
3 entities like school districts have the funding they
4 need in order to pay the \$15.00 minimum wage. The
5 self-sufficiency family budgets for New York City are
6 an important tool for understanding how far our
7 economy and its system of rewards are from where we
8 should be. A worker working hard and playing by the
9 rules should be able to support her or himself and
10 family without reliance on public assistance or
11 private charity. Inadequate earnings for New York
12 City workers are a pervasive problem. Let me
13 highlight three bullets from the Self-Sufficiency
14 Analysis:
15

16 The cost of meeting basic family budget
17 needs in New York City has risen nearly three times
18 as fast as median earnings since 2000. In 2014, 42%
19 of working age households, nearly a million
20 households overall, have earnings that fall short of
21 what's needed to meet basic barebones family budget
22 needs. More than three out of every four families'
23 earnings fall short of budget adequacy are Latino,
24 Black or Asian. These staggering numbers reflect the
25 real cost of our pronounced income polarization. If

1 we had something like a broad sharing of the fruits
2 of economic growth, poverty would be much, much
3 lower, and every family would have the earnings it
4 takes to meet their family budget needs. We've had
5 the growth without the sharing of the benefits of
6 that growth. We will not get to self-sufficiency
7 overnight, but we should be able to be mindful of
8 that goal and act to make sure that private and
9 public practices are put in--put us on a path of
10 self-sufficiency. The Self-Sufficiency Report
11 provides specific recommendations in 14 areas that
12 were developed by a number of policy advocate groups
13 working together. The establishment of a fund wage
14 floor for Human Services contract workers points in
15 the direction of self-sufficiency as does the \$15.00
16 statewide minimum wage. Thank you very much.

18 CHAIRPERSON ROSENTHAL: Thank you, Mr.
19 Parrott. Can I ask for the next two speakers--I'm
20 not going to put you on a clock, but can you sort of
21 bring you highlights--the highlights of your
22 testimony to the fore. Thank you so much.

23 EMILY MILES: So my name is Emily Miles.
24 I'm the Director of Policy Advocacy and Research at
25 the Federation of Protestant Welfare Agencies. Thank

1 you so much for test--the opportunity to testify
2 before you today. I won't repeat the data from
3 James' testimony, but I do want to put a quick face
4 on who we're talking about. When we are talking
5 about these frontline workers who are providing these
6 vital services, 52% of whom are earning less than
7 \$14.00 an hour, we're talking about a majority of the
8 women from communities of color providing these vital
9 services. And we've heard stories from our member
10 agencies of these workers standing in the same food
11 pantry line with the very clients they serve later
12 that day. Applying for the very housing services
13 that their organizations provide, and having to
14 choose between doing their job well, and being able
15 to afford eyeglasses, going to the doctor for
16 themselves and their families. These are real issues
17 that these workers are facing. And this is largely
18 due to historic inadequate funding of New York City
19 and State contracts.

21 I the fall of 2014, FPWA and the Fiscal
22 Policy Institute launched a career ladder project
23 with the two recommendations for the creation of the
24 wage floor, and the comprehensive investment in
25 education and training fund, which resulted in the

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\$11.50 wage floor. We also want to thank HFC for their advocacy on the 2.5% COLA. Moving forward, we have several recommendations for you. First, we look forward to continuing to work with the city to ensure that the wage floor is increased with a goal of reaching \$15.00 by at the latest FY 18.

Additionally, we recommend that the Council move to codify this wage floor to ensure the longevity of these wages beyond the current mayoral administration. To do that, we recommend amending the city's existing living wage ordinance in several ways. First, including language to establish the city's responsibility to fund the wage floor, and also to index the wage floor to ensure the wages of Social Service employees are adjusted with the rate of inflation. Additionally, we urge the Mayor and the City Council to support the increase in Social Service wages beyond New York City. At the State level these wages are just as pervasively low, and cause the same amount of hardships for these workers. As the State takes steps to increase the minimum wage to \$15.00 for all workers who must ensure that State contracts are amended immediately to ensure the appropriate funding for those wage increases, and we

look forward to working with the Council to amplify this issue on a State level to ensure those wage increases.

(background comments, pause)

MICHELLE JACKSON: Now, I'm on. Great.

(laughs) So good afternoon, Chair Arroyo, Chair

Rosenthal and members of the Committees on Community

Development and Contracts. My name is Michelle

Jackson and I'm the Associate Director for the Human

Services Council. I want to thank you for this

opportunity to testify, and also for holding this

important hearing on wages in the Human Services

field. HSC is a membership association representing

nearly 200 of New York's leading non-profit

organizations including direct service providers and

umbrella and advocacy groups. Again, I will not

reiterate a lot of what my colleagues have said about

who we are as a workforce. So I'll give you broad

little highlights. In addition to being 85% women

and 75% people of color, we're also an economic

engine. We employ over 100,000 people in New York

City just on city contracts. That's not--you know,

we also have state contracts, private funding and

federal funding as well. We haven't seen a raise in

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city contracts since 2008 with very few exceptions,
and the last COLA was in 2008, and was 3%.

Similarly, at the state level we had issues with the
COLA. We haven't had one. There was one that was
just put in place in 2012, but we like to refer to
that as diet COLA because it was for a much smaller
(laughter) workforce in a very convoluted spreadsheet
that I can share with you. We're very happy that the
Mayor has made this incredible commitment not just
the 2.5% COLA but establishing a wage floor of
\$11.50. I think this is a really important first step
but, of course, while understanding limitations of
the budget, this is really just a start. The lack of
COLA and investments in programs have a real impact
on not just workers, but also programs in
communities. There's a very high turnover rate in the
non-profit sector due to a lack of wage increases,
and this is not--it obviously reduces the efficiency
of the agencies, but more importantly the people that
we serve rely on caseworkers. They rely on seeing
the same receptionist everyday. It's very important
to the programs and to the people that we serve that
they have that kind of interaction and a turnover
rate for example in Preventive Services is over 30%.

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It's really problematic, and these are not low-wage jobs. These are people that we rely on to take care of our children, people with substance abuse issues, mental health issues. And the fact that they're getting paid a low wage means that we have a harder time recruiting and maintaining talent that we need in order to provide these services. While we're very pleased that the City has finally acknowledged the dire need with our workforce, this COLA does not account for the losses of the previous six years. So 2.5% while a great start doesn't meet the cost of inflation for this year or the last six years overall. And our workforce is really looking for these important increase. We're also hoping to work with the Administration and the Council to systematize the COLA so that I don't have to come every five years and do advocacy as much as I enjoy it. (laughs) I'd like to do advocacy on something else than asking for 2.5% every five years. This is now my second time around. (laughs) So I'd like to spend my time doing something else. I also want to say that I--that HSC and the sector support the minimum wage increase at the State to \$15.00. We're very support of these efforts as they get at the core

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of anti-poverty initiatives of our work. The work of our sector is to move people out of poverty and into the middle-class and the \$15.00 wage is imperative to that. Human Service workers need to be included in that, and funding needs to come from the State and the City. We cannot raise prices of our goods and services to make that wage increase. And as Council Members have pointed out, any wage increase that doesn't come with corresponding dollars means a loss of services. I also am happy to answer questions about Accelerator, and--because HSC was integral in creating that, and I know you have a lot of questions about implementation of the COLA and I'd be happy to answer that. But I won't go through the 10-minute speech on it. I'll answer what you have.

CHAIRPERSON ARROYO: Okay, and we'll save the Accelerator conversation for, you know, side bar, not here right now. What are you hearing from providers that can address why information is not coming to OMB or to the agencies in the data that's required in order for us to move this implementation of \$11.50?

MICHELLE JACKSON: So I will say that we're first very happy that's it's going to be using

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the HHS Accelerator and they're not going through the specifics of the agencies to do this so that there is not a bunch of redundant processes, and we realize that that too time to create that spreadsheet to agency and send it out to providers. It took three months for OMB to get this spreadsheet together from the implementation date and five months since the COLA was announced, and they gave providers eight day to turn in their spreadsheet. The spreadsheet is as simple as I think it could be, but it's still very complicated. There's hundreds of staff lines that need to be filled in. They need to find out how much of the--that person's work--you know, that person's salary is on the city contract providers. I think most of them do get the correspondence pretty quickly from Accelerator, but some of them had issues with contracts being left out of the spreadsheet because there were multiple contracts. And so there was a lot--some obviously technical glitches, but also it's just not something that can be completed in eight days. Some of our providers have hired temps to come in, and work on this because they have 50 or 60 contracts and hundreds of budget lines that go--staff lines that need to be filled in. You're also asking

1 people to do this who are underpaid workforce who
2 don't get an adequate administrative overhead rate
3 who are also filling our RFPs and meeting payroll. So
4 it's not something that they can just take a staff
5 person and stick it on for eight days. And so that
6 has been one of the big things that I think, you
7 know, four to five weeks to get this turned around
8 for most of these agencies is probably a more
9 realistic timeframe. So we're meeting that time
10 frame now, but eight days--a couple of providers were
11 able to turn it in, and they spent a significant
12 amount of overtime and staff working hard to get it
13 in within those eight days.

14
15 CHAIRPERSON ARROYO: So, if--if you can
16 give us a list of the things that--of the factors
17 that providers are identifying as hindering their
18 ability to submit the information, I don't want to
19 walk out of here thinking they're being
20 irresponsible.

21 MICHELLE JACKSON: They are not. I've
22 got 180 members, and I think about 179 have called me
23 about this. (laughs) So it probably it probably is a
24 city contract. (sic)

CHAIRPERSON ARROYO: [interposing] So what are the nuances that or besides it's just time consuming and--

MICHELLE JACKSON: [interposing] Yeah.

CHAIRPERSON ARROYO: --and not user friendly

MICHELLE JACKSON: [interposing] So it's not a--

CHAIRPERSON ARROYO: Is there someone from the Administration still here or OMB? Yes? No? Whoa, somebody is getting a call. Okay, so I think we need to provide for them that information as quickly as possible. So if there is a technical issue with the system, that it be correct.

MICHELLE JACKSON: Yes, it's no so much that there's been--We have submitted a number of questions to OMB and individual providers have submitted a number of questions. The first thing I would say is that it definitely takes longer than anticipated to fill out this form. Not that it's not user-friendly without any technical glitches. We have providers who have hundreds of staff lines that need to be filled in, and they can't just pull in a staff person to work on it for five days. That's

1 just not going to happen. So I think that's one.

2 Two, there were definitely glitches that have been
3 communicated to Accelerator. I have to be honest.

4 The city agency staff is not prepared for this. When
5 providers received their spreadsheets they, of

6 course, went to their ACCOs and Contract Managers who
7 had never seen this spreadsheet who understood the

8 wage floor piece, but not the COLA piece. And so

9 there was a lot of conversation back and forth. There
10 were contracts that were missing from certain

11 spreadsheets. Some providers said that they didn't

12 get the communication because while email technology

13 is great, it's not perfect. And there was a lot of

14 confusion around do they have to fill in the staff

15 lines for every person under their contracts or just

16 people under \$11.50. They have vacant lines. What

17 do they do about people that, you know, summer youth

18 programs, for example. They only have people for

19 three months. They might not have someone in the

20 position. So there's a lot of back and forth to get

21 these spreadsheets filled, and Accelerator having

22 been the central point was great, but there was also

23 no FAQ or anything that accompanied these documents
24
25

nor has one been released to them to help providers muddle through.

CHAIRPERSON ARROYO: Okay. All right, anybody else? FPWA, do you have any--your providers or your member?

EMILY MILES: Yes.

CHAIRPERSON ARROYO: And thank you for the work on the worker cooperatives.

EMILY MILES: Thank you. We are hearing largely exactly what Michelle is hearing, but it's not that the providers don't want the money. They're very appreciative. They're, you know, working through the process. There are just these administrative pieces that are difficult especially when you're talking about smaller organizations who don't have the staff capacity to meet these quick turnaround times. So we know that a lot--many of our member agencies who have received the contract amendment are working on it, but they just don't have the staff time to get it turned around in the eight days. So they are hoping to meet this new kind of deadline in the next couple of weeks that Michelle was mentioning.

CHAIRPERSON ARROYO: The--no? No
feedback?

JAMES PARROTT: Well, I just wanted to underscore the fact that going in neither the contract providers in many cases nor the city had detailed information on the workers who were providing the city contract. The City had never requested that information before. The City had never really needed that information before. And again, it reflects an indifference that the previous city administration has had towards this workforce. It's somebody else's responsibility. It's not the city's responsibility. So I think the fact that you've seen this initiative indicates that we're in a different age, and there is a recognition that this is the city's indirect workforce that the city has responsibility for. And, going forward in the new Human Service contracts the providers will be providing that information not only on job titles and wages, but also on health benefits and pension benefits, if any, and so on. So the city will have a better idea of what the compensation of this workforce is.

1 EMILY MILES: Just very quickly to tag
2
3 onto what James just said, we keep coming back and
4 saying what is a good job and a good job is not just
5 wages. That is a huge piece of it, but it's not just
6 that. It's also affordable healthcare. It's
7 retirement. It's all these other pieces that make
8 work reasonable, and work with your family and your
9 other responsibilities. And so I encourage the
10 Council. Thank you so much for your oversight on
11 this issue and the wage piece. It's so needed, but
12 also looking at these other pieces like affordable
13 health care and insurance that so many of the Human
14 Services workers just don't have available to them
15 right now.

16 CHAIRPERSON ROSENTHAL: Let's see. This
17 has been so helpful. Maybe we should have had you
18 guys go first. This is great. Just some really
19 quick questions. Mr. Parrott, if we could start with
20 you. In your testimony, you mention 815--oh, wait.
21 Sorry. I want to welcome Council Members Deutsch and
22 Crowley. I know you had earlier things you had to be
23 at. So thanks so much for coming by. I really
24 appreciate it. You mentioned 15 to 18,000 full and
25 part-time Human Service contract workers, and then

another 50,000 or so workers benefitting from the 2.5% COLA. Is the 15 to 18,000 a subset of the 50,000? Because OMB only mentioned the 50,000.

JAMES PARROTT: Well, we didn't get together and sort of compare the latest calculations for this workforce, but when I'm thinking back to spreadsheets where we're looking at them in the spring where the total workforce we were intending to cover was about 60 to 65,000.

CHAIRPERSON ROSENTHAL: Okay.

JAMES PARROTT: And we were able to extend the program areas beyond the sort of core (sic) in the service areas. So granted, those are not necessarily big contracts in Criminal Justice and the Small Business Services, but included in that are the--some of the DOE contracts that we hadn't--we hadn't included that workforce before. So I think, you know, again because we don't have solid information to work from. These are guesstimates at best based upon the survey that the--PV talked about OMB conducting back in the spring. So I think, you know, this is the--the ballpark for the number of workers. So I think altogether yeah the workers

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affected by the wage floor and the COLA are going to be in the 60 or 65,000 range.

CHAIRPERSON ROSENTHAL: Okay, that's helpful and then--let's see. Michelle, you mentioned that the--about--you have about 200 providers, but OMB was talking about 800 providers. So can--can both--the three of you help me understand if they're not members of the Human Services Council I did hear a little bit about SBS and MOCJ and DOE, but that can't make up the other 600.

MICHELLE JACKSON: So that's my favorite question. (laughs) This is--so HSC has about, you know, 200 members under us, but we also have all the federations and coalitions who have a significant amount of members. So HSC our direct membership is under 200, but our reach is more about 2,000 if you factor in groups like FPWA who don't have dual membership, the UJA Federation, Catholic Charities. There's a lot of those groups who tend to be smaller who have just a few contracts. While we have more of the larger contracting agency. I mean our--our organizations run the gamut. But that's how you get to that 800 is, you know, if you include some of the other coalitions like New York Immigration Coalition.

1 They also have a lot of groups who have a number of
2 literacy and immigrant services contracts. The
3 Hispanic Federation, FPWA, the UJA Federation, and
4 those groups.

5
6 CHAIRPERSON ROSENTHAL: Thank you, and
7 for FPWA so what are some of your providers that
8 would fall under your coalition.

9 EMILY MILES: So we have about 200 member
10 organizations that run the gamut across the Human
11 Services sector. So everything from working in--with
12 seniors, early childhood education, housing and
13 homeless services, domestic violence, everything that
14 you can imagine under the Human Services umbrella.

15 CHAIRPERSON ROSENTHAL: So what we
16 really want to know, the worker co-ops are going to
17 get-Oh, because they wouldn't do city. Okay.

18 CHAIRPERSON ARROYO: Well, all kidding
19 aside, right, a serious discussion about how do we
20 deal with wage--appropriate wages and work--worker
21 cooperatives as non-profits. It might help us have
22 that conversation in a more holistic way. Workers in
23 worker-owned business earn higher wages than their
24 counterparts in private traditional businesses. But
25 our conversation internally is how do we engage the

1 Health and Human Services arena in a conversation
2 about how non-profits as worker cooperatives can also
3 be part of this larger issue about equity and
4 appropriate wages for the work people.
5

6 MICHELLE JACKSON: Okay, we'd love to
7 have that conversation.

8 CHAIRPERSON ROSENTHAL: And then, so
9 Emily, you also mentioned that the goal would be to
10 get to \$15.00 an hour by FY18. So if we're at \$11.50
11 now, and we're in '16--

12 EMILY MILES: [interposing] Right. So
13 what we had always said is \$15.00 phased in just
14 because there tends to be more responsible to do it
15 in a phased-in manner.

16 CHAIRPERSON ROSENTHAL: Right.

17 EMILY MILES: So in our minds we were
18 looking at \$11.50 going to \$13.30 the second year and
19 then \$15.00.

20 CHAIRPERSON ROSENTHAL: Great. That's
21 very helpful. So when we ask the Administration for
22 the cost--

23 EMILY MILES: [interposing] Right.

24 CHAIRPERSON ROSENTHAL: --so we can peg
25 it that way in that sort of consensus.

MICHELLE JACKSON: Can I just add to that. There is also a very important ladder piece of that that people who are making \$15.00 or \$14.00 now, we don't want Human Services jobs to become minimum jobs overnight. We're very concerned about that. We're already significantly low-wage workers and so part of that phasing in also needs to include how do you get to \$16.00 to \$18.00 so that overnight you don't have a number of people all at \$15.00.

CHAIRPERSON ROSENTHAL: So explain that a little bit more. Does that--that--is that the \$11 million that the Administration put in for career ladder. Is that what that affects or--?

JAMES PARROTT: No. So, it was \$5 million I believe unless they've increased it without--

CHAIRPERSON ROSENTHAL: [interposing] Oh, no, they didn't do that. (sic)

JAMES PARROTT: --they didn't do the \$5-- they're doing \$6 million.

CHAIRPERSON ROSENTHAL: It was \$5 million.

JAMES PARROTT: So the \$5 million is toward developing--

CHAIRPERSON ROSENTHAL: [interposing]

Okay.

JAMES PARROTT: -- a career ladder that would then--that would exist sector wide in the--in the Human Services non-profit sector and be funded by the city that would provide access to education and training and the supports needed for counseling and child care to enable people to access the training and so on. Micelle is referring to what--what economists sometimes refer to as a spillover wage effect. So if you raise everybody up to \$15.00 an hour, the people who are close to or a little bit above \$15.00 or even \$16.00 or \$17.00 are--are very likely to expect and should be expecting some wage adjustment on their end as well. So we need--at this point, you know, nothing has been factored in for that. So we need to start thinking about that particularly as the wage levels rise above where the are. So I guess I'd also like to address how the world is different from when we started this campaign a year and a half ago. We never saw \$15.00 as a minimum wage, right. We saw \$15.00 as something moving in the direction of a living wage for the Human Services sector. Fortunately, there has been

1 progress around this in other spheres with the
2 Governor's proposal for a \$15.00 minimum wage in fast
3 food, and now extending that across the board to all
4 sectors in New York State. Because of the importance
5 of social services of human services, you know, the
6 importance to--of the services that are provided and
7 the importance to all society of doing that. And the
8 fact that these are not unskilled workers or low
9 skilled workers. They're low paid. They have lots
10 of skills, and more importantly, they have a lot of
11 commitment to what they do. So we shouldn't see this
12 as a minimum wage sector. So our advocacy really
13 needs to sort of put more emphasis on good benefits,
14 make real the career ladder opportunities so that
15 workers can avail themselves of opportunities to, you
16 know, move up--to acquire additional skills and
17 credentials, and education and move up to better
18 positions within the sector or wherever for that
19 matter. And it's going to take additional resources
20 to do that, and because this is an indirect city
21 workforce providing essential service, they're
22 entitled to it. We're all entitled to it.

24 CHAIRPERSON ROSENTHAL: Right. So then
25 if we were thinking about what an FAQ would include,

we would include in there yes give us the titles of the workers and their wages even if they're making over \$11.50 an hour, right? Because hypothetically, if we want to capture the spillover effect for the next installments, we would use--

JAMES PARROTT: [interposing] Right.

CHAIRPERSON ROSENTHAL: --this effort to maybe--and is that their answer?

MICHELLE JACKSON: Well, the--the staff lines that have to be included now are from people who make more than \$11. It's every staff line--

CHAIRPERSON ROSENTHAL: [interposing]
Well, good.

MICHELLE JACKSON: --under city contract so and the 2.5%. So they are documenting all of that information. So, it's not just--they're not just capturing the people who are under \$11.50 now.

CHAIRPERSON ROSENTHAL: So hypothetically when they do the run for the \$13.30 and the \$15.00, they can capture what the impact will be on the workers making close to that wage. And I'm sure you'll have thoughts about proportionately how much those wages should be increased by and what that

number should be as well, right? We'll need to give the Administration guidance on that.

JAMES PARROTT: Sure.

CHAIRPERSON ROSENTHAL: Yeah, who got the \$5 million for developing the Career Ladder and how is that going.

EMILY MILES: So the \$5 million--so the development of the Career Ladder system is currently being housed by the Office of Labor Relations. Our original vision for this money was essential as education and training funding that would provide access to social service employees to access for higher education, obtaining certifications, but also for a really critical support piece to allow those activities to happen. So we're talking about a workforce that is mainly women, many of whom have children and if you are at a job where you're earning \$12.00 an hour, you are likely to have a second or third job in order to make ends meet, which makes it very difficult to go back to school. Which is why the wage piece is really critical, but the support piece for the education and training is critical as well because if you are going back to school, probably at night or on the weekends, and you need

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quality child care available to you during those times in order to make that possible. So we envision the creation of this centralized education and training fund have two pieces, a financial support piece, but also the--a support piece for kind life events that pop up that make it impossible to go back to school. The \$5 million as we first imagined--as we first understood it was an initial investment to create that fund. We now understand that they are looking at putting \$2.5 million of that towards just the early childhood education set part of the sector. And then the other \$2.5 for the remaining parts of the sector. That's not how we initially envisioned it, and we look forward to additional information about how that would actually be played out. That said, that development of the education and training piece has been delayed because in essence it had to come second to determining who was actually included in the Human Service sector. So that goes to some of the pieces that you heard from Michelle and from PV earlier about what programs and contracts were actually going to be included in this larger program. Now, that we have that, we should be able to move

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forward with further defining the Career (sic) Ladder piece.

CHAIRPERSON ROSENTHAL: Right. It doesn't sound like we have it at all.

EMILY MILES: Well--

CHAIRPERSON ROSENTHAL: I mean it sounds like--

EMILY MILES: [interposing] They have it.

CHAIRPERSON ROSENTHAL: Well, it doesn't sound like they have it. They have 30% of it. So they're--it sounds like they're going to have it by February if that. And so I'm wondering. It's just sitting in OLR right now.

JAMES PARROTT: Well, so--so I'm not sure I--we're on the same page here. I don't know that OMB needs to have all of the responses back from the providers in order to move forward on their Career Ladder piece.

CHAIRPERSON ROSENTHAL: Yes. So who--who do you recommend we talk to, to gently nudge them along?

JAMES PARROTT: I would suggest OMB for starters because they certainly know where it's at

even if they're not directly in charge of developing
it right now.

CHAIRPERSON ROSENTHAL: Okay. I mean I
think--

JAMES PARROTT: [interposing] Who would
you have gone to?

CHAIRPERSON ROSENTHAL: I'm guessing the
First Deputy Mayor at this point. It would have been
the Deputy Mayor for Human Services.

JAMES PARROTT: Yeah, yeah, right.
(laughs)

CHAIRPERSON ROSENTHAL: All right,
anything--anything else? Do my colleagues have any
other questions?

CHAIRPERSON ARROYO: I, you know, I think
this Career Ladder conversation--we had a joint
hearing on the Administration's workforce development
strategy and the larger plan that includes the--and
the construction industries are--are very nervous
about what that means for them and some certification
for them being--I don't know, a good employer. I
think it's the label that they would get. So, we're
going to do another discussion about where are we
with the workforce development strategy, and how this

1 Career Ladder strategy works its way into that, or
2 how we work it into that. Because we can't have
3 parallel conversations and somewhere they don't meet.
4 We--this is all part of the much larger issue that
5 requires all of these things to intersect. And make
6 sense if we're going to deal with the issue of wage--
7 appropriate wages and--and people being able to earn
8 a living in the city that they could still afford to
9 live here regardless of what neighborhood. It
10 troubles me that in more affluent neighborhoods
11 people need to make more money so they can stay
12 there. I think people need to make more money period
13 regardless of where they live, and that's my only
14 criticism of the United Way (sic) Report. But I
15 certainly hope to see you guys at--at that hearing
16 and in that conversation as well. Thank you, Madam
17 Chair.

18
19 CHAIRPERSON ROSENTHAL: Thank you very
20 much.

21 JAMES PARROTT: Thank you.

22 CHAIRPERSON ROSENTHAL: I'm going to call
23 up the last panel. We have Amina Ross from the
24 Women's Center for Education and Career Advancement.
25 Carmen Rivera, VIP Community Services, and Gregory

1 Bender from United Neighborhood Houses. Thanks so
2 much for your patience, and thank you for coming to
3 testify and that's it for--in terms of slips that I
4 have for people who would like to testify. If
5 there's anyone else, please let the sergeant-at-arms
6 know. Thank you.

7
8 (background comments, pause)

9 CHAIRPERSON ARROYO: We called three--she
10 called three people. Where is the third party?
11 Hello. Come. You don't have to.

12 CHAIRPERSON ROSENTHAL: And while we're
13 waiting, I just want to thank Sarah Desmond who was
14 here earlier from Housing Conservation Coordinators,
15 who submitted testimony regarding the Self-
16 Sufficiency Guidelines. I appreciate that, and also
17 for the record, we have testimony from Lauren Miller
18 from the United Way New York City. I'm sorry they
19 couldn't come, but we have their testimony. Okay, if
20 I could ask the three of you to decide who to go
21 first, or we can just start from left to right or
22 right left. Gregory, you're definitely second, but
23 if you could get that going, we'd appreciate it.
24 Just introduce yourselves. Thank you.

CARMEN RIVERA: I'm--my name is Carmen Rivera and I am the AVP of Community and External Affairs at Community--VIP Community Services.

[pause]

CHAIRPERSON ROSENTHAL: (off mic) Oh, you can get started.

CARMEN RIVERA: Oh, I can. Okay, thank you. Thank you. Chairs Rosenthal and Arroyo, thank you for the opportunity to provide testimony on this very important topic, we VIP Community Services was established in 1974, and we are dedicated to changing lives and transforming our community in the Bronx. We service 10,000 clients a year. We develop affordable housing for families and single adults. Currently, we maintain 18 sites that provide affordable, supportive and transitional housing. We provide high quality comprehensive healthcare services to low-income uninsured individuals, which include primary care at a federally qualified health center with a specialty in HIV treatment and prevention. We also currently acquired licensed Article No. 31 for mental health services. VIP's most important resource is our trained and dedicated staff. We currently employ 250 staff across our

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1 sites, including 57 whose compensation is covered by
2 New York City Human Service contracts, 57 yes. These
3 staff provide a range of healthcare and social
4 services to our clients, which includes social
5 workers, healthcare workers, counselors, care
6 coordinators, and residential aids as well as
7 administrative staff. Just as our clients seek to
8 gain self-sufficiency through the services VIP
9 provides so, too, do our staff rely on the
10 compensation and benefits they receive from us in
11 order to survive in our community and gain self-
12 sufficiency for themselves and their families.

14 While employees in human services fields
15 provide critical, sometimes life saving support to
16 communities most in need, their salaries are often
17 barely enough to cover basic costs of living expenses
18 particularly in the New York City area. In fact,
19 those who make the least are often the staff who have
20 the most contact, and direct impact on client care
21 and outcomes. For this reason, VIP is thankful that
22 Mayor de Blasio and this Council approved a 2.5% cost
23 of living adjustment. And even more important an
24 \$11.50 per hour wage floor for City Human Service
25 contracts in Fiscal Year 2016. These adjustments

recognize that for too long wages for workers in our field have been stagnant despite the continually rising costs of living in the city. Beyond the financial burden, staff turnover due to low wages, and that's something I think Michelle mentioned in her testimony earlier, staff turnover due to low wages also leads to instability for VIP's programs and our clients. Clients are able to most effectively achieve their goals when they can develop strong ongoing relationship with the staff in our programs. Turnover negatively impacts continuity of care and, therefore, client outcomes. VIP also incurs higher overtime costs when we have vacancies, as we cannot go without coverage in certain residential sites in our service areas. For those reasons, VIP encourages the Council and the Mayor to build on the recent gains by considering regular cost of living adjustments that keep Human Service providers' salaries at a pace with the--commensurate with inflation and competitive with other low-wage industries that are starting--that we--that are starting to increase wage floors. The outcome will be more stable in Human Services communities in New York City, and will enable organizations like VIP to

1 help more New Yorkers achieve healthy and successful
2 lives. Thank you.

3 CHAIRPERSON ROSENTHAL: Thank you. Mr.
4 Bender, I'm going to ask that you try to summarize--

5 GREGORY BENDER: [interposing] Yes.

6 CHAIRPERSON ROSENTHAL: --you testimony,
7 and just hit the high points.

8 GREGORY BENDER: Sure.

9 CHAIRPERSON ROSENTHAL: Thank you.

10 GREGORY BENDER: I won't read it all.

11 I'm Gregory Bender from United Neighborhood Houses.

12 We are the Federation of the Settlement Houses.

13 Actually, I just wanted to briefly respond to three

14 things I heard in the hearing. First is will

15 provider actually do anything they want to? And we

16 met with our member agencies many times and the

17 answer is yes even for those who have calculated that

18 actually implementing it will cost more than they're

19 going to get. There is an incredibly strong desire

20 to see this workforce has been poorly treated receive

21 the amount which they deserve. The second part I'll

22 get to is that we don't think that's adequate. But

23 the other questions, the \$4.00 staff that PV

24 mentioned, I think that relates, but as I said I

1 don't know from specifics. I don't know who said
2 that, but my sense is that providers have been
3 incredibly creative in how they fund (sic) positions.
4 So you have something from here. So, you can see,
5 for example, a senior citizen director with a DFTA
6 contract is part time, but if you combine that with a
7 NORC SSP contract from the State so the city may be
8 only funding essentially \$4.00 of that contract--
9 \$4.00 per hour of that contract, but they'll be
10 providing the others--the state contracts these are
11 something else. And I think it's just the challenge
12 that I know that the agencies tried to look through
13 the Human Services contracts because we don't have a
14 comprehensive system. Because providers have been
15 saying what do my--what does my community needs, and
16 how do I pull together this, this and this to make it
17 happen? You have numbers that are probably looking a
18 little funky like that.

19
20 Third I will be asking about for--Council
21 Member Arroyo about for-profit providers, but I also
22 remember--it must be five years ago you questioning
23 ACS very strongly about this at the original hearing
24 on Early Learn. You right then because you did say
25 that the contracts should be 501(c)(3)s. I think

1 you're still right. Unfortunately, ACS did not take
2 your advice or ours, and we suggested the same thing,
3 and there are for-profit providers. With that
4 contract probably others that I can't think of.
5

6 The 18 points that we have in our
7 testimony are about just that we're very grateful
8 that this happening. We're very grateful to the
9 Council for your oversight, but this is not enough to
10 move people out of poverty. \$11.50 an hour at a
11 full-time wage is \$23,000. That's below the--what is
12 it the \$24,250 poverty threshold for a family of
13 four. So we really do need to keep going. So we
14 really, really are grateful to hear the Council and
15 all the other advocates talking about the need to
16 move up to \$15.00.

17 The other thing we wanted to really
18 specifically address was sort of the impact of the
19 programs, and then we're looking at one area in
20 particular, which is the Early Childhood. The impact
21 of the programs throughout this sector means that the
22 turnover, as Michelle mentioned, it means
23 particularly in areas where people are building
24 relationships. Those relationships have to be
25 constantly reinvented and that's a real challenge.

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Where we see this really have a huge impact is the Early Childhood field where there's an incredible disparity between the teachers working in community based organizations and those in the Department of Education. I have some stats on those means, but in the immediate term the difference is at \$10,000. If you've been at our job a long time sometimes like 15 years, you're looking at a \$30,000 disparities in how much you're making for a job that actually has longer hours. And we've already seen the stream of certified teachers. In a survey conducted by our colleagues at the Day Care Council many of their members in the Early Childhood program they found 69% of surveyed agencies didn't--have lost the certified teacher the last two years since the limitation of Pre-K. Seventy-six percent of the centers have vacancies, and it takes about three to six months to fill them. So we're really seeing in the services that are problematic (sic) services, and are there for the most low-income families and children a loss of qualified staff. And quite frankly, even as someone representing their employers, it's hard to believe that because they do need to make an honest wage to support their families. So thank you again

1 for holding this hearing and for your really
2 passionate advocacy on this, and we really look
3 forward to keep working with you. Oh, one other
4 thing, on the Early Childhood issue, I also submitted
5 with our testimony a letter spearheaded by the
6 Campaign for Children with over 100 provider and
7 advocacy organizations calling on the City to take
8 immediate action to achieve salary parity for the
9 Early Childhood workforce. Thank you.

11 CHAIRPERSON ROSENTHAL: That's very
12 helpful. Thank you very much. You answered my
13 question. In fact, I was going to ask if you wanted
14 to submit more information about it, here it is.

15 GREGORY BENDER: (laughs) Great.

16 CHAIRPERSON ROSENTHAL: Okay. Ms. Russ,
17 my understanding is that you're going to read a
18 statement, which is fine, but I hope it's not this
19 really long one.

20 AMINA ROSS: It's quite long so if you
21 guys would rather me not, I'd greatly appreciate
22 that.

23 CHAIRPERSON ROSENTHAL: Oh, no problem,
24 but. No, that's--but okay. Well, that's fine. We
25

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1 have it for the record. I just had one question then
2 for Ms. Rivera.
3

4 CARMEN RIVERA: Yes.

5 CHAIRPERSON ROSENTHAL: How many
6 contracts? How many Human Service contracts does
7 your agency have?

8 CARMEN RIVERA: We have several--we have
9 several. We work with DHS. DHS is our biggest city-
10 -city contract.

11 CHAIRPERSON ROSENTHAL: And then what
12 other agencies?

13 CARMEN RIVERA: I think it's OTDA
14 Shipping, OTDA

15 CHAIRPERSON ROSENTHAL: What's OTDA?

16 CARMEN RIVERA: It's disability--Temporary
17 Disability--

18 AMINA ROSS: [off mic] That's a state
19 agency.

20 CARMEN RIVERA: Yeah, that's State.

21 CHAIRPERSON ROSENTHAL: So do you have
22 any other city, and you need to let us know. Here's
23 why I'm asking.

24 CARMEN RIVERA: [interposing] I have that
25 information, but I don't have it with me.

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CHAIRPERSON ROSENTHAL: It doesn't really matter. This is very helpful. I was just wondering because in your testimony you start to explain the complexity of filling out these forms. Actually, what you just said further explains it, but you mention that you have 250 staff across the sites including 57 whose compensation is covered by the Human Service Contract.

CARMEN RIVERA: [interposing] Right and all 57 employees are covered under the city contract.

CHAIRPERSON ROSENTHAL: And so it's for those 57 employees that you're filling out the HHS Accelerator form?

CARMEN RIVERA: That's correct. That's correct.

CHAIRPERSON ROSENTHAL: Okay, and--

CARMEN RIVERA: [interposing] And our-- and our forms have already been sent in.

CHAIRPERSON ARROYO: Thank you. That brings us up to 70. (sic)

CHAIRPERSON ROSENTHAL: Well, it sound like you're working with an extraordinary person. Perhaps she's in this room, is Sharon--

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CARMEN RIVERA: [interposing] Yes, yes.

3

(laughs)

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CHAIRPERSON ROSENTHAL: --who gives you a
lot of good help. All right.

6

CARMEN RIVERA: Yes.

7

CHAIRPERSON ROSENTHAL: Oh, Council
Member Miller has joined us. Thank you so much for
coming here. Does anyone else have any questions or
else I think I'm going to call the hearing to a
close.

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COUNCIL MEMBER MILLER: Well, I--

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CHAIRPERSON ARROYO: You made it in just
under the wire. As we sum up, I just want to as
always thank you, our provider and the public. It's
my favorite part of the hearings always to hear from
our non-profit organizations and our public to hear
your side of the story because usually we get to
different pictures. Although at this hearing that
was not necessarily the case, and I want to thank OMB
for that. We're usually hearing completely different
opposite stories from--from the public and our
providers. And I want to thank you for the work that
you all do in our communities because without you, we
would fail so miserably in our challenge to serve

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1 people in need, and we have many New Yorkers that
2 benefit from the services that you provided and that
3 you should get paid for that work appropriately. And
4 that you should not have to worry about where \$15.00
5 is going to come from so that we can raise the floor
6 on the minimum, and then worry about how we're going
7 to do the guys that are making more than \$15.00. I
8 think that's a challenge that we are all capable of
9 taking on and be creative about getting it done.
10

11 In my opening statement I said this is
12 not a debate with the Administration about the law
13 that they have to adhere to as it relates to
14 contracts. It's about how do we deal with the need
15 for the city not to be the largest employer of
16 poverty wages that we know in the city. That in my
17 mind is unacceptable. I don't--I don't care what
18 anybody has to say about that. Thank you, Madam
19 Chair for your cooperation in this conversation.

20 CARMEN RIVERA: Well, thank you very much
21 for giving us the opportunity. Thank you.

22 CHAIRPERSON ROSENTHAL: Yes, I just want
23 to echo what Council Member Arroyo just had to say,
24 and I look forward to--we've learned so much today
25 from the providers, people that, you know, are right

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in the city providing these services hands on. Thank
you for your work, but also to OMB and to the Human
Services Council and to FPWA and Fiscal Policy
Institute is helping to bring all this together. I
share your goal or our trying to get to \$15.00 an
hour. It sounds like it's just a matter of figuring
out the process of how to do it so it doesn't
interrupt or get in the way of getting additional
funds from the state and federal government, which
certainly we--we--I feel very strongly they need to
do their share. But the sooner we can get to \$15.00
an hour for all city workers, the better. So I thank
you so much for collaborating on this hearing. Always
a pleasure. I call this hearing to a close. [gavel]

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C E R T I F I C A T E

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



Date November 6, 2015