CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON HEALTH, COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITY, ALCOHOLISM, SUBSTANCE ABUSE AND DISABILITY SERVICES, COMMITTEE ON SMALL BUSINESS, COMMITTEE ON ECONOMIC DEVELOPMENT

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May 10, 2016
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HELD AT: COUNCIL CHAMBERS - CITY HALL

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

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John Jurenko, Vice President
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Dr. Mary Travis Bassett, Commissioner
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Dr. Oxiris Barbot, First Deputy Commissioner
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Dr. Hillary Kunins, Assistant Commissioner
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Julie Friesen, Deputy Commissioner
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Dr. Jay Varma, Deputy Commissioner
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Daniel Kass, Deputy Commissioner
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Dr. Barbara Sampson, Chief Medical Examiner
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Maria Torres-Springer
President & Chief Executive Director
Economic Development Corporation

Gregg Bishop, Commissioner
NYC Department of Small Business Services

Jacqueline Mallon, First Deputy Commissioner
NYC Department of Small Business Services

[sound check, pause]

SERGEANT-AT-ARMS: Ladies and gentlemen, please find a seat. We're going to begin. Please find a seat.

CHAIRPERSON FERRERAS-COPELAND: Good morning and welcome to the City Council's third day of hearing on the Mayor's Executive Budget for Fiscal 2017. My name is Julissa Ferreras-Copeland. I'm the Chair of the Finance Committee. We are here joined by the Committee on Health, chaired by my colleague Council Member Corey Johnson, and the Committee on Mental Health and Development Disability, Alcoholism, Substance Abuse and Disability Services chaired by Councilman--Council Member Andy Cohen. We've been joined by Minority Leader Matteo. Today, we will hear from the New York City's Health and Hospitals, the Department of Health and Hygiene, the Office of the Chief Medical Examiner, the Department of Small Business and the Economic Development Corporation. Before we begin, I'd like to thank the Finance Division staff for putting this hearing together including the Director, Latonia McKinney, Committee Counsel Rebecca Chasen, Deputy Director Regina Poreda Ryan and Nathan Toth, Assistant Director Emre Edev,

Unit Head Crilhien Francisco, Finance Analyst Ellen Eng, Finance Analyst Janette Merrill, Finance Analyst Kendal Stephenson, Finance Analyst William Kerr Matang (sp?) and the Finance Division Administrative Support Unit, Nicole Anderson, Maria Pagan and Roberta Caturano who pull everything together. Thank you all for your efforts. I'd also like to remind everyone that the public will be able--will be invited to testify on the last day of budget hearings on May 24th, beginning at 3:00 p.m. in this room. For members of the public who wish to testify, but cannot attend the hearing, you can email your testimony to the Finance Division at financetestimony@council.nyc.gov, and the staff will make it a part of the official record. Today's Executive Budget hearing starts with the New York City Health and Hospitals. Before we dive into the specifics of what is in the agency's budget, I'd like to take a moment to discuss process. In order to promote transparency in the budget, and transparency in the budget process, it is critical that the Council receive all the information it requests from the administration expeditiously. I the case of Health and Hospitals, the Council Finance Division has been requesting a financial plan since

the release of the Executive Budget, but such a financial plan was provided to the Council staff only yesterday at 2:00 p.m., less that 24 hours before today's hearing. This is completely unsatisfactory, and in the future I expect the Administration will be forthcoming with the document and data we need in order to conduct our Charter mandated review and oversight role. A significant amount of time discussing the Council's long-term budgetary concerns surrounding the budget treatment of New York City Health and Hospitals. I look forward to hearing Health and Hospitals' perspective on those issues today. In coordination [pause]--in coordination with the release of the Executive Budget, the Mayor unveiled the One New York Health and Hospitals Transformation Plan, a four-part plan to transform New York City's Health and Hospitals Corporation and to address the looming financial risk of the city's public health system. However, while the Fiscal 2017 Plan temporarily provides Health and Hospitals with a $106 million lump sum subsidy to stabilize its Fiscal 2016 Budget. No corresponding subsidy is provided in Fiscal 2017 or the out years. The Council questions whether the budget adequately addresses the long-term

financial risks from looming federal cuts as a result of the Affordable Care Act, and the decline in revenue generation by the Public Hospital System. As part of the Transformation Plan, Health and Hospitals sets forth an ambitious $1.1 billion revenue generation plan. Yet, much of it relies on the assumption that the state and federal governments will take certain actions. But recent history has shown us that such reliance is not always a safe bet. Similarly, the Council has concerns about the Health and Hospitals ability to meet its target on the savings side as well. In Fiscal 2016, Health and Hospitals attempted to meet a stated cost containment target of $309 million. Yet, it was able to save only $65 million toward that goal. It is essential that the City maintain and strengthen its public hospital network in order to provide high quality comprehensive health services to all those who need them. Ensuring the fiscal health of the Health and Hospitals is critical to achieving that mission, and should be one of our highest priorities during the budget process. Before we begin, I'd like to remind my colleagues that the first round of questions for the agency will be limited to five minutes per

council member, and if council members have additional questions, we will have a second round of questions at a three-minute per council member. I now will turn my mic over to my Co-Chairs Council Member Johnson and then Council Member Cohen for their statements, and then we will hear from the Health and Hospitals President and Chief Executive Officer Dr. Ram Raju. Council Member Johnson.

CHAIRPERSON JOHNSON: Thank you, Council Member Ferreras-Copeland. Good morning everyone. I'm Corey Johnson, Chair of the City Council's Committee on Health. I want to echo the Finance Chair's statement that the Council is gravely concerned with the financial risk posed by the New York City Health and Hospitals Corporation. Although the Administration has committed city funds totaling approximately $500 million for Fiscal--for the Fiscal Year 2016 Budget, and added $7.3 million in City funds for Fiscal 2017 for Correctional Health Services such as the expansion of pace units, and pre-arraignment screening, the City has failed to adequate--to sufficiently address the growing financial instability posed by Health and Hospitals in Fiscal Year 2017. During the Preliminary Budget

hearing, I--and over the past three years, I repeatedly have stated my concerns about the risks posed by the Health and Hospitals budget. My concern has only grown since the release of the Executive Plan by the lack of transparency, by the Administration, and Health and Hospitals. At Prelim, Health and Hospitals and OMB failed to provide a cash accrual plan for Fiscal Year 2017. Now, as my Co-Chair just mentioned, Council staff only received the Cash Plan yesterday afternoon. This Committee and the Council is extremely disappointed that the Cash Plan was sent the day before the hearing. These documents require more than 24 hours to review in order for proper oversight to be conducted. This lack of transparency is not acceptable. However, in combination with the Transformation Plan released at Executive Budget, these documents do not inspire confidence that the City and Health and Hospitals are taking serious measures to address the Council's concern about the Fiscal 2017 Budget. Nor, does it sufficiently address the looming $1.8 billion deficit in Fiscal 2020. The Transformation Plan outlines a four-part strategy that relies heavily on Health and Hospitals generating over $1.1 million--$1.1 billion

in revenue by Fiscal Year 2020. This revenue plan coupled with Health and Hospitals' inability to meet saving targets from Fiscal Year 2016 such as FTE reductions and increased Metro Plus enrollment, demonstrates to the Council that the $700 million in operational savings highlighted in the Transformation Plan is a lofty goal. This committee expects to hear in detail how Health and Hospitals anticipates achieving these targets. In addition, we hope hear what metrics and reporting, if any, the City will require ensuring that Health and Hospitals remains financially sound in Fiscal 2017 and in the out years. As of today, these strategies are reminiscent of-of old strategies that have failed to provide the Council with the confidence necessary to say that the City has addressed the financial instability of Health and Hospitals and adequately supported the City's Public Hospital System. I just want to highlight two quick things. Last year in the Fiscal Year 2016 Executive Budget, you can't see it from up here, but this is the sheet that we received that showed the Financial Plan. There's lots of details. It has a line-by-line where revenue is coming from, from the federal government, from the state, from the

city. It has a pretty detailed and specific breakdown of all of the financial numbers. Yesterday, we received this, which is less than half of what was detailed last year. There aren't details. Now, Dr. Raju, you and I have worked really well together, and--and I think you've done a very good job at the corporation. This isn't about you personally, and I think you and some--have been someone who's been ringing the bell for a long time saying that we have a looming crisis, and that you were trying to implement strategies to head off this crisis. And I think the de Blasio Administration deserves credit for putting a significant amount of money in the budget to shore up the hospital system in the short term. But this feels like the movie *Ground Hog Day*. We keep coming to budget hearings over and over and over again talking about the same looming financial problems without much of a plan that we feel like is serious, and being implemented in an adequate way that gives the Council confidence that the Hospital Corporation is going to be stabilized in the short-term and in the long term. And so, I look forward to working with my co-chairs during this hearing to get some answer on the lack of

details, what we can honestly expect, and how the Council could be supportive of the Public Hospital System, that so many New Yorkers depend on. Before we hear from Dr. Raju, I'd like to thank the Committee staff for coordinating today's hearing and turn the mic over to our other Co-Chair Council Member Cohen for a statement.

CHAIRPERSON COHEN: Thank you, Council Member Johnson. Thank you, Chair Ferreras. Good morning. I'm Andrew Cohen, Chair of the Committee on Mental Health, Developmental Disabilities, Alcoholism, Substance Abuse and Disability Services, and I will keep my opening short in light of how eager we are to hear testimony from Dr. Raju. I echo many of the sentiments, all of the sentiments and concerns that my Co-Chairs have raised, and--but would briefly like to touch on a couple of points related to mental health, the role and impact of the transition of Behavioral Health Services to Managed Cared on H&H's financial situation, and the Transformation Plan. The rollout and expansion of four addition PACE units at Rikers, which provide high level clinical care for mentally ill inmates, and details of the $16 million capital investment and

the expansion of mental health services at HH hospitals. This committee expects to hear how Health and Hospitals will continue to provide mental health and behavioral services in light of its financial situation, and the steps it will take to ensure that quality is not comprised, and what role the Council and behavioral health agencies will play in the transformation of the city's Public Hospital System. I would like to say I do appreciate how communicative the agency has been. I think, Dr. Raju, there was one weekend where you called me over the weekend to give me an update on some of the affairs, and I do appreciate that. I want to thank the Committee staff, Nicole Abbey (sic) and Janette Merrill, my own Leg Director Kate Debold, and now I will turn it back over to our Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Cohen and Chair Johnson. We're eager to hear your presentation. My counsel will swear you in, Dr. Raju, and then you may begin your testimony.

LEGAL COUNSEL: Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief?

DR. RAJU: [off mic] I do.

CHAIRPERSON FERRERAS-COPELAND: Excellent.

DR. RAJU: Good morning, Chairperson Ferreras, Chairperson Johnson, and Chairperson Cohen and council member. I'm Dr. Ram Raju, the President and CEO of New York City Health and Hospitals. I'm joined here this morning by PV Anantharam, who is my Senior Vice President of Finance, John Jurenko, our Vice President of Intergovernmental Affairs and to-- to the left of PV is Mr. Antonio Martin, our Chief Operating, Executive Vice President. At the far end is Dr. Ross Wilson, our Chief Medical Officer and Senior Vice President of Medical Affairs. Thank you. Thank you for the opportunity to discuss the financially 2017 Executive Budget. I testified at several council hearings over the past two years. Each time I made this point, that the public hospital is absolutely essential to safety, wellbeing and success of New York City. I begin my remarks today again restating exactly the same point. New York City Health and Hospitals Corporation is the city's largest safety net. The public system provides a tremendous volume of high quality care to this great city. It is our mission to provide the essential

care for all New Yorkers whether they have the ability to pay for their care. We believe that the greatest city in the world to function properly, there must be a system in place to care for its residents. There must be a system to provide high quality trauma care. There must be a system to protect New Yorkers against outbreak of special pathogens, Eboli in the past, Zika virus in the present, and what will the next threat to health and safety may be, and most importantly, there must be a system to provide care, to assist the communities in coping with the epidemics like obesity, diabetes and asthma. And that system is New York City Health and Hospitals system. There is no other healthcare system in New York City that is so dedicated to carrying out this mission, but the mission costs money, money that covers the cost of safe, quality, culturally competent care that we provide. I believe it's a mistake to think of this money as simply an expense on the public system's ledger. The value of the Public Hospital System cannot--won't be measured by the balance sheet alone, by the social values it provides. Because when we talk about expenses, we're really talking about the demand being placed upon

your Public Hospital System. The demand on the Emergency Department, the demand on our pharmacies, the demand on our Behavioral Health Services. The demand carries out the public health policies like managing asthma and other diseases or preventing the spread of the STDs, or meeting the challenges of posed by the drugs like K2 when it hit our city. When you talk about expenses to the Public Hospital System, you're talking about the demand for social services we provide because we have an acute understanding how the social problems undermine the health of our patients and the care we provide to the. The demand quantified by 1.2 million patients we cared for last year. Approximately one-third of them without health insurance. In the final analysis the Public Hospital System must be--must meet the demands, this enormous demand, and it must be reimbursed for the services we render in doing so. The doors need to be kept open, our patients need to be cared for, our employees need to receive their paychecks that they earn each and every day with such a tremendous dedication and commitment.

We tremendously appreciate that Mayor de Blasio's recognizes this and they extend the city's

support to our operations while we redesign our Public Hospital System to meet the challenges posed by the healthcare environment, which is undergoing constant and huge changes. We are grateful to this Council for their support. We are grateful to our sister agency like HRA for doing what they can do to assist us. We are grateful to labor partners for their backup. We are grateful for the continued support of our community advisory boards, elected officials, our community leaders, and all our stakeholders. But let me be clear, our value to it is in no way diminishing a sense of urgency we bring to the task of convert--of converting the financial support into long-term sustainability of this organization. We understand the support we receive from the Mayor and the Council does not alleviate our need to change. The status quo is simply not an option. We strongly believe that financial prudence and mission can and must co-exist, which is why we view the city funding simply as a bridge to our necessary transformation, transformation that meets the challenge brought by the Affordable Care Act exclusion of the undocumented, and the need to strengthen the primary care and preventive services

and reduce unnecessary hospitalization as well as the rapid technological advance, shift--shift from the world of volume based payments to assist on the pay for value, and even more changes in volume, newly empowered healthcare consumers, federal regulatory mandates, a gathering wave of hospital consolidations. Seismic changes in the healthcare insurance market leading to greater complications in the healthcare marketplace. We must adjust constantly to the evolving healthcare environment or continue to serve as the largest provider of healthcare to meet our uninsured population at a time in the state and federal funding that has historically covered some of the costs of this care as we slashed. All of this means that the public system like hospital system everywhere in this country must transform in order to survive.

New York City Health and Hospitals' Strategic Plan evolved over the past decade. The Grow Ahead (sic) program, which focused on cost reduction, and the Vision 2020 that focused on growth and efficiency, and now the report that charged the transformation of workforce and better utilization of underutilized space on our campuses to meet our

patients' great need for social services and stable housing. Combined, these strategies comprise a blueprint of what we must undertake so that New York continues to have an access to healthcare services that they need now, and in the need--and they need tomorrow. A great deal of work has been--already-occurred to reposition the strength of the public system. We are proud that some of the work is already very improved. By expanding hours, staying open longer at night and weekends, we have significantly reduction of the wait times for the Pediatric, Primary Care and Behavioral Health. This accompanied chart will show you some of the progress we have made. We made a very substantial investment in implementing the state-of-the art patient and electronic medical record. That is indispensible to building blocks to providing excellent patient care, and we are becoming even leaner. We are--we are down 735 full-time ERN (sic) positions over the past six months alone, but a lot more to be done. Our path forward involves creating more access and identify greater efficiencies so that we can provide better care where it's needed and directing resources where the community needs them the most. It's a path that

simultaneously involves reduction, growth and transformation. Because all three of these elements are essential, we have reorganized our system around three principal lines of business: Outpatient Care, Inpatient Care and Post-Acute Care. The previous structure appropriate for a different time, but outmoded now focused on network of care across three lines of service. Going forward, the need to demonstrate quality and manage expenses will require a consistency, a consistent expanse across our system no matter borough, no matter the hospital, no matter the clinic. There are significant clinical outcomes and operational benefits to standardizing care and the work process across our system and the new structure will bring the discipline necessary to compete, to grow and to serve our patients with dignity and respect. And let me emphasize that this is what the National Best Practice look like. It is about moving care to where the patients are in the communities, not just in the hospitals. It is about partnering with other organizations across a continuum of care. We enhance this more effective community-based care. The release of transformation plan to place--place the Public Hospital System on a

sound and financial footing. We are moving to develop the marketable initiatives with the measurable targets putting meat on the bone to implement these four goals:

1. Provide sustainable coverage and access for care for the uninsured;

2. Expand community-based services with integrated support for those are social victims of health;

3. Transform Health and Hospitals into a high performing health system; and

4. Restructure payments and build partnership to support the health outcomes of the community.

We are committed to working closely with the Council and all our stakeholders in order to find and operationalize these strategic goals. Again, we thank the Mayor, for the considerable use (sic) support provided including a previously announced $337 million, the funding commitment for Financial 16 and an additional just added $160 million that increases to $180 million each year thereafter. We expect this year with a small cash balance of $119 million. For the Financial Year 2017 our operating

expenses are projected to $7.8 billion and the revenue projected to be $7 billion. This leaves a gap that needs to be addressed through transformation initiatives. This means we must do more to transform and bring operational expense more in line with the revenue projections. We look forward to developing and pursuing different strategies with the guidance a brilliant (sic) panel experts the Commission on Healthcare for our Neighborhoods.

I want to emphasize two points here. The Mayor's Transformation recommendations and the implementations strategies that follow does not include layoffs or hospital closures. In fact, with the additional investment for the city, we'll be expanding access to care. However, there plan will require that we re-think the role of hospitals because in future they will no longer be the single hub of care. Instead, hospital will be one component of integrated delivery system. This means continuing to work to expand ambulatory (sic) care capacity and to find more efficiencies with our system as well as developing innovative care management programs to keep our patients healthier and out of hospitals.

Among our goals, one important item I hope we'll together is the distribution by state of the Federal DSH Funding. The DSH Funding is critical to support innovation, allowing us to serve the low-income and uninsured patients. Unlike the federal--under the federal law, DSH funds are going to be reduced starting October 1st of 2017 unless Congress acts to delay the scheduled cuts. We are advocating the members of the New York City Congressional Delegation to postpone the reduction of this DSH funding, and ask you to do this also. We strongly believe the New York State policy should be changed. The DSH dollars are more closely targeted to safety net and public hospitals that serve the disproportionately higher number of low-income and uninsured patients. We are supporting the legislation introduced by Assembly Member Richard Godfrey and Senator Campana on this topic. We are also concerned that without changes to the present methodology, the present methodology of distribution of these funds, we will absorb all the initial federal cuts. New York State must address DSH funding, the distribution formula prior to the enactment of the federal cuts.

Over the past years, we have been advocating for the change with the Coalition of the labor partners and the local advocates and would also ask the Council to consider lending the support to this effort. New York City Health and Hospital is very supportive of the Mayor's action, Health NYC Initiative. The improved Healthcare access to the city's immigrant population. It will offer no--at no cost coordinated primary and specialty healthcare. The enroll is for immigrant New Yorkers, and do not quality for the health insurance. We're happy to partner with the Mayor's Office of Immigrant Affairs in its handling. In order--in addition to looming DSH cuts, federal regulatory policies are shifting from people service system to managed care system with the cap payments. This compares our access to supplemental federal dollars to cover the two costs of care as the largest provider of care of Medicaid patients in the State of New York. The impact on these changes on the Health and Hospitals is an order of magnitude greater than any other healthcare providers. Another strategies that we will be pursuing is to seek new federal funding to develop this coordinated care of the uninsured New Yorkers.

For uninsured New Yorkers who are eligible for health insurance, but not enrolled, another strategy it calls for comprehensive outreach citywide to make New Yorkers aware of the availability of health insurance options and enrollment. We will partner with HRA on this effort. These efforts will both lead to greater financial security for Health and Hospitals and the newly insured patient who face a major illness. I Health Plan Metro Plus is a critical partner in our strategic plan. Over the past year, it worked to increase the member, which is now 493,000. This number will grow as Metro Plus has taken many steps over the past several months to expand its marketing, advertising, member retention and increase member engagement and provide the satisfaction. Since Metro Plus is now back being the most affordable plan that--in the New York Healthcare marketplace, more individuals will choose their plan. Metro--New York State created a new option of the low-income New Yorkers. We learned just about the Medicaid threshold is still under the 200% of the federal poverty limit. Metro Plus had done extremely well with nearly 43,000 members are now enrolled in the new essential plan. In January we received the state

approval to expand Metro Plus availability to all city employees. We are working with the City under union partners to promote this option. Also, in January we received state approval to expand Metro Plus to include Staten Island. Metro Plus staff are also now working with the Correctional Health Services Division at the Visitors Centers at Rikers Island to educate visitors about health insurance options.

As the schedule Preliminary Budget hearing in March, Health and Hospitals Corporation as new division called Correction Health Services. It employs approximately 1,700 staff members in all jails citywide. We are proud that during our transition period last fall, there was no lapses in coverage and no disruption in patient care. In the short time that we operate CHS, we already began reshaping the framework to support what we hope will be an important in the--improvement of the quality of care for the patients. We are leveraging the existing programs to increase the continuum of care upon release on Rikers Island. Looking ahead, we'll be able to provide enhanced care at the city jails for the most vulnerable patients. The Program for

Accelerated Clinical Effectiveness, PACE, has helped increased mediation adherence while also reducing the rate of injuries among this population. Health and Hospital we expand on this model by opening two enhanced clinic units each year to year 2020. Additionally, we will expand our pilot of the enhanced pre-arraignment, medical screening to--to all those at Manhattan Correctional Center Booking Area. These screenings allow for the early identification of the high-risk patient during intake, conserve resources by addressing certain medical needs on site, and offer unique opportunities to leverage health information hand-in-hand with the criminal justice information, and with patients concerned promote alternatives to detention. CHS will also provide additional on-island Hepatitis C treatment. The inmates who have tested positive for the disease, and continuing treatment initiated in the com--in the community by expanding provisions of a blood regimen that cures Hepatitis C. Access to care at the jail will be improved and made more efficient through a daily health program and the creation of those new miracle link, both of which will bring providers closer to where the patients

already are. Consistency of care is also demonstrated by our role a key partner in Thrive NYC, our mental health roadmap launched by the first lady, Shelley McCray to create a more responsive and holistic system to support the mental wellbeing of New Yorkers. Our health program is a significant leadership role in advancing the roadmap goals of achieving the universal screening and connection to treatment for maternal depression within two years. We will screen for the depression in pregnant--in pregnant women in the early pre-natal stage of the pregnancy through the post-partum care.

Increasing access to primary and specialty care in neighborhoods that need it most is under the strategy and contains the recommendations. More than 100 million new capital funding was included in the four-year plan for the expansion of primary care services in underserved neighborhoods. This new funding adds to support group--support added last year through Mayor's Caring Neighborhoods Initiative Program for the expansion of six existing sites. Next year, we'll go beyond expanding services to the existing locations by opening new sites in underserved neighborhoods. This initiative will add

more than 200,000 new primary care slots, which will help improve the access to care. The other capital projects work has been complete or is underway on several major projects. Design work is proceeding on the expansion of renovation in Elmhurst Emergency Department. Construction is scheduled to begin in January 2017. I want to thank Council Member Ferreras, Dromm and Borough President Melinda Katz for providing the capital funding. The Roberto Clemente Center, which provides behavioral health services and is a part of Gouverneur Health Care Services in Lower Manhattan is about to undertake an extensive renovation, which we expect to take three months. We would like to thank Council Member Mendez and Borough President--Manhattan Borough President Gale Brewer for supporting this project. Design work is now underway for a new ambulatory care center in Staten Island at 155 Vandenburg Avenue. Construction of this site will be complete in September of 2017. I'd like to thank Council Member Rose for supporting this project.

Last year we made---made our testimony in February before the Health Committee. The Committee on Resiliency on the status of a project to rectify

the damage costs for Hurricane Sandy. New York City Health and Hospitals secured more than $1.8 billion to protect those facilities from damage during the future storms and to cover the cost of repairs that have been made. We are also working closely with our partners in the Mayor's Office of Recovery and Resiliency and the New York City Economic Development Corporation on these initiatives. The projects at Bellevue, Coler, Coney Island and Metropolitan we will succeed, and like the epic project, these projects are also time--time--they will also come on time and on budget. One of the mission of the Health and Hospitals we will continue to emphasize the provision of social services as well as the healthcare at our facilities across the city. We are reaching beyond the walls of the facility to address the social determinants that undermine our patients' health like the lack of availability of new patients for the--in communities we serve, or the difficulties some patients in accessing government benefits. These conditions can create tremendous values to care. That is why we are building new partnerships, ne partners with other social service providers across the spectrum. We're applying the resources

the talents, and the unique knowledge of the communities we serve in order to make legal services available to our patients right in our hospitals and increase green markets in neighborhoods we serve, among many other initiatives. We know that the financial sustainably is essential to the ability to continue to carry on our mission. It must be determined by considering the care this system provides for 1.2 million patients who come through their door when they are sick or injured, all for the assistance of our most vulnerable in our city we see each and every day in every borough where social conditions threaten to undermine their health and wellbeing.

Moving forward, we realize that for a system as large as ours to transform, we need to recalibrate and shift backers, and to place new priorities as we proceed to our ultimate destination of a cost-effective quality driven system. Ultimately, this flexibility will help us today, and frankly, the consequences to the city of New York are simply too high for us not to prevail. Because again, it's best repeated public system is essential. It's essential because like no other health care

delivery system, we go where people need healthcare, and rather only where the patients will make the profitable service lines. We market our services on Mott Haven not to Larchmont, to East New York, not to West Palm Beach. They are essential because we are a safety net. We are the safety net for the uninsured. We're the safety net for the mentally ill. We're the safety net for people suffering substance abuse. We are the safety net for people who were recently incarcerated, and most importantly the safety net of the people who have fallen though the cracks of the social fabrics in New York City. And we have an ironclad commitment that we will continue to be the safety net. This concludes my testimony. I'll be more than happy to listen to your comments, and answer your questions.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Dr. Raju. Just to reminder to our colleagues we're going to be on a clock. So we're going to have first and second round questions. We've been joined by Council Members Crowley, Vallone Borelli, Koo and members will be coming in and out throughout this morning. So, thank you for your opening statement. I don't know if it's a good thing or a bad thing, but

none of my questions were answered in your opening statement. So I'm hoping that we can really engage in a--in an informative conversation. As was stated by my colleague and as is evident in your opening statement, obviously you've been challenged with transforming the Health and Hospitals. The reality is that the details that you have provided to us have not necessarily justified or given us an explanation as to how you're going to get there. So, I wanted to talk specifically about the financial plan. In the recent--recently provided Financial Plan, there are several assumptions or initiatives that increase significantly between fiscal years. In particular from Fiscal 2016 to 2017 there is a significant increase in the Medicaid Waiver program of $416.8 million, and from the restructuring and personnel initiatives the increase from Fiscal 2016 to 2017 totals $105 million. How confident are you that you can achieve these targets by Fiscal 17?

DR. RAJU: The whole Financial Plan depends on closing the gap of $1.8 billion. I just want to remind people that out of $1.8 billion, $1.1 billion comes from revenue initiatives, and several millions come out cost initiatives. The cost

initiatives also includes the revenue cycle improvement. That recording subject to change (sic) and also 70% of our--or our Expense Budget is personnel. So it's significant and it's also personnel. As the Mayor stated very clearly they'll be--we will be achieving those since there--there is no layouts in this plan. We are achieving those targets by attrition, and we have already showed you that we are--we have cleared out more than 700 positions in the last six months or five months. And the fact of the matter is in the next 40 years we are going to transform the system. We are going to hire in some areas, and other areas we will redeploy, retrain people as we move into that. As it transforms, I'm very confident that we'll be able to get these things done, but as I said multiple times, this initiative takes time, and I'm very glad that we are the bridge to be able to get this done. So to get to the details of the Financial Plan, I'll ask our Chief Financial Officer to give you the details.

PLACHIKKAT V. ANANTHARAM: So to respond to your question on the concreteness of the numbers in 17, there are a number in initiatives in '17 that have been under discussion for 56 months now, and--so

they're a lot more concrete in that, for example, one of those things is $240 million worth of value based payments that we've been under discussion to the state on, and that is imminent. We actually had a plan for--in '16, but because of the delay in the State budget and, if you remember, during the January Plan we testified that there was a side letter attached to the State Budget that identified those dollar values that we discussed as--as follow up to the budget closure. So those $240 million are already there as far as discussion or circumstance.

CHAIRPERSON FERRERAS-COPELAND: And the $240 million are from--?

PLACHIKKAT V. ANANTHARAM: It's called Value Based Payments Quality Improvement Program. It's $120 million on an annual basis. It starts in Fiscal Year '16. We moved the '16 number over to '17. So that adds up to $240 million.

CHAIRPERSON FERRERAS-COPELAND: Okay.

PLACHIKKAT ANANTHARAM: Another item that is also concrete is the State's release of a grant request for about $400 million in additional DSRIP funds for the management of the mentally ill population or in the health home setups that we have.

So we are in discussions through that State on that, and we expect to get those funds, too. That's $400 million over a period of four years. If you go down the expense side of the ledger, a lot of the savings that got budgeted is '17. They add up from the initiatives that we had previously outlined, which was around $289 million on an annual basis. As--as you already noted, there are only $65 million that were budgeted in '16. Those are annualizing to the current year to be a much larger number. Dr. Raju mentioned one of the biggest drawbacks in the--in the savings in '16 was our ramp-up of the savings on headcount reduction. Those we are on track. We've already reduced 730 since December, and we are well on way to achieving those goals. So that will bring up those monies, too.

CHAIRPERSON FERRERAS-COPELAND: Okay, and where do we see the 300--since you've mentioned the--the $306 that I mentioned in the opening statement, where do we see that savings recognized in this plan? How do we have cost containment?

PLACHIKKAT ANANTHARAM: The--the line item of the $309 million that was presented in the Adopted Budget it remains the same numbers. It's--we

took it down by about $20 million for--in our proceedings of the--the Dialysis program, but the $289 million was already presented in the Adopted Budget. We can provide more details on it. I'm happy to.

CHAIRPERSON FERRERAS-COPELAND: That would be great.

PLANCHIKKAT ANANTHARAM: Absolutely.

CHAIRPERSON FERRERAS-COPELAND: It is exactly what we need. So we need details on that savings, and I'm going to come back for additional question on that. The breakdown that you have for the $416 million and the breakdown for the $105 million difference is what I'd like to see, and if you look closer at the increase between Fiscal 17 and 18 there is significant growth as well, in particular the Federal and State Charity Care, and the restructuring and personnel initiatives grow by $163 million and $261.5 million respectively. Are these projections realistic, and how are they different from previous targets set by Health and Hospitals?

PLANCHIKKAT ANANTHARAM: But you mean--you're referring to the increase in the savings--

CHAIRPERSON FERRERAS-COPELAND: [interposing] Yes.

PLANCHIKKAT ANANTHARAM: --with this? Sorry. So a larger part of their--of the expectation in the '18 period is about trying to covert more of our dollars into a DRIP model. So the loss of base dollars and the UPL dollars that we are expecting to have between '16 and '20, the idea is to convert them into a waiver allocation from the State and effects. Thank you. The State has already received approval for up to $600 million of conversion for those numbers, and we expect that we include these two items under that $600 million. It's going to take a lot of work, but we expect that we have time now and the next year to actually proceed forward with it.

CHAIRPERSON FERRERAS-COPELAND: Now, I know this is--this a very confident savings plan or you're really relying on the State. Have--is there something happening between Health and Hospitals or--or is there an opportunity for you to deliver on this that we're not seeing because we find it very challenging going just through this last budget cycle and previous ones? We haven't had the best opportunities to engage with the state. So it just

seems that you're putting a lot of confidence in this plan on what we can do on the state--when the state hasn't necessarily been responsive in that way?

DR. RAJU: Most of me says yes we are confident, right, but what we need to say is, you know, this is an important issue. If it cause a lot of work and I need a lot of help from all of there because God willing we will probably have our next president from New York State--New York as well as the next Majority Leader from--from New York. So we should be able to work with the federal government, and able to get these things done. So, this has to be a voice of the entire New York City, the Council, the Mayor's Office, the State of New York, the Governor. Everybody has to get into this--into the party. If we can--if we--if that happens, yes we will be able to do that. I am confident because what we are looking is a solid plan. It makes sense. It is doable. In other states they'll the Uninsured Waiver Program done. California got the waiver program. So this will be able to do that.

CHAIRPERSON FERRERAS-COPELAND: Doctor, as you--and I'm only saying this because you made

reference to it, but you just referenced that we will get a president from New York.

DR. RAJU: Yes.

CHAIRPERSON FERRERAS-COPELAND: And there's two from New York running--

DR. RAJU: [interposing] I'm calling--

CHAIRPERSON FERRERAS-COPELAND: --so I'm really concerned about one of them, [laughter] and I'm hoping that one of them is not what you're thinking will help us here.

DR. RAJU: Yes, I think the plan is good. Having the president from New York State is actually not an issues bonus, but the plan, it sells plans in all America. I think this is a--a plan, which has been done in other states. It worked and it will work here also, but we need to work on it.

CHAIRPERSON FERRERAS-COPELAND: Okay, I'm going to--I'm going to leave the point so we don't get into muddy waters with the political elections of presidents right now. When comparing the Cash Plan from Fiscal 2016's Executive Budget and the recently cashed--and the recently received cash plan, there is a significant amount of detail that is missing. For example there is no actuals for Fiscal 2015. The

funding source for supplemental Medicaid is not available. Other revenue sources such as FEMA grants, FDNY and matched revenue and miscellaneous receipts is missing and debt service breakout is missing. Why is this level of detail is not included? Did it take two weeks for the Council to receive the Financial Plan? Will the Council be provided with this missing information before the 18th?

DR. RAJU: [off mic] I'm going to start--[on mic] I'm going to start off and then I'll have to go--I will have my CFO chime in on it. This is a very unique year. This year has got a lot of moving parts, and our State Medicaid Budget has got some issues involved in this, and after have the Transformation Plan issued by the Mayor, and we all recognize that this is probably one of the most proactive safety net plans in the country. Now, we have been in the business for over 40 years. Every city, every state has really did not--did nothing. They did nothing in order to get some of the public hospitals closed. This is actually a--a proactive plan. They're putting money upfront as a bridge towards the transformation. So this is--we are

really grateful for it because it gives us time to transform the healthcare delivery system. This is a unique year. I'm very sorry that you didn't receive your--your final statement in a timely fashion. We are--we are--I understand that, but because of there are so many moving parts, a lot of things are happening. Traditionally we released our Financial Statement two weeks after the City releases the Five-Year Plan, but this time it was a very unique circumstance, a unique situation. So I'll the CFO to expand on that, but I don't want to be sorry that didn't receive it on time.

PLANCHIKKAT ANANTHARAM: Your question related to the fact that there was less detail available in the document that was presented. I'm sorry that that happened. The intent was not to obfuscate, but really to make it a little bit more clearer because the way the plan was broken out was identifying large chunks of patient revenues, supplemental payments, city services and grants. So that it was more evident there that changes were happening. There are details behind it. We have always provided it. We have no problems providing it again.

CHAIRPERSON FERRERAS-COPELAND: Great. Well, hopefully you can provide it before the 18th. Our staff stayed past what should--what any staff stay. They worked very late to try to at least--at least prepare us with some details for today's hearing, and I don't think that is fair nor prudent nor wise especially if we're supposed to be in collaboration and working together for the benefit of all New Yorkers. I am going to ask a question on utilization and then I'm going to open and--and give it--my co-chairs an opportunity to ask their questions, and then I'll come back on the second round. The Transformation Plan included a brief discussion about hospital utilization, and the rate of empty beds at Health and Hospitals compared to all the city hospitals. How many of the 11 hospitals have been seen? Have we seen more than 10% decline in hospital stays, and which hospitals are--are these and why are these hospitals experiencing such a great decline?

DR. RAJU: The decline of the inpatient, our patients is a national trend. We are not the only hospital, and there's a city trend, state trend. We are not the only hospital system, which is seeing

less inpatient admissions, right. So let's put it in the perspective. Across the city the inpatient admissions have gone down 5%. So did we, but there are some hospitals in the system that are extremely oversubscribed, very busy like Elmhurst, Bellevue and some other hospitals. And some of the hospitals are not, you know, are not that busy, and they are compensated in this law. That is why this plan basically feels that we will be using those underutilized space to create, to address of the some social determinants of health, bringing more social services into that. Restructuring the current delivery system to how we need it to be done, and we will do that in a--in a transference, collaborative open way in full consultation with our partners through the community members. As well, it depends upon the needs of the community, and most importantly that we are able to provide safe, quality care to our people. So we are really working on those initiatives now. As have them, we'll be happy to show them to you. Regarding the various occupancy rate, we'll be happy to give you that--that--that piece of paper. We'll make the paper ready for you

so that you know exactly what is occupants in every one of our--

CHAIRPERSON FERRERAS-COPELAND: [interposing] So I want to be clear because you're not ready to share, obviously with us to day. We want to know of the 11 hospitals, what are the util--utilization rates? Which are the ones that have the highest under-utilization and--and why do you think in your opinion are we experiencing those declines? Obviously you've already stated that you can--we're not going to look at this as an opportunity. We're on the same page not showing (sic) hospitals. We--we get that. We don't want to lose jobs. However, as you've stated those are opportunities perhaps to use these hospitals as other social services, and other disciplines and maybe, you know, one--one ward is being used in one way that is over-utilized as opposed to the other. But we need to have that information so that we understand how we need to work with our communities to be supportive of our local hospitals.

DR. RAJU: Absolutely. I think we will give you the--the person's rate as well as the Transformation Plan. It is exactly what you

articulated when you proved that. We will bring you the underutilized spaces to give more social services to our patients. So that's--that's a total dominant. If you want to give good outcomes we need to also take care of social determinants with it.

CHAIRPERSON FERRERAS-COPELAND: And I've got to believe that you've taken this into consideration when you're going through the Transformation Plan because these--this--the hospitals that are underutilized also place an impact on your revenue.

DR. RAJU: Yes.

CHAIRPERSON FERRERAS-COPELAND: So, you know, it seems like you're--you're being squeezed from both ends. You're being squeezed from the federal government and the state, and you're being squeezed from lack of utilization. So, that is what we want to hear. How is--how is in the perfect storm how--how do we come out of this as a stronger hospital system? So those are the details that we need to hear with numbers---

DR. RAJU: [interposing] Sure.

CHAIRPERSON FERRERAS-COPELAND: --not just, you know--

DR. RAJU: Yes.

CHAIRPERSON FERRERAS-COPELAND: --your great opening statement.

DR. RAJU: Thank you.

CHAIRPERSON FERRERAS-COPELAND: What strategies are you looking at to address the low hospital utilization rates and empty bed rate. For example, have your considered repurposing some of the sections of the hospitals? And if so, how do you anticipate this transition to take?

DR. RAJU: Those--those things we will be very closely putting together a plan because these--these four strategies--these four goals are good strategies. Under strategies, they'll be initiatives, and we'll be in the process of putting them together. We will be happy to share with them as we proceed with it. We have not really got that--that detail yet.

CHAIRPERSON FERRERAS-COPELAND: Okay. So I'm hoping that we're able to share a lot more by the 18th. Not the--not by our--we need these--we need as much detail as we can, and more than we have now.

DR. RAJU: We will definitely provide more details than what we have, but some of the plans will take a little longer than the 18th.

CHAIRPERSON FERRERAS-COPELAND: Okay. Chair Johnson followed by Chair Cohen.

CHAIRPERSON JOHNSON: Thank you Madam Chair. Dr. Raju, I see that on the Cash Basis Balance Sheet that the projected closing cash balance for 2016 is $119 million.

DR. RAJU: It is.

CHAIRPERSON JOHNSON: How much as on hand does the corporation have as of today? Not projected. What's the cash on hand today?

PLANCHIKKAT ANANTHARAM: We closed April with $500 million of cash.

CHAIRPERSON JOHNSON: $500 million in cash?

PLANCHIKKAT ANANTHARAM: Part--a--a big chunk of that $200 million of it was from a modification in the January plan that allowed that for $200 million of advances to the Health and Hospitals system for the maintenance of the additional UPL funds.

COUNCIL MEMBER JOHNSON: So was some--are you saying that some of the $200 million was city infused?

PLANCHIKKAT ANANTHARAM: Yes. Well, it--it was--it was already--it was already in the budget. It had to move into the ATT budget.

COUNCIL MEMBER JOHNSON: So, Chair Ferreras-Copeland I think already touched on this in her questions and her opening statement, but I--I just want to mention again I mean it doesn't again, Dr. Raju, I--I know you are trying to be optimistic, but it--it still doesn't inspire much confidence that we're relying in some ways on, you know, the rest of the United States electing a--a person for president who's going to be sensitive to New York City's concerns. And so, the Federal and State Charity Care that's projected in the Revenue Generating Initiative section of the Financial Plan, which next year is $18 million, then jumps up to $181 million. Then jumps to $369 million by 2019. Those--those are some very big assumptions.

DR. RAJU: Yes. I--now I share your--your--your concerns, but there usually is all of them are doable. As I said before that was in our--the

plan stands on its own merit, right. There are--that is available for our initial population in California, in other states. There is no reason why we cannot get the same kind of waiver we do provide a lot of initial care in New York City. Right, and that Administration right, and the Mayor has agreed that he will be advocating for the initial start and having meetings with them. In the last month, the Mayor went with the--met with the Secretary Burrell (sp?) to talk to work on some of the initiatives, and we continue to manage that at the--at the federal level. We also have the manage at the State level because this a tight part of the conversation. It's a conversation with the Health and Hospitals. State of New York and the federal government we see on this. So we have really started work, you know, advocating with our state legislators and partners. They're able to help us to get that done, and I'm absolutely certain that if you as Council Chair are able to, you know, help us with the state and tell the elected officials that they need to move to on DSH methodology and help with the Congress--Congress people saying that we need to move this across. It will be helpful to me in getting this system. So I

hope the Council will support me in getting these things so. So I am confident I will get it done with your support.

COUNCIL MEMBER JOHNSON: Should hospital closures be on the table?

DR. RAJU: The Mayor said very clearly there is no hospital closures in his plan.

COUNCIL MEMBER JOHNSON: Should privatization of services be on the table?

DR. RAJU: It is not on the table.

COUNCIL MEMBER JOHNSON: Should a reduction in full time equivalents be on the table in a significant way?

DR. RAJU: I don't know what you mean by significant way, but there will be some reductions to staff, we will--

COUNCIL MEMBER JOHNSON: [interposing] More than just through attrition?

DR. RAJU: I told you the---

COUNCIL MEMBER JOHNSON: [interposing] Should layoffs be on the table?

DR. RAJU: Layoffs, the Mayor said very clearly there's no layoffs here.

COUNCIL MEMBER JOHNSON: So no hospital closures, no privatization of services, no significant layoffs. Now, I'm not advocating for any of those three things. The point I'm making is those are the probably most seismic ways you could see a significant reduction in cost towards the corporation. And if none of those three things are on the table, and we're relying upon again federal and state action to benefit the corporation, I mean where do we go buy the Power Ball ticket?

DR. RAJU: We--we--we said very clearly, the Mayor said very clearly that there is no layoffs, no hospital closures, but there will a reduction of staff in the next four years.

COUNCIL MEMBER JOHNSON: There's $100 million put in the cash plan for development opportunities that was mentioned in the Manatt (sp?) Report, but that is not projected until 2020. Why is it all the way that far out in the out years.

[background comments]

PLANCHIKKAT ANANTHARAM: A--a big part of the reason why this is being left in the out years is because it takes a lot of planning in terms of identifying the purchase of land.

COUNCIL MEMBER JOHNSON: How many sites are there?

PLANCHIKKAT ANANTHARAM: We haven't yet gotten to that point yet.

COUNCIL MEMBER JOHNSON: So then how are you coming up with $100 million?

PLANCHIKKAT ANANTHARAM: It was as you-- as you rightly noted, it's a round number. It's an estimate of what is achievable. It could be much higher than that or lower. I--I don't have a round--

COUNCIL MEMBER JOHNSON: [interposing] It doesn't seem like a real number. It seems like a placeholder.

DR. RAJU: No it's a real number. It's a real number, but, you know, it could be--you know, this is well into the year. So we are con--we have the numbers there, which we're confident we can achieve.

COUNCIL MEMBER JOHNSON: How long will it take Health and Hospitals to implement all of the new strategies that you're trying to achieve that were mentioned in the Plan? Like what's--what's a realistic timeframe on some of these--on some of these big ones? The restructuring--

DR. RAJU: We--we said this plan calls for over the next 40 up to Year 2020. I think the transformation will--it will be started happening. As I said before, we have done a lot of things in the last year. And the Council I don't want to--to give you the impression that we have not done anything in the Health and Hospitals. We increased access. We have this big glass (sic) here. In my system today for mental patient, a new patient they can get an appointment in seven days they can get an appointment. If they're pediatrics and they get an appointment, it's five days, and the primary care we've brought down the level from over 50 days to 21 days, the new appointments.

COUNCIL MEMBER JOHNSON: No, but it is--

DR. RAJU: [interposing] Because our calendars are more than accessing what is going on here.

COUNCIL MEMBER JOHNSON: [interposing] No, you deserve. Dr. Raju, you deserve a lot of credit for that. I mean you have made significant transformation in a short period of time when it comes to customer satisfaction, patient experience and really trying to compete with other hospital

providers in the city where you were losing market share to them, and the only way to be able to hold onto that market share was to improve the customer experience. I think the last two years when you've given what I thought were very thoughtful substantive addresses at John Jay College talking about your vision for the corporation. You're talking about these things. So to see the actual reduction in wait times for customers and patients is a--is a very significant things. Is--is--is the system over-bedded? I'm not talking about closures. Do we have too many beds.

DR. RAJU: There is too many beds in New York City, every single--

COUNCIL MEMBER JOHNSON: No, no is HHC over-bedded?

DR. RAJU: In some hospitals it's under-utilized. Yes, you have all of that in some hospitals, and in some hospitals it is--

COUNCIL MEMBER JOHNSON: [interposing] So is part--should part of this plan be reducing the number of beds in certain hospitals?

DR. RAJU: Repurposing some of the vacant and underutilized spaces for other reasons, yes. That's the puzzle.

COUNCIL MEMBER JOHNSON: I mean that's a follow up on he Chair's question related to--

DR. RAJU: Yes.

COUNCIL MEMBER JOHNSON: --utilization rates.

DR. RAJU: We will give that rate of--of the utilization rates in every hospital.

COUNCIL MEMBER JOHNSON: Okay. So Manatt was an engage to--to come up with a plan. We haven't seen that plan. I mean we saw some recommendations. Where-where is the plan? Is the plan going to be public? With this we used city tax dollars. I think it was like $4 million to pay for the plan. Is that plan going to be shared with the Council.

DR. RAJU: It is--it's $3 million. I hope--

COUNCIL MEMBER JOHNSON: [interposing] $3 million.

DR. RAJU: --they make $4 million out of this.

COUNCIL MEMBER JOHNSON: $3 million for how many stages? (sic)

DR. RAJU: So the question is there is--there is no Manatt Report. It's a city report. Manatt did the background analysis, data collection, market viability, market shares. They did all those studies in there, and then the plan is a city plan, and what we got in there in the plan is the plan at the end of the day. So Manatt basically gathered, worked with us, given us a lot of input, collected data, crunched the data, looked at the market, look at the other systems, looked at the--the other health plans, how the nation market is, how the city market is.

COUNCIL MEMBER JOHNSON: Are we going to see those documents?

DR. RAJU: No, those are not documents. Those are data.

COUNCIL MEMBER JOHNSON: Are we going to see that data?

DR. RAJU: If you want to see them, I'd be happy to provide them.

COUNCIL MEMBER JOHNSON: Well, it's $3 million. We should see it.

DR. RAJU: All, they're--they're just data sheets, sheets of paper of how many people are there. If you want to take a look at it, I'll be happy to show it to you.

COUNCIL MEMBER JOHNSON: We want to--

DR. RAJU: [interposing] But that's not a report. It is not a report. Again, people keep referring to it as the Manatt Report. There is no Manatt Report. There's the City Report. Manatt did the background study us to clear the report.

COUNCIL MEMBER JOHNSON: What--what did they do the study on with a pencil paper? I mean they did it in Excel documents, right?

DR. RAJU: Yeah.

COUNCIL MEMBER JOHNSON: So share those documents with us.

DR. RAJU: All right, sure. No problem.

COUNCIL MEMBER JOHNSON: Okay, so I'm going to--I'm going to come back for a second round. I just want to, you know, finish with this. How--how--how many enrollees are there currently in Metro Health Plus?

DR. RAJU: 493,000.

COUNCIL MEMBER JOHNSON: How many enrollees--419 or 90?

DR. RAJU: 493--

COUNCIL MEMBER JOHNSON: 93,000.

DR. RAJU: Yes.

COUNCIL MEMBER JOHNSON: How many enrollees were in Metro Plus when you came in as CEO of the corporation, about 400,000?

DR. RAJU: About 400,000.

COUNCIL MEMBER JOHNSON: About 400,000. So, if the goal is to reach--first of all, I thought it's--I'm--I'm reading that the goal is to reach $675,000 enrollees by 2020 as part of the Transformation Plan.

DR. RAJU: Yes, sir.

COUNCIL MEMBER JOHNSON: I think a year ago the goal was to reach a million.

DR. RAJU: Yes.

COUNCIL MEMBER JOHNSON: So we've reduced the goal for 325,000 enrollees?

DR. RAJU: Yes,

COUNCIL MEMBER JOHNSON: Based on trying to be slightly more realistic about what we think the target could actually be.

DR. RAJU: It is based on the fact that the healthcare market, it consorted very, very fast. Six health plans in New York City controlled 80% of enrollees, and three health plans control 60% of the enrollees. It is determined as consolidation and our market share of those enrollees have shrunk considerably.

COUNCIL MEMBER JOHNSON: What year was Metro Health Plus founded?

DR. RAJU: 1993:

MALE SPEAKER: About 20 years.

DR. RAJU: 20 years.

COUNCIL MEMBER JOHNSON: 20 years. So it's taken 20 years to get to 493,000 and we think that in the next four years we're going to increase that by about 40% to get up to $675,000. Is that realistic?

DR. RAJU: But we need to take into consideration the market. In the past, in the last year, the market has exploded. There is a social plan. There is a new market--you know ACS come into the picture, which has enrolled more people come to the--into the healthcare business. They expanded them into--into Staten Island. We have offered a

Metro Plan for City employees that were labor partners. So with all those things we think the goal of 170,000 in the next four is definitely doable.

COUNCIL MEMBER JOHNSON: It's doable to get another 160,000.

DR. RAJU: Get that done in four years, yes.

COUNCIL MEMBER JOHNSON: Are talking to DC37 and 1199 and the Teachers Union and some of the larger unions that have a significant chunk of the municipal workforce to actually make a sizable dent in a meaningful way. Not your individual signups but through partnerships?

DR. RAJU: We met with our labor partners last week, and we had a very productive conversation regarding offering Metro Plus to our labor partners and the employees.

COUNCIL MEMBER JOHNSON: Okay, I mean we're going--I'm going to go to Chair Cohen. I just wanted to say this. Dr. Raju, I don't envy the position that you're in. You have inherited a mess. There was the Road Ahead Plan, which I think you were involved with when you were at the corporation but not the head of it, under the former head. You went

to Cook County. Maybe you should have stayed in Cook County instead of coming back to deal with this. [laughs] And now you're trying to implement this Transformation Plan. You've inherited a mess because the ACA had some pretty significant unintended consequences in not allow undocumented individuals to be covered through Medicaid and health insurance and these other things. A significant decline--decline in DSH payments, a significant decline in upper payment limit payments, an unfair methodology when it comes to charity care as it relates to the corporation. The loss of funds from the federal government generally on these things. Not a fair and adequate amount of money when it comes to DSRIP and when it comes to transformation of the system. The State not getting $10 billion in a Medicaid Waiver but $8 billion an Medicaid Waiver. The list goes on and on and on and on. It's a mess and I just don't want to--for us to come back, you know, before the 18th, as the Chair said, or in the November plan, or next year at Prelmin or next year in Exec. Then we look at the testimony you gave today, and we look at the Cash Accrual Plan, and we see that none it's really been all that realistic. We--I don't want it

to be pie in the sky. Some--we're going to have to face the hard facts and truth about the situation that we're in. It's not your fault. It's all of the structural things I just laid out, and I just want to ensure that we're being honest with ourselves about it. I'm not sure we're being honest about it. I'm not sure with these projections and what's in this plan is actually realistic, and I think that's a major concern of this Council.

DR. RAJU: Yeah, I think--I--I share your concerns. All of them are difficult things we have not done before, but the healthcare transformation in New York City and the country wants us to do this.

COUNCIL MEMBER JOHNSON: Right.

DR. RAJU: I just want to tell this. As--as--as I tell my senior staff. One of the things Jack Welsh used to say if the--if the market outside the organization is moving faster than the--the organization--we change, structural change, then the end is here. So we need to really start moving in the direction of doing that. I know all those things you--you listed are all tough things. But I want to tell you, we have an obligation to serve the people who will not be served otherwise, and if you ask you

why did he come back? I came back because of the reason. Because there are people who need our care. As an immigrant, I don't want people to go without healthcare in this greatest country in the world, the richest country in the world go without healthcare just because they didn't have a--a card called Green Card. I think that is not right. So I am really happy to be here, and as I said, you're right, these are tough. But I will only tell you this: We shall overcome.

COUNCIL MEMBER JOHNSON: Thank you, Dr. Raju. We're going to--I'm got hand it back to the Chair and then I'm going to come back for a second round as well.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Johnson. We have been joined by Council Members Garodnick, Rodriguez and Eugene, and Koo. We--oh, sorry, Grodenchik. It says Grodenchik. Garodnick isn't here yet. We will now hear from Minority Leader Matteo followed by Council Member Crowley. Oh, before that we'll hear from Chair Cohen.

CHAIRPERSON COHEN: Thank you--thank you very much. I'm going to--though I'm going to be very

brief. I do have a--a lot of questions about Health and Hospitals in relation to mental health to Rikers Island, to services there, but I'm--I'm going to have my own subsequent oversight hearing to talk about some of those things. I think that would be a more appropriate forum in light of the scale and scope of the--what we're talking about this morning. I will say, though, you we have been, you know, you've made available certain briefings to me, but I--I just want to echo I think the point that Council Member Johnson made that the--that this plan has assumptions that are not in your control. And I think that it is incumbent upon the corporation to come up with a plan that is limited to the things that you can control. What happens if the federal government does not step up. I mean, you know, you said that all these things are not on the table, but, you know, just between you know is there another table some place where I mean there--there may be a point where very, very difficult decisions have to be made. Is there--is there a plan to make those decisions? Have those decisions continued to be made? When, you know, if and when the federal government doesn't do what you hope that they do, and I know that you're confident

and optimistic, but I--I feel it is our responsibility, you know, as a Council in the oversight that we have here to be prepared for the possibility that some of these things, you know, that it's not all sunshine ahead. Is--is there a plan that--that envisions--that--that takes in the fact that the some of the projections might not come to pass?

DR. RAJU: No, as I said before, Council Member, I--I share your concerns. This is not going to be an easy path. This is not a walk in the park. It's going to be a lot of heavy lifting that all of us can do, but I'm confident that this plan is achievable. But we've got a lot of work to do. I need a lot of help from a lot of folks here to be able to this. You can't be the only voice in federal government or state government. You need to prevail upon the--the federal congressman and the senators as well as, you know, the state legislators to help us to do this. They have to do something with the DSH. The method--the method-- the methodology of allocation that needs to happen. I--I can--I need your help with that. So if you guys can help us to

get that done, then that will be helpful to get it done.

CHAIRPERSON COHEN: And I--I hear you, but it is my experience that the Congress has not been super productive, and I'm very concerned that that will continue to be the case, and I think it is incumbent upon the agency again to come up with a scenario, a plan for scenario in which Congress fails to act.

DR. RAJU: You know, we are not the--our federal--what are we looking is a process that is not really pie in the sky. It is--most of them are achievable. It has been given to other states in other places. It can be done. We have a--a solid case to get that done, and we will continue to get it done. But again, we need to have people supporting us and advocating for us and shouting from the mountain tops that we need to get this done. So, yes, you are right. So that I'm confident we can get this done.

CHAIRPERSON COHEN: Thank you, Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair. We will now hear from Minority Leader Matteo followed by Council Member Crowley.

COUNCIL MEMBER MATTEO: Thank you, Madam Chair. Dr. Raju, welcome. You know Chair Johnson mentioned that you inherited a mess. You also came to an agency that quite frankly has overlooked Staten Island for quite some time. [coughs] So much so that it's one of the reasons why I've been at these budget hearings yelling for capital money for a private hospital. In Rumsey NY we're fighting for money for our other hospitals, Staten Island University Hospital, and why we have to fund out of our own capital budgets my colleagues Joe Borelli, Debbie Rose and I, and the borough president out of our capital expense money to give to private hospitals because we obviously we don't have a AJC facility on Staten Island. And it has got to the point historically that Senator Lanza will have to order for the legislation the require HHC to spend 10% here on Staten Island because we just don't get the resources. We don't have our fair share, and that has been the--the consternation and the--and the frustration from us on Staten Island. And so I understand that you have the Vanderbilt Clinic. So I'd like you to go into a little bit more detail about the--the funding, when we're going to start and

what exactly that is going to entail. And--and Council Borelli is also here. We'd like to know your plan for more resources, for more healthcare options for Staten Islanders in the Mid-Island and the South Shore. It just seems like--and again, this is historically--this is, you know, the agency that you came to that every budget season we're fighting for our fair share on Staten Island--and--and it gets to the point so much so that now that we are screaming and yelling for a new ER at Rumsey because we--Rumsey doesn't have the capacity. SIUH had a new ER years ago, and now they're over capacity. We have--have an healthcare issue on Staten Island. We don't get HHC resources that we need, that we deserve. So I'm asking you to one, tell us what the plans are for Staten Island for us to meet off line obviously and go over our ideas what we think HHC needs to and hear it from the three council members directly. So thank you, and if you could go into--

DR. RAJU: Thank you, sir. I think, you know, as I've been living in Staten Island over 34 years of my life, I know that the--the overcrowding of the EDs both at Rumsey and, you know, Staten Island Hospital, and I have witnessed it first hand.

So, 70% of the ED visits in this country--Rumsey is no exception--is what we call as the non-emergency conditions because there's a lack of paramedical access. People come to the Emergency Department to get the paramedical. So we want to do something collaborative. Collaborative means the Vanderbilt commitment is built by September of next year. We will be able to see 50,000 patients in Vanberbilt Clinic. So that will off the--the Rumsey, you know, emergency room. The strain will be less. Hopefully we'll be able to deal with that. We are working--in fact, I spoke to Dan Macina and we are working with them, how to structure this clinic so that we are able to be complementary to Rumsey, right, as opposed to specialty care, family care. That's a part of it. There is always an option. Like we did in the rest of the system, we can have long hours, right, late into the night. We can have weekend hours to take off the--the load of the Emergency Room patients. So we believe that we will be building it very, very quickly because when model or remodel we--we really had great success in doing Ida Israel Clinic after Sandy that was steered by Cohen. So it's beautiful. It looks great, and we will be replicate similarly,

and we will be able to provide not only primary care and a lot of specialty care in that area, to be able to live with that. And also this proves of other clinics we have in Stapleton and Mariners Harbor to give more care as to moving to this. So, we really want to take a large load of primary care so that people who go to the emergency department really needed to be admitted to the hospital not just to a primary care doctor. So that is the overall idea. We're working very closely with the borough president, right, and coming to the mid island we are working. We have done the--the feasibility study on the Seaview campus because the borough has got a great idea keeping Island healthy, and now to double some of the healthy initiatives there as well as he wants to have a dementia center. He wants to put the medical destination center, and we have actually, you know, funded the initial study to look at the feasibility of that, and we are really excited about that we'll be able to provide something in the Mid-Island and be able to deal with that. [bell] So we will continue work collaboratively not duplicating the efforts to do that, right? And that is our overall Staten Island plan, and you are my

Councilmen. I will continue to work with you, as this is a better person office, and be able to get what we need done suddenly. (sic)

COUNCIL MEMBER MATTEO: I appreciate that Dr. Raju, and I appreciate your Staten Island perspective obviously, and I do agree with you about Staten Island need--having to use our two ERs for reasons that they probably should be getting care and going to another facility. With that said, you know, we still have to fight for the ER. We still fight for the money and, quite frankly, the Mid-Island South Shore residents need better facilities, better primary healthcare facilities in those areas of Staten Island. They--because this is a--a Vanderbilt and it's going to handle the North Shore and that's fine. Obviously, we don't pit on district in our borough. We're all one borough. We want--but, the truth of the matter is we need more on the Mid-Island and the South Shore. I am obviously in support of the plan at Seaview, but that's a long-term vision, one I support and one I will work with you and the borough president, but we--we can't have facilities that close at 5 o'clock. We can't have facilities that--that aren't available on the week-ends-

DR. RAJU: Yes.

COUNCIL MEMBER MATTEO: Because then they go into the ER. Then they're there for nine hours. Then it's frustrating. Then they're in waiting rooms. They don't even get into a room. s I said last week, the--the areas in the Rumsey ER as there two chairs only. So we're--we're in a crisis on Staten Island. We need help now, and again I--I appreciate the efforts, but historically HHC needs to step up. We need to step up now, and we'd like to meet off line and discuss further specifics on this.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Minority Leader Matteo. We will now hear from Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: [off mic] [on mic] Yes, you know, a--a--a big concern that we have especially for New Yorkers coming--living in the underserved communities, you know, the lack of health services, the health serve--services. What is--why should we expect? As you know, many communities such as--I can say from some places in Brooklyn, South Bronx, Washington Heights have a higher percentage of kids or children dealing with obesity and asthma. So how much are you focusing on doing

more prevention so that those communities they have the resources they need so that we can avoid for them to be, you know, at the point where they need the medical services instead doing some more educational programs in our community.

DR. RAJU: You know, I--this is something--a--a topic which is very close to our heart in Health and Hospitals. We are the first system where many years ago every kid who comes through our primary care clinic, he got a BMI, Body Mass Index documented on the chart. And the propensity toward obesity is being identified. Everywhere there are mulitple, multiple programs available in pediatric clinics, in everyone and we can give you the list of those things. Where we identified those kinds who have a propensity towards obesity and tried to do that from them offering them food, offering them the classes. You know, putting the group together, and helping them with that. So we have this whole list of things. I'll be happy to provide them with you. We are very focused on that. Childhood obesity is a big concern for us, and that we believe it is an epidemic in certain parts of the--of the city. And we have programs available in most

of our pediatric clinics. So we are able to do this preventing and we are able to deal with that. Do you have any extra things on that? If you want. Okay.

[background comments]

DR. RAJU: We'll be happy to provide it with the list of things we do.

COUNCIL MEMBER RODRIGUEZ: My--my concern is that--again, I remember in the 1990s there were some programs about educating the communities about eating healthy. And I think that the reality is that, you know, having access to bikes, having access to growing understanding, going and use a green area. Being able to eat organic. You know can we--with the resources that people have to have, and unfortunately again like especially when you are the one that takes most of those New York that they don't have insurance. So my concern and question is how much money are you looking to allocate in this coming funding for the educational--doing it for the educational area on--especially the eating healthy and educating and taking or creating more opportunities for people to use the resources that we have. So that we can decrease the number of people being obese and dealing with the asthma.

DR. RAJU: So every one of our hospitals have got a farmers market outside. We have farmers market, and we give--we give food prescriptions. We write prescriptions on the--on the healthy food and we pay for it for farmers market as a part of the system. We have done that consistently every year, and we continue to do that in every one of our hospitals. As we not only prescribe medication, we also prescribe food as a part of it, and we pay for it from our budget. So this has been going on for many, many years, and we work very, very closely with the Department of Health and Mental Hygiene, and in doing mostly a lot of community based education sessions. My pediatricians are with the community talking to people, helping them, connecting them to care. And whoever come through our system we are able to make sure that they're all--their weight is watched, and they are able to be in activities, which are able to keep their weight down. So all those things are happening. We would be more than happy to give the whole paper what we have done on that said, the obesity side, which is a lot.

COUNCIL MEMBER RODRIGUEZ: Good. I--I just hope this will see like more partnership

especially with City Harbors, or orders that they are doing in those markets. Because I can tell you that in my community I represent a great diverse community, and those markets that we have in my community are more targeting the middle-class area that I have. They're are Ashton (sic) in--in work and--and--and--and work and Ashton and Sea between Seaman and Cooper or the Fort Washington 187. So it's not necessarily targeting them, and I'm happy to see those markets there. But those markets, the farmers that we coming to our community they are not necessarily in those communities that need it the most.

DR. RAJU: Uh-huh, agreed. I think we will continue [bell] to work with you. You know, if you have some suggestions, but you will be--always can do more. I would be more than happy to sit down with you and see what your needs are.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Rodriguez. You'll be followed by Council Member Crowley, followed by Council Member Eugene. We've been joined by Council Member Levine and Council Member Van Bramer.

COUNCIL MEMBER CROWLEY: Thank you to our chairs. Good morning, commissioner. I have some questions about correctional health--

DR. RAJU: Uh-huh.

COUNCIL MEMBER CROWLEY: --and your oversight or your lack of contracting out now and providing direct service. When it comes to reimbursements, unlike the medical care that you give out in your hospital facilities to people who aren't considered inmates, you are not able to do Medicaid reimbursements. Is that--is that correct, or--or is there ways that you could somehow maximize the amount of money you're able to receive from Medicaid payments. This way you could bring down your cost of operating the system. Is there any plan in place for that?

DR. RAJU: So I have--I have Ms. Patricia Yang here who is our Senior Vice President of Correctional Health. So she will be answering your question.

PATRICIA YANG: Sure. Good morning. Currently for services that are provided in the jails, there is no Medicaid reimbursement available and that's federal law. It just recently passed in

the state law--New York State is the ability for New York State on behalf of its municipalities and itself to request a waiver for the CMS to permit Medicaid billing for services, certain services up to 30 days prior to release. Services that are provide on an inpatient basis are billable.

COUNCIL MEMBER CROWLEY: I'm sorry. I didn't hear you that well.

PATRICIA YANG: Okay.

COUNCIL MEMBER CROWLEY: So now, when you have doctors seeing inmates on Rikers Island there's no chance of you getting any reimbursements for those costs or any of the clin--clinical type of healthcare.

PATRICIA YANG: So currently, there--there are funds that are available. There is State Aid for certain services that are public health related, and we do capitalize on those. But, the Governor proposed and the Legislature passed a recent law in New York State that will permit New York State on its behalf and on behalf of the municipalities inside New York to bill Medicaid, to request CMS a waiver that would permit federal fiscal participation for services that are provided to inmates in jail

settings 30 days prior to release. We haven't seen the regs on that.

COUNCIL MEMBER CROWLEY: Well, that could cover a lot of your costs because the average person is staying only about 30 days.

PATRICIA YANG: That--the--the rate structure and the eligible services are yet to be determined. Again, that's in the regulatory writing that's--that's going to be starting soon. But yes, we are excited at the opportunity and the possibility of being able to--to capital on federal and state dollars.

COUNCIL MEMBER CROWLEY: But when you take an inmate off the island and bring the inmate to Elmhurst Hospital or Bellevue, then you're able to--

PATRICIA YANG: [interposing] Yes, we--

COUNCIL MEMBER CROWLEY: --you get reimbursements?

PATRICIA YANG: Yes for inpatient stays.

COUNCIL MEMBER CROWLEY: And-and there are a lot of inmates that are around the clock, they're in around-the-clock medical care. They're in certain units that are very expensive to your department, but you're not billing for those inmates?

PATRICIA YANG: Correct and that is a federal prohibition.

COUNCIL MEMBER CROWLEY: Wouldn't it make more sense if they're going to be in this facility under healthcare for--for a loner amount of time for you to put them in a facility where you could bill the federal government for it.

PATRICIA YANG: Yes, and--and that makes a lot of sense to us, and that's why we supported the State's legislation.

COUNCIL MEMBER CROWLEY: Well, it doesn't make sense because there are--first of all, there are like 800 inmates right now on Rikers Island waiting to get into one of these clinical setting type of facilities, and they're building more of these facilities on the island. If they built these facilities close--off the island or in a healthcare building, then you could bill the federal government for all the costs of their medical care.

DR. RAJU: Well, it--it is again--it is not the--where the building is. Do the quality for inpatient care. In other words, if they are to be admitted to a bed in a hospital to go through that process. Because that is an issue. Because the

Medicaid a lot of times we admit patients. Lots of time Medicaid come back and say no this patient should not have been admitted. Should have been treated as an outpatient. So it is--it's the position where it is, it is a city area--city area condition that's required.

COUNCIL MEMBER CROWLEY: I'm just--how much is your deficit for this year projected to be? Overall, not--

[background comments]

COUNCIL MEMBER CROWLEY: The--the cost of the--the healthcare to the inmates.

DR. RAJU: Those inmates so what is the total budget on this?

PATRICIA YANG: Sorry, it's--it's $243 million this year--

DR. RAJU: [interposing] Yes.

PATRICIA YANG: --including the new need.

COUNCIL MEMBER CROWLEY: Okay, so it's--it's a--a quarter of a billion dollars for you to operate that system, and you could receive more reimbursements from it if it was managed more efficiently?

PATRICIA YANG: It's not--

COUNCIL MEMBER CROWLEY: [interposing] I'm just trying to get at your overall deficit and look at ways of delivering this service and getting reimbursements for this service, and making sure that we're actually getting the--the inmates, and--and [bell] nearly 40% of which have been diagnosed with a--a health need--a mental health need. And of the 40%, about a quarter of them have a significant health need, and they should probably be--be in your care 24/7 those particular people. You know, I just--you know, a quarter of a million--a quarter of a billion, $250 million is spent annually, and you're really--how much of that are you getting reimbursed from the federal government?

DR. RAJU: So I think--I think the--the issue I--I get your point, but there is usually is this right? We can't admit a patient to a hospital whether it is an inmate or a regular patient just because we want to get the Medicaid dollars because there are strict criteria for admitting a patient to a hospital, and the same criteria applies to the inmates but they needed that. (sic) Just because somebody is--is--has got a mental illness, which are very well controlled by medication, we can't admit as

an inpatient into the--unless they are either a threat to themselves or a threat to other people because sometimes it does happen. So we will probably--that's one of the advantages of these and in the system because we are integrating both inpatient/outpatient model together. So if people are to go there's no hand-off back and forth, and one of the areas where we are very, very helpful to us is as I testified in my opening comments, we are able to enroll these people and they're--when they get out of the jail, they're able to continue the care in our system, and we try to enroll them in--in Metro Plus, our health plan, and also we have started having our people in the visitors center. We have a--a table there. So that we are also trying to get the family members that they will be able to continue and get in the care in our system. But--but if the rule changes that if they say that you can start billing the inmates care, the outpatient care through Medicaid, then that will be extremely helpful us because we've provide more outpatient care than inpatient care.

COUNCIL MEMBER CROWLEY: No further questions. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. Council Member Eugene followed by Council Member Levine.

COUNCIL MEMBER EUGENE: Thank you very much, Madam Chair. Commissioner and members of the department, thank you very much for being here, and I want to take the opportunity also to thank you for the--all the effort that you are doing to provide high quality service--medical services to the New Yorkers. We know this is a big task. You know, providing health services to people this is a--a gigantic task that it require expertise, knowledge skill and also resources, and all of us in the City Council are going to work together with you to make sure you achieve your goal, your goal to keep people in new York City healthy. With respect to--to informing Health and Hospitals Corporation, the recent the recent plan released with the Fiscal Year 17 Executive Plan includes four strategies on add to--to inform HHC, the strategy, the first strategy is providing access to care and insurance coverage for the uninsured. This is a very important issues because we know that regardless of the immigration status of the per--of the people, and also regardless

of their ability to pay, they are entitled to, and they deserve also medical treatment because this is a big health issue, a public health issue. And, what I would like you to do for us something that you--is to give us more detail about your plan, your strategy to make sure that the uninsured they get access also to the medical care that they deserve especially your outreach program. And also, you know, we all know that New York is home to so many immigrant people, who all came from different backgrounds, people who don't speak English properly. People who don't--don't know how to navigate through this system, and those people they are, those who are in need, you know for medical services. Could you please, you know, give us more detail about what are the strategies and the steps that you use to appropriate these very, very important tasks of providing services to the uninsured?

DR. RAJU: Okay. Thank you Councilman. So, first let me state that the--our mission is that we turn no one away. Insurance, no insurance, immigration, no immigration status, we take care of everybody. I'm really proud of that. That's why we are the--the safety net for safety nets in--in the

country. Our--in the past we used to provide a lot of initial care for which we got compensated by some federal/state mechanism. The money started coming in. But now under the SCA (sic) that money is coming to an end, or if it is actually getting slashed it comes to an extent. And that is why Health and Hospitals is in deep financial trouble, as we talked about this morning. So, the question is how do you get compensated for uninsured care we provide? That is the issue. One, we want to do--we started a pilot program to show that if you provide uninsured care, uninsured with the quality of care that is being piloted right now at the Elmhurst and at the--at Gouverneur with the Mayor's program, it actually Health NYC. We're basically showing to the rest of the world that if you take that initial population and give them the quality of care, you reduce their hospitalization. You reduce the ED visits, and you actually save money for health delivery system across the nation, right. That is one thing on a local level, but we are also advocating at the federal level that there must be a mechanism to fund the care for uninsured people. And there are waivers available. For example, there's a waiver granted for

the State of California, right. It--it is called--it is for uninsured people in California granted by the Public Hospital Systems, providing coordinated care so that these people stay healthy and don't use the emergency room unnecessarily, and--and avoid--avoidable hospitalization. And we are trying to convince the federal government is there something we could do with that. And the third thing we are working with the State Department is also that whether we can use some of the uninsured care money. Can we fold it into the DSRIP so that we can protect that over the years to come? Because the DSRIP will end in 2020, but we want to [bell] continue that beyond that. So these are some of the initiatives we are making for the local level, city level, Action NYC federal level with--we're looking for a waiver on the state level, right? We're looking for our state initiatives to get this done. So we have multiple efforts which are going on.

COUNCIL MEMBER EUGENE: Thank you, Dr. Raju. With respect to emergency medicine services that's for them all, we know that in the past years New York City--

CHAIRPERSON FERRERAS-COPELAND: [interposing] Council Member, if you can just wrap up your statement and I can put you on the second round if you have additional questions.

COUNCIL MEMBER EUGENE: All right, thank you very much. Thank you so much and I'll be back later on.

DR. RAJU: Thank you.

COUNCIL MEMBER EUGENE: Thank you so much for the answer. Thank you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: [interposing] Thank you, Council Member.

COUNCIL MEMBER EUGENE: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you. We will now hear from Council Member Levine followed by Council Member Koo, and we've been joined by Council Member Barron.

COUNCIL MEMBER LEVINE: [static on mic] Thank you, thank you, oh. Thank you Madam Chair. Dr. Raju, great to see you.

DR. RAJU: Great to see you.

COUNCIL MEMBER LEVINE: Great to see your colleagues.

DR. RAJU: Thank you.

COUNCIL MEMBER LEVINE: Plenty of people have drawn a comparison between the Next Generation Plan at NYCHA, and the plan for transformation at--a Hotel and Hospitals. A component of the NYCHA plan is to leverage one asset they have, which is open real estate particularly in neighborhoods where that's a very valuable asset. And I've heard you refer to a reconsideration of facility use. I think you've been clear to say you don't intend to close any facilities. But I wonder whether you are [off mic]--considering--I'm sorry--[on mic]--whether you are considering development opportunities on HHC properties?

DR. RAJU: We are doing a real inventory of all the vacant spaces as those underutilizes spaces. I'm--everything is under consideration. So as we develop those plans, we'll be more than happy to come back to the Council and share with you.

COUNCIL MEMBER LEVINE: Is there a space on any of your campuses that could potentially be used for what's called infill where say housing could be developed as a way to generate revenue?

DR. RAJU: As you know, we are probably the only healthcare system over the last decade we

know there's the empty lots, we always provided supportive housing. The two supportive housing to the Kings County Camps, Camba 1 and 2. In Metropolitan--next to Metropolitan we have Metro 90--99 Metro. We have supportive housing. Then, we have a supportive housing going to be built in the parking lot of--of Woodhall Hospital where there is the empty parking lot. So we are the only system because we realized many, many years ago health outcome depends on stable homes, right. Otherwise, you can never deliver healthcare right. Even before people started talking about social and general health, we have been in the journey for many years, and we continue to do that. Right, we have continued to have parcels. We are Parcel T Building in Queens Hospital Center. That is an area we are looking at delivering something there as a part of it. And Seaview we talked about. Three is a real--at Seaview we could develop. So we are looking at every possible thing. We are doing an inventory with the Deputy Mayor's--of, you know, Alicia Glen's Office and taking a look at it with the EDC. So once we compare the list, we'll be able to answer the question much better where the empty spaces are.

COUNCIL MEMBER LEVINE: Well, please keep us posted on that. We--I certainly encourage you to explore every means. You have a desperate need for funding. No office should be ignored. When you talk about housing development and it has an impact those surrounding neighborhoods, I think a lot of us should be concerned about what kind of housing is developed, whether there it will be community input in the development process, questions of affordability. We--these are complicated policies to push forward. So please keep us in the loop. In my remaining time, I just want to remark that some of the other large multi-hospital systems in the city have moved to the model they perhaps euphemistically call models of excellence where as opposed to repeating every specialty at every hospital, you have a focus on some specialties on some--on some hospitals. And perhaps you stop offering every specialty at every hospital. So maybe oncology will become a specialty at one hospitals, but you'll reduce obstetrics there. That has an advantage in that you can really develop expertise, but for any given neighborhood it means you may have to go to farther to access some

specialties. Is--is--is this plan that you are considering or perhaps have underway?

DR. RAJU: No, we--we are definitely looking at every option, but I just want to tell you when we have our clinical services available, it depends on three factors: The factor one will be our ability to provide the service, the level of competency and the quality and the numbers, which we will be able to do that. But let's not forget the community needs. Some places where we are the only community--you know, community needs--we serve the community because we are the only hospital where people come to because not in the city every hospital welcomes the patients we serve sometimes. So, we need to make sure that as we do those things we need to make sure we don't create a healthcare vacuum in a particular neighborhood, right, because of they of they are not able to travel. The third point is we also have to be cognizant of as we double up the healthcare delivery or do the excellence, we need to make sure what communities needs to travel. How much are they able to travel? If they are traveling with three buses that almost takes half a day, then that will be a big access barrier problem. So [bell]

everything will be on the table. There'll be open discussions with the community, with the elected officials, with our neighbor partners and community advisory board, and the City Hall as we develop this plan. But we will take into consideration all those factors when we decide what to do with the services.

COUNCIL MEMBER LEVINE: Thank you very much,

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We will hear from Council Member Koo before we begin the second round.

COUNCIL MEMBER KOO: Thank you, Dr. Raju and your wonderful staff. My question to you is a few days ago I read--I read an article in the Post about an intern's experience, her experience working Coney Island Hospital So it was about the constant understaffing emergency. Is this a big problem in New York Hos--New York Public Hospitals, understaffing, especially in nursing--nursing?

DR. RAJU: Okay, councilman, first let me--let me tell you that we provide excellent quality care and we are--we are working very hard to improve the patient experience at various times. That is an anonymous article with a lot of loopholes in it, with

a lot, you know, statements, which are not true, untrue statements in that--in that article, which are not true. And unkindly disparages my nurses and doctors and the very hard working employees. I cannot believe that any one of my nurses will wait to see a patient die, a child die and do nothing about it. I'm very saddened by that because that is not true. Because I know it's not true because I've been--I've been in this system for many years. So I really do not want to get into that, you know, an unsubstantiated tabloid or article based on some anonymous souls. It is really unfair to the very hard working employees of mine, and my doctors and my nurses. So, I been--having said that, patient experience is very important to me, right. If somebody complains we really want--we get to the bottom of this, and we want to gain them back because we believe that the quality and the experienced need to be delivered together. So we are committed to getting everything done. I obtain care at Coney Island Hospital, right. My private doctor, my private care doctor is in Coney Island Hospital. I've been a Coney Island Hospital patient for the last 15 years of my life. My mom, who is--with

terminal cancer is a Coney Island patient. My kids got Coney Island Hospital for their care. So I just want to assure you that my kids are safe. They go there and they take care of care. So, I'm not going to really give any more credence to an anonymous unsubstantiated things, which are not true. There are lot of things in that article, which are not true. I do not have an ICU, Pediatric ICU in Coney Island Hospital. So I don't what ICU they're talking about. I know where the patient is. So there are so many things, which are not--not true, but again, I don't want to get into discussions regarding that because then we'll be here the whole day. I am very, very upset. I'm very saddened because that cast my hard working nurses and doctors and other employees in such a bad light, and that is not right because that is not true.

COUNCIL MEMBER KOO: So then my question is--is understaffing the problem at New York City Hospitals?

DR. RAJU: The understaffing is--you know, we are very cognizant of understaffing, right, because it does--it's based on demand. Some of the hospital EDs are very, very busy. I understand that,

right? It is the truth because the demand changes as you go into that. We try to manage it the best we can at various levels, and able to deal with that. So, we are very cognizant of it, but I want to tell you nowhere in the system is any under-serving, we never provided a bad quality results that we are aware of, right. I mean anybody who complains to us we take them very seriously. We--we deal with them, but you can compare us. Our comparative quality data we took public information. It stands up to any other brand name hospital in New York City, and I'm very proud of the quality care we give in our system with the very limited resources because of very, very hard working committed employees I got.

COUNCIL MEMBER KOO: So, is pay and compensation a factor in recruiting competent and qualified nurses or doctors in New York--New York City Hospitals?

DR. RAJU: You know, I--I--just question gets asked a lot of times. I'm not going to--I'm going to because to work in New York City Health and Hospitals public system, you don't get rich by working in the public system. If you're looking for more money, better comforts, better things, then New

York City Public Hospitals is not the place, but my employees come and work for us because they share the values we all share that they want to do public service. They want to take care of people like them in their neighborhoods, and give the best possible care to them. So, I just want to know we attract a different kind of people to come to institutions. People who come to an institution are not looking for more money because we simply cannot match the money, which is given other brand name hospitals, but [bell] they come with the social values. They fight for social and healthcare justice like we all do, and that is the reason they come us. So I do not see--we attract a different group of people, not the people who are looking to find a job for money.

COUNCIL MEMBER KOO: [off mic] Thank you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Koo. We will hear from Council Member Rosenthal.

COUNCIL MEMBER ROSENTHAL: Chairs, sorry about that. Thank you so much, Chairs for holding this hearing. Dr. Raju, thank you so much, and I do have--I do have a bias going into my questioning. I

want to start by thanking you for hiring Mr. PV Anantharam. I think with him by your side, there's no going wrong. So, you are in good hands.

DR. RAJU: Okay.

COUNCIL MEMBER ROSENTHAL: It was a wise decision. [background comments] Well, there you go. So I guess we're all set then. Now, what I want to ask you is in--in my view the Health and Hospitals Corporation is a little bit between a rock and a hard place in terms of your mission to serve everyone who walks in the door, and I'm wondering how you contemplate moving forward with the very difficult decisions that lie ahead in underutilized wings of hospitals. For example if one of your hospitals has very little--I'm making this up--obstetrics care. So they're just not doing a lot of deliveries and--and we all know that it's the quantity of doing a service that makes it better. And if you're at 4% in obstetrics in a wing in one of your hospitals, are you--would you contemplate shutting down all but the most urgent services of that type of care. Obstetrics really was a bad example. You know, some area of care.

DR. RAJU: Sure.

COUNCIL MEMBER ROSENTHAL: I mean, you know, Hepatology--

DR. RAJU: [interposing] I know.

COUNCIL MEMBER ROSENTHAL: --and instead working on the strength of that hospital, but willing to make the decision to not do something that some people in the community would need, but there really isn't the full no demand for. And you have the luxury of having 11 hospitals, thereby, asking people to go somewhere else, possibly some miles away. But so that they would get better quality service a little bit farther away. And this little bit gets to Council Member Koo's point about understaffing and thinking hard about strategic placing of your staffing. Are those conversations on the table?

DR. RAJU: Yes, as a--as a part of transformation we are looking at the entire clinical delivery system model, and as I--and I respond to the council member, as you make the decisions, of course, quality is number one. If you cannot provide a service in good quality, then we should not provide it because that's not good for anybody, right? But I can tell you the quality of services of the Health and Hospitals is very, very good, you know, to do

that, right. The second part of it is as we restructure clinical services in various places, we need to take a look at the quality, the competency and the demand, which you are talking were good, and also we need to take a look at the community needs and community--what is available in the community. Because somewhere we have to be very careful in some communities. If we don't provide the service, how much of hardship it will provide for those--for them. That's what I was talking about. If they have to take two buses to go to a place.

COUNCIL MEMBER ROSENTHAL: Of course.

DR. RAJU: Right. So those are some of the things. So these discussions need to be thoughtful. They've got to be taken in--in collaboration and the--and discussions with the local community and see what's needed. And also you're right. There are some community needs that are not supplied to anybody. There are some areas in the--in the city where we need a primary care doctor, and we are doing that, right. In the next--this year we will go in the six--six places, which are called high need neighborhoods--

COUNCIL MEMBER ROSENTHAL: [interposing] Right, Dr. Raju, I'm asking a little different--

DR. RAJU: [interposing] Yes.

COUNCIL MEMBER ROSENTHAL: --question. What I'm saying is in the wings where they are underutilized--

DR. RAJU: [interposing] Uh-huh.

COUNCIL MEMBER ROSENTHAL: --and this is not new data.

DR. RAJU: Yes.

COUNCIL MEMBER ROSENTHAL: I'm sure you have all of this and you've been looking at it already. So in the areas where there's underutilization. So the demand is not there.

DR. RAJU: Yeah.

COUNCIL MEMBER ROSENTHAL: Right, so you have 4% utilization, and a whole wing--

DR. RAJU: [interposing] Yes.

COUNCIL MEMBER ROSENTHAL: --that is open and to provide that service, are you willing to make the hard choices in the road ahead?

DR. RAJU: You know, what--what we are looking at that point was the--all underutilized and unutilized spaces, right. What are the services we

do bring into them? That is the question, right? So we are basically-- For example, I was alluding to one thing. So in some places have legal services for our patients because they will very much benefit from the, right. In some places where we are trying to bring those social service agencies into them, to rent the space to a social service agency so they are able to get them what they need. So we are--we are looking at all of them as a part of it. If we don't want to lose--if we don't want to leave any space empty with paying for it when we can do something better with it.

COUNCIL MEMBER ROSENTHAL: Thank you Council Member. We will now hear from Council Barron, and then we will begin our second round. So any members that are going to join us, you're going to be part of the second round after this. Council Member Barron.

COUNCIL MEMBER BARRON: Thank you, Madam Chair and to the Co-Chair that's here and to the panel that's here. I didn't have a chance to be here for your testimony, but I will certainly review it because I think that this is a very critical area. I am CUNY's Chair--I'm the Chair of the Committee on

Higher Education, and we had a CUNY hearing, and we spoke about nurse preparation, and we know that throughout the nation, there's a shortage of nurses. So I wanted to ask you in terms of healthcare providers, is there any program that we're looking at that will help to increase the number of nurses that are being prepared? Do you have any partnerships with the preparation schools that have nurses? And we know that part of their training, they've got to get those practicals. And a second question is where do you find that most of your staffing comes from in terms of the nurses? Do you come from a particular preparation area, or do you find that there's a particular school or colleges that provide the nurses that come into the H&H programs?

DR. RAJU: Okay, thank you. I think we working with all nursing schools in New York City including CUNY. Their nursing students are precepted (sic) by our nurses in every one of our hospitals, but they are teaching hospitals. Like--just like we train doctors, we train nurses in this place. So they come from almost all nursing schools in place, and one of the great advantages we have, which I believe that we can get a market share, is the fact

that we are probably--most of our nurses they reflect the community they serve, right. You walk into Kings County, you will see the nurses in Kings County. They--they serve--the local community they serve. You go to Lincoln or you go to Elmhurst or you go to Coney Island, wherever you go because I always used to say in multiple national forums probably the only healthcare system in the country where I looked like my patient and my patient looked like me. I used to say this: If you have a problem understanding an accent, you ought to go to Elmhurst. Then they will speak like me, right. So this is the issue. So we do have a very diverse population in our system. Our nurses come from where we serve. Most people in their communities. We work with all schools including CUNY towards our pipeline of nurses coming in. We do not have any nurses coming from outside of the country or coming from Long Island or some places. Like some of them they moved longer than they plan, but not necessarily coming from that. So we really reflect the local schools and that's where we get all the nurses from. That's where claim them.

COUNCIL MEMBER BARRON: Who--who bears the responsibility for any kind of insurance

liability that might be associated with the preceptorship aspect of nursing preparation?

DR. RAJU: I--I need to get back to you on that because usually I think we provide them the non-price (sic) coverage, but I will--I will check with my legal folks and get back to you.

COUNCIL MEMBER BARRON: Okay, thank you.

DR. RAJU: Thank you.

COUNCIL MEMBER BARRON: Thank you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. So we're going start our second round, and then our chairs will go and then we have some additional members that have questions bearing in mind that we are at 12:15, and I think we were supposed to have started DOHMH. So I have two questions, and then we will open for the second round. This is kind of piggybacking on Chair's Johnson's comments about Metro Plus. What percentage of revenue is lost by Metro Plus and its enroll-- enrollees seeking services at other hospitals outside the hospital network. I mean, you know, we focused a lot about growth. Last year you came in with a very--

DR. RAJU: [interposing] Uh-huh.

CHAIRPERSON FERRERAS-COPELAND: --large number getting a million. Clearly, we're not going to get there, but being registered in Metro Plus does not meant that you can only go to the HMH. So what percentage do you see of--of enrollees actually going or those that aren't going?

DR. RAJU: Sure. So there are--Metro Plus in a--in a--in a big scale over 50,000 feed (sic), one-third of Metro Plus expenses, revenues go to the pharmacy, and the other one-third goes to non-HHC hospital, and one-third is used for care in the Health and Hospitals Corporation. This is the--the dilemma we have, right. Now, we are starting to improve the access because of late hours in the evenings and weekends, and also we're building 12 new clinics in high-need neighborhoods that has under 200,000 coming. Vanderbilt under 50,000. So all those things will help to bring more of those patients into Metro Plus or into Health and Hospitals as opposed to outside. But the flip side is when people want to choose a plan, they want a wide variety of hospitals they can go to, right. If you say the Metro Plus you can only go to Health and

Hospitals, then some people may not like to choose that because where they live, there is no Health and Hospital nearby, right. So we are balancing that very carefully. As we grow this, right, we need to have some network of hospitals, but at the same time we need to drive more business to Health and Hospitals so that they stay with us. In the past, a few years ago before I came in, it was always a problem because we don't have enough access. So people join the plan and they can't see a doctor in Health and Hospitals. They have to wait a long period of time. Then they say, wait a minute, I'm going out of the plan. I'm going to some other plan because I want to see my doctor. So now we are--we are closing the gap. We're not there yet. We need to really be able to have a day where people can get appointments the next day or the same day. We have to get to that, but we will get to that, right? But that is a problem here. So we need to balance out the--enrolling people with a good network so people--more people will join us. At the same time keeping people within our system.

CHAIRPERSON FERRERAS-COPELAND: And you said one-third. Do we have a dollar amount as to what that number is?

DR. RAJU: Yeah, we can give you that. Do we have it?

PLACHIKKAT ANANTHARAM: [off mic] We don't have it right with us, but we can provide it.

CHAIRPERSON FERRERAS-COPELAND: Can you turn on the mic just for the record.

DR. RAJU: It's more than $3 billion. I'm sorry.

CHAIRPERSON FERRERAS-COPELAND: If you don't say it in the mic, it doesn't get on the record. (sic)

PLACHIKKAT ANANTHARAM: My--my spouse complains a lot I do this. The--the overall revenues for Metro Plus are around $2.3 billion, and ad Dr. Raju mentioned, about a third--a third--a third of those--

DR. RAJU: [interposing] $700 million comes to us, $700 million goes other hospitals and $700 million is about pharmacy costs.

CHAIRPERSON FERRERAS-COPELAND: Okay, can you just give us that breakdown.

PLACHIKKAT ANANTHARAM: Sure. I'm sorry.

CHAIRPERSON FERRERAS-COPELAND: Thank you. Will Health and Hospitals' continued failure to achieve savings put the city on the hook for another $500 million subsidy next year? And if the city is likely to give a subsidy to Health and Hospitals in Fiscal 2017, why haven't you shown it in the budget?

PLACHIKKAT ANANTHARAM: I'm a little confused about the question.

CHAIRPERSON FERRERAS-COPELAND: So we are stepping up and we're going to support the Health and Hospitals by $500 million--

PLACHIKKAT ANANTHARAM: [interposing] I-- I--I thank you for that.

CHAIRPERSON FERRERAS-COPELAND: --we don't see that. We've-we've had a lot of discussions about savings in revenues as we move forward.

PLACHIKKAT ANANTHARAM: Yes.

CHAIRPERSON FERRERAS-COPELAND: Yet, we don't see any of this being considered for 2017. Are you assuming or are you committing that you--that your understanding is that you won't need another $500 million of $100 million or $50 million or $200 million or a billion next year.

PLACHIKKAT ANANTHARAM: A big part of--

CHAIRPERSON FERRERAS-COPELAND: Your mic is off again.

PLACHIKKAT ANANTHARAM: I press it down here.

CHAIRPERSON FERRERAS-COPELAND: Oh, maybe close.

PLACHIKKAT ANANTHARAM: A--a big part of--of--of the plan for '16 including the $337 million of forgiveness of debt service in non-practice where I think it was 15, was because a lot of the initiatives that we had in '16 has been postponed to '17. So we don't anticipate requiring that same assistance again in '17. A lot of the strategies that we've got planned in '17 are pretty real. We are hoping that we don't have to come back to this place here, and requiring that same level of assistance. The city has already stepped up in terms of forgiving debt service obligations in the baseline. So we can get this adequate funding.

CHAIRPERSON FERRERAS-COPELAND: So do you see that the debt service forgiveness will have to be a part of a long-term commitment from the city?

PLACHIKKAT ANANTHARAM: It's already in the Financial Plan for the next four years so--

CHAIRPERSON FERRERAS-COPELAND: [interposing] Right.

PLACHIKKAT ANANTHARAM: --yes. So we do believe that it's a necessary assistance to keep sustaining Health and Hospitals.

CHAIRPERSON FERRERAS-COPELAND: Okay. We are--I--I have some additional questions, but I'm just going to get them to you. If you can just get them back to us--

DR. RAJU: [interposing] Sure, I do that.

CHAIRPERSON FERRERAS-COPELAND: -- expeditiously. We will now hear from Chair Johnson followed by Chair Cohen.

CHAIRPERSON JOHNSON: Thank you, Madam Chair. As part of the Transformation Report, the Manatt Report and the recommendations that were rolled out, it was mentioned there was going to be a blue ribbon panel. Who's on that blue ribbon panel?

DR. RAJU: We can give you the names of the people.

DOUGLAS JOHNSON: How many people?

DR. RAJU: How many people--how many people. [background comments] If we can give you that in a minute. It's about nine.

PLACHIKKAT ANANTHARAM: There are eight.

DR. RAJU: Eight people, eight or nine people.

CHAIRPERSON JOHNSON: Eight?

DR. RAJU: Yeah, I--I will give you the number. I don't want to guess.

DOUGLAS JOHNSON: And when can the public and the Council expect to see the findings of the panel? What's the timeline on recommendations?

DR. RAJU: I think that this is somewhere between 90 days and 120 days they are going to--they will be meeting the--I think in--in--in a week or so they'll be meeting in the first meeting. We have not arranged anything yet. It's still on the--we're discussing with them, but it--as soon as we have the--the dates available I'll be happy to provide it to you.

CHAIRPERSON JOHNSON: Okay. You testified at the Preliminary Budget hearing that the Council would receive the Jail Health Report that's mandated by law--

DR. RAJU: [interposing] Yes.

CHAIRPERSON JOHNSON: --this month. Is that still your plan to get that to us this month?

PATRICIA YANG: Yes, it is imminently.

CHAIRPERSON JOHNSON: Imminently?

PATRICIA YANG: Yeah.

CHAIRPERSON JOHNSON: Great. So the corporation saw an increase in the Executive Budget of $7.3 million for three Correctional Health Initiatives in the Executive Plan. How does that funding compare to what you officially requested as part of your Vision 2020 Plan for Correctional Health?

PATRICIA YANG: It represents one of the key elements of--of our request. We're delighted to have the opportunity to--to grow and--and expand, and have some other others, which we would engage the Administration on as we go forward.

DR. RAJU: So one of the things is that we do not differentiate between inmates and outpatients. We treat them exactly the same way. So for the first time we are going to take a satisfaction survey on the inmates, on their health benefits. We will ask the inmates how as your

healthcare. We want to know all about you. How was the experience. So we really want to do that at that level, right. And then we also collect the provider experience. We want to know from our providers what does it say about their--their job and other things. We take that seriously, and we also look at it because one of the advantages of the hospital system taking care of the patients within the prison--within the jail system is that there's a continuity of care. When they leave, they come back to clinics. They keep their appointments, and also they are potentially enrollees for the Metro Plus. So we are able to say okay join Metro Plus. We will give you a doctor and then come to one of my services. So, having this Correctional Health Service actually, you know, it helps us to provide a very seamless care continuum. Then it will be in other areas around.

CHAIRPERSON JOHNSON: The Board of Health recently posted the April 2016 Correctional Health Services Assessment Report on its website, and the report include the total number of encounters seen, and scheduled health visits. In the report a few of the listed reasons for an inmate to not be seen by the Correctional health staff were alarm, no escort,

cancelled visit and no reason. In these instances, how does your staff ensure that proper car and follow up is provided to an inmate?

PATRICIA YANG: We're working the Department of Correction at a--at new level of--of engagement and coordination everything from working on other ways to do sick call, having our staff around through housing units. Some of our requests that were funded the Tele Medicine and the Tele Health MMA Clinics will bring the production issues down. In terms of distance and frequency we'll be closer to the housing units or in the housing units. Where we have--where we know and--and now we know from Corrections when there's a lockdown for example in our alarm, which gives our staff an opportunity to see who was--was to be produced and was not, and then we can prioritize units to be produced or seen.

CHAIRPERSON JOHNSON: Two examples. So in one example, one facility had 282 scheduled health visits that did not occur because there was no escort available. In another facility, a similar facility, 1,274 mental health visits not scheduled because no escort. It's a lot of visits, it's a lot of individuals who may not be receiving timely care

because no escort was available. Is further staffing needed to ensure that this problem doesn't persist?

PATRICIA YANG: So, not--not on our side. I can't answer for it, but

CHAIRPERSON JOHNSON: [interposing] But maybe on DOC's side.

PATRICIA YANG: --anybody else. I don't know.

CHAIRPERSON JOHNSON: The--the escort is a DOC member. It's a--

PATRICIA YANG: [interposing] Correct.

DOUGLAS JOHNSON: --it's a corrections officer.

PATRICIA YANG: Correct. What we have in consort with the Department of Correction is not only being notified when there is a alarm or a lockdown so we can review who was not seen, but we are--Department of Correction and we in reviewing some cases in some instances that actually happened, they rolled out and are in the process of rolling out sort of an incident command response so that it's not a total facility lockdown all the time. It could be by zones, which means that patient movement can still occur elsewhere.

DOUGLAS JOHNSON: How many current inmates--how accurate is the data in knowing how many current inmates are infected the Hepatitis C? Do you know? Because it's been talked about in the budget to get people treatment for Hep C.

PATRICIA YANG: We can give you very specific numbers on--of their time frame or a day or a snapshot, whatever you wish.

DOUGLAS JOHNSON: So, the cost is high for treatment--

PATRICIA YANG: Yes.

DOUGLAS JOHNSON: --but Medicaid has changed its rules at the state level, correct?

PATRICIA YANG: Medicaid will cover Hepatitis C treatment, but when you get into the Medicaid Managed Care plan it, you know, there's a lot of--of leeway on the plan's part, in this--

CHAIRPERSON JOHNSON: [interposing] What's the--what's the total regimen cost for Sofosbuvir or whatever its--

PLACHIKKAT ANANTHARAM: [interposing] The equivalent.

CHAIRPERSON JOHNSON: -- equivalent is. $90,000?

PATRICIA YANG: We're currently negotiating right now. It averages about $50,000 for a treatment.

CHAIRPERSON JOHNSON: $50,000 for a patient?

PATRICIA YANG: Or up, but we are making--we are speaking with both pharmaceutical companies to get steep discounts or some other way to do it. We're also working with, as Dr. Raju noted, leveraging a lot of the Health and Hospitals programs. So we're engaged in conversation with Gotham Health for example the FHQC not only for regular care on release, but certainly community completion of treatment should one of our patients will be released who on Hepatitis C treatment in our care.

CHAIRPERSON JOHNSON: How long does a patient have to be on Rikers to actually qualify for Hepatitis C treatment? Is he there for a week to get treatment, or do you have to be there for 30 days? How long do you have to be there to get Hepatitis C treatment?

PATRICIA YANG: Currently, we're mostly focusing on people who come into the community

already on treatment and continuing that treatment, or people who are city sentenced. There's some new expansion that will significantly allow, you know, new criteria to come in. So we're working with DOC for example and ourselves to see who is more likely to stay longer, or long enough, and--and making sure that we have it.

CHAIRPERSON JOHNSON: But if--but if--but if you're someone who comes in who's currently not on treatment--

PATRICIA YANG: Uh-huh.

CHAIRPERSON JOHNSON: --when the physical is done, when come on the Island and they realize oh, you have untreated Hepatitis C, do you then get treated?

PATRICIA YANG: Not across the board. It depends on the disease state and-and whether they're likely to stay in our care so--

DR. RAJU: So we want--Homer to comment?

CHAIRPERSON JOHNSON: I'd--I'd like to understand.

DR. RAJU: Homer, yeah.

CHAIRPERSON JOHNSON: We don't have to do it now, but I'd like to understand the details of it.

DR. RAJU: All right, I got you.

CHAIRPERSON JOHNSON: Okay, primarily care health centers, Dr. Raju in the Budget the City is committing $107 million--

DR. RAJU: [interposing] Yes, sir.

CHAIRPERSON JOHNSON: --in capital funds for primary care health centers according to the Capital Commitment Plan. Would--can you provide the Finance Chair and the Finance staff a breakdown per borough how much capital is going per borough, and--and if you're putting all that capital in--

DR. RAJU: Uh-huh.

CHAIRPERSON JOHNSON: --is there any expense dollars set aside for these primary care facilities as well?

DR. RAJU: No, there is a--no we can't--there's no operation dollars at the present time. We need to cover it with our present restructuring and transformation and then also in our redeployment--redeployment of the workforce to cover those--those things, and we are basically-- That's what we are doing right now for the clinics we opened this year, and the six more will go next year.

CHAIRPERSON JOHNSON: The capital funds that are spent, are we going to ensure that when they're spent, it's going to spent on projects that are ADA compliant?

DR. RAJU: Of course. Absolutely.

CHAIRPERSON JOHNSON: And I know that you had a very good meeting with ICS---

DR. RAJU: [interposing] Yes.

CHAIRPERSON JOHNSON: --Innovative Care Systems--

DR. RAJU: Yes.

CHAIRPERSON JOHNSON: --and talking about accessibility for disabled women who come into the--the system. Can you talk a little bit about the work you're doing there?

DR. RAJU: Do you want to talk about this? [background comments, pause]

MALE SPEAKER: Thank you, Council Member. We've been working with Independence Care Systems and with the Council's support for the last couple of years. We worked with them to identify areas within our facilities that that, you know, particularly with our women's health sites and radiology where we could make some changes with some funding that was given to

us by the Council to make it more or optimally accessible for persons, and to ensure that we have proper equipment for digital mammography machines that can adequately or take a--a good read of that. We're looking to make sure that we have proper equipment in all of our facilities that it's--it's optimally accessible for that. We have a couple of--of sites right now where we have best practices that we're working on particularly at Wood Hall in Brooklyn, and in the Bronx at Morrisania. We've had Independence Care Systems do environmental scans or surveys of our facilities to see what we could do to make changes to improve access, and--and to be more optimally compliant. We've also worked with them on security grants for training. So they come in and they do group trainings with our staff with--with somebody who uses a wheelchair how to--how to do--how to lift, how to transfer, how to--sort the cultural exam, but-but also the importance of serving the whole person, not just focusing on a particular issue, but making sure that all their--their health and behavioral concerns are met.

CHAIRPERSON JOHNSON: Thank you. So I'm going to finish with this, and hand it back over to

the Chair. I just want to reiterate something, which is again, I don't envy the position that you're in and the hard work in trying to ensure this transformation happens in a real way. Hospital closures are off the table. Layoffs are off the table. Privatization of services is off the table. I mean that's taking off the table some pretty significant things that would see a reduction. Now, I'm--I'm not saying that there is a hospital that I'm identifying that should be closed or that I think there should be massive layoffs, or where I think that services should be privatized. All I'm saying is--is that the Transformation Plan that's in front of us as the Chair had mentioned in her questions and in her opening statement I think has just a lot of assumptions. And I'm not sure that it's a fully accurate or reasonable or realistic plan to be able to follow. Do I wish the State and federal government would step up more? Yes. Are we going to be supportive of you in making that happen? Of course we are, but I am just really concerned that the present state of the financial situation that you're in is really difficult. And Dr. Raju when--when you came in during the budget hearings last

year, your first budget hearings, and we had these conversations, these looming numbers, the cash on hand crisis, the diminishment of DSH payments. The diminishment of UPL payments, the--the--the inequitable funding when it comes to the methodology on charity care. That was--that all existed then. I mean none of this is new. It's not like when Matt came in and figured out what's going on. When you knew all this--you knew this was going to happen, and this is the situation. So it's frustrating and I'm not singling you out when I say this. I think it's frustrating for the city and probably for you as well that we've been having this conversation for over a year, and I feel like the alarm is sort of just being set off now when it comes to coming up with some solutions. And I'm not sure that they are real solutions. I mean saying we put $100 million in a budget line for potential land transformation because it was a whole and round number, and we put it out in the out years for 2020, I'm just not sure that that's--that doesn't inspire much confidence. So we're here to be supportive. We want to have the best, the most robust hospital--public hospital system in the country with quality and culturally

competent care. But I am extremely, extremely concerned about the financial state and I--I--I sadly don't have the most confidence in this plan because I feel like there are too many assumptions. So I want to thank you for testifying. I--I always enjoy working with you, and I look forward to being supportive of the corporation moving forward.

DR. RAJU: Thank you, Chairman. I--I really appreciate your help with the--with the local Congress Delegation to push back the DSRIP by one more year, at least to start with, and I really would like to help with elected representatives of the state to redo the DSRIP methodology. If we can get those things and support from you, then we will be able to get most of the things done. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you. Now, we will hear from Chair Cohen followed by Council Member Eugene.

CHAIRPERSON COHEN: Thank you, Chair. I just have two--two more questions. One, in your testimony, Dr. Raju, you mentioned the 1,700 employees in Correctional Health. Is that a--is that the same--our employment level is it the same level as they were under Corizon, or different levels?

Could you just expand a little bit or flesh out a little a bit of who the 1,700 are?

PATRICIA YANG: The 1,700 reflect the budgeted positions. Some are people who we vetted, and who used to work in the system under--cor--under Corizon. We did not keep all of them. Others are new hires since January when Corizon left.

DR. RAJU: The number is the same, right?

PATRICIA YANG: Yes.

DR. RAJU: The number is the same.

CHAIRPERSON COHEN: The staffing level is the same, though?

DR. RAJU: Yes.

CHAIRPERSON COHEN: Thank you. Also, the Executive Budget has $16 million in capital money for the expansion of mental health services in the system. Could you give us a little bit of detail about how you're going to use that money?

DR. RAJU: The--the $16 million identified in the Capital Budget for mental health. It's not essentially beds, but it--it's a planning process to identify those who are episodic violent, and to try and provide better case management

services. So it is still under our planning process to identify exactly how it will be spent.

CHAIRPERSON COHEN: Do you have a timeline when you'll have an idea of how--how that's going to work?

DR. RAJU: The monies I believe were budget in '17 so it is imminent.

CHAIRPERSON COHEN: Okay. Thank you very much, Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Cohen. Council Member Eugene.

COUNCIL MEMBER EUGENE: Thank you very much, Madam Chair, and I'm going to combine my question, you know for the sake of time, but before I ask my questions, I just want to mention in terms of Fully Affordable Housing Program, I know about the affordable housing of Kings County. Because this is a good program and 100% affordable, and I think that the program received and award for best practice. With respect to partnership between the public, private and CBO community based organizations, and also they are providing also civil, other social and medical services. This is a good program. I know about it. In terms of funding dedicated or

allocated, you know, for emergency services because we know we are seeing the Zika Virus, Ebola and certain natural disaster. Is there any part of the budget--how much money, how much funding is dedicated or allocated for prevent--for--for emergencies or medical emergency services in case of disease or natural disaster? Because we know that humanity faces every decade or any time humanity faces some type of disease that we didn't know before, or some type of medical emergencies. Let me now ask at the same time also in terms of trauma centers, we know that the Kings County (sic) which is in my district. It's a wonderful organization. It's one of the trauma centers and as a matter of fact, I had the privilege to work together with Mr. Martin, who does so much for the community. Thank you for your partnership. I, you know, I miss you. [laughs] But in terms of trauma centers, is there any increase of funding for those trauma centers because every single day we are facing more challenges in terms of trauma centers, and I have seen patients going to Kings County. We have to send them to another hospital because of any other reason. We--I believe that we have also to focus on the trauma centers including

the funding especially an institution like Kings County, which is in my district.

DR. RAJU: I'll answer the first question. We do not, you know, budget for impending special pathogens. In other words when--when the Ebola came in, we used our system. We paid for it. Then we got some money back right from the federal government to do that. So we do not really have a special fund for special pathogens. Then we--they come in and we'll take care of them. So this is a part of the--the regular operational budget we deal with. To go back to the trauma center, right, the trauma center does not necessarily give us any enhanced payments, but what it does is it brings in patients with the significant CMI, Cass Mix Index [bell] so we are able to provide care, and we have insurance that we are able to bill the insurance companies and get money for it. Right, that's where it is. Regarding the transfer of some of the patients, some of the things are--are special services. For example, if we are to do a--a re-implantation, if somebody just cut their completely and they are to push it back in place, those--every trauma center has a patient like that. There's only

place this get done. That is at Bellevue. So whether you go to--you're in Presbyterian or any other, they have to send the patient back to Bellevue. Like you want a hyperbaric oxygen chamber there's one in Jacobi, you know, at the Center for Jacobi. So someone of things are--are--are state mandates that they don't really develop a hyperbaric chamber in every hospital. They have to go through a committee process making sure everyone does that like the burn centers. They don't have burn centers--- ward in every hospital. So some of them are also state mandate, and if you want to start a new service, then you have to get special permission from the state to start that. So another point they look at the number of cases you may--you may receive, and they also take a look at what are the other centers doing. In other words, if you one of those centers, which has got only ten patients, then they're not going to give you permission to start the same service where there are other services. So it's a little more complicated and the healthcare is a highly regulated industry where everything we do we need to get some permission, somebody's permission. So that is one of the reasons why we--even if you

want to provide, some of those services we can't provide because we need special permission for them.

COUNCIL MEMBER EUGENE: I think you very much, Dr. Raju. Thank you, Madam Chair. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. It's 12:40. Thank you very much for coming to testify today.

DR. RAJU: [off mic] Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: We have additional questions that we're going to be getting to you. I just ask that you get them back to us expeditiously because we're going to be using them for negotiations. And also, we are very, very serious you need to be very clear that the commitments that you made for things that you would get to us by the 18t, we need to get. Because if not, we're going to have another hearing to highlight all of this again. Thank you, very much, Dr. Raju and your team, and we will continue to engage while we get this budget done.

DR. RAJU: Thank you, Madam Chair. Thanks for your patience and thanks for all your support and help.

CHAIRPERSON FERRERAS-COPELAND: Thank you. All right, we are going to take and 10-minute break before we hear from the Department of Health and Mental Hygiene. [background comments] We will now resume this City Council's hearing on the Mayor's Executive Budget for Fiscal 2017. The Finance Committee is joined by the Committee on Health, chaired by Council Member Johnson and the Committee on Mental Health, Development Disability, Alcoholism, Substance Abuse and Disability Services chaired by Council Member Cohen. We just heard from the New York City's Health and Hospitals, and now we will hear from the Commissioner of the Department of Health and Mental Hygiene, Dr. Mary Travis Bassett. In the interest of time, I will forego making an opening statement, but before we hear testimony, I will open the mic to my co-chairs Council Member Johnson and then Council Member Cohen. [pause]

CHAIRPERSON COHEN: All right, how about now. I'm ready to go. Good afternoon. I'm Council Member Andrew Cohen, Chair of the Committee on Mental Health, Developmental Disabilities, Alcoholism, Substance Abuse and Disability Services. This is the Executive Budget Sheet--Budget hearing overseeing the

Department of Health and Mental Hygiene. The FY 2017 Executive Budget allocates $637 million to Mental Hygiene Services, an increase of $77 million 12% since the Fiscal 2016 Adopted Budget, The Executive Budget includes significant funding changes since we last met to discuss the FY 2017 Preliminary Budget including a $5.5 million investment in opioid overdose prevention, and $1.7 million investment in NYC Safe Hub. I would like to thank the Administration for their commitment to addressing opioid overdose as public health crisis rather than a criminal justice issue providing 7,500 additional Naloxone kits and training hundreds of additional treatment counselors among other programs. The Council looks forward to working with the Administration to reduce prescription opioid and heroin related overdose death and dependence in our communities. We know that effective communication and collaboration with community based organizations and advocates through the five boroughs will prove central in achieving this goal. This brings me to my next point regarding the local provider community and baseline Council funding. Council Member Johnson and I were recently joined by 30 of our colleagues in

expressing our concerns about the baselining of council initiatives including the Autism Awareness and Geriatric Mental Health Initiatives. As stated in our letter, the Council created these initiatives to reflect our priorities and values. Therefore, baselining should mean those priorities and values are carried through by the Administration. We stand with the dozens of organizations that provide vital services to our constituents in a culturally and linguistically appropriate manner ensuring their concerns about the reduced number of contracts and the altered scope of services in the Council funding. Now, we were disappointed to learn that the Administration did not restore in the Executive Budget $1.7 million in baselined funding for a substance abuse treatment and suicide prevention that redirected to Thrive NYC. As the Council called for in the Preliminary Budget Response. I am confident that we can engage in a productive dialogue during the remaining budget negotiations. I look forward to discussing this--the Executive Budget's new needs and other mental health funding issues during today's hearing. We did that already. Lastly, I just want to thank the committee staff for their work in

preparation of this hearing, Nicole Aberdeen, our Legislative Analyst; Michael Benjamin our Policy Analyst--Analyst and Janette Merrill, our Finance Analyst. Thank you, Chair.

CHAIRPERSON JOHNSON: Good afternoon. I'm Corey Johnson, Chair of the Council's Committee on Health and I look forward to discussing the Fiscal 2017 Executive Budget for the Department of Health and Mental Hygiene with you today. Commissioner Bassett, it's good to see you. The Executive Budget allocated nearly $1.5 billion to the department in Fiscal Year 2017, an increase of $139 million or 10% since Fiscal Year 2016 Adopted Budget. That's good news. I like seeing more money for the Health Department. While much of the new funding is directed to Thrive NYC, the mental health road map, the Public Health sector also saw a 5% increase since the Fiscal 2016 Adopted Budget, bringing the expenditures to $658 million. While these numbers demonstrate a significant commitment to the City's public health, I was dismayed to learn that funding for depart--that--that funding to the department is actually $84 million less in Fiscal Year 2017 Executive Budget than it was ten years ago in the-in

the 2006 Adopted Budget. So this Administration is making progress getting us back up, but I want to see us back up to those previous levels of funding to do the important work that the department is doing. I know--given the pressing health challenges in our city, I know this Administration will invest more in our health program services and infrastructure. [coughs] The Fiscal 2017 Executive Budget includes several important funding changes since we last met to discuss the Fiscal 2017 Preliminary Budget including more than $13 million to reduce the risk of local Zika transmission, and more than $3 million to enhance community services at three neighborhood health action centers. These investments in disease prevention and community health are essential to promoting health equity, reducing health disparities, and foster a city wide culture of health wellness. I look forward to discussing opportunities for collaboration between the Administration, the Council and the local provider community in implementing many of the department's new programs. The Budge also includes more than $2 million and 41 new positions to expand childcare center oversight, an important investment given the major shortcoming in our

childcare system recently reported in the local press, and addressed by the State. I look forward to discussing the department's plan to increase inspections of poor performing child providers, and to enhance investigations into illegal childcare centers. I was pleased to learn that the Executive Budget also includes $10 million in capital funding to build full service animal shelters in the Bronx and Queens, a long priority of this Council. This marks and important step in actualizing our commitment to animal welfare. However, the budget also shows nearly $100,000 in reductions in capital funding to upgrade and renovate the Manhattan Animal Shelter. I am confident that we can work together to ensure that our animal care facilities and services are fully funded, and I'm glad that Council Member Vallone is here, who has been a champion on this issue. I would like to thank the Administration once again for supporting the HIV and AIDS community and investing $23 million in ending the epidemic. I disappointed, however, to learn that the Administration did not include in the Executive Budget several important public health proposal called for in the Council's Preliminary Budget

Response, including funding to engage HIV positive people in city shelters, to co-locate pre-exposure prophylaxis, prep education at syringe exchange sites, and to study the potential for supervised injection facilities in New York City. Investments like these in our most--in our most marginalized and vulnerable populations are central to ending the HIV and AIDS epidemic. We heard from Council Member Cohen. I want to thank the committee staff for their efforts in preparing for today's hearing, Finance Analyst Janette Merrill; Policy Analyst Crystal Pond, Committee Counsel David Seitzer, and my Director for Legislation and Budget, Louis Cholden Brown, and with that, I want to hand it back over to the Chair, Chair Ferreras.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Johnson. We've been joined by Council Members Cumbo, Espinal, Vallone, Koo, Matteo and Vacca. Commissioner, our Counsel will swear you in and then you may being your testimony.

LEGAL COUNSEL: Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief?

COMMISSIONER BASSETT: I so affirm. Good afternoon, Chairpersons Ferreras-Copeland, Johnson, and Cohen, and members of the committees. I'm Dr. Mary Bassett, Commissioner of the New York City Department of Health and Mental Hygiene. I'm joined today by First Deputy Commissioner, Dr. Oxiris Barbot, and Deputy Commissioner Rozza Thank you for the opportunity to testify on our Executive Budget for Fiscal Year 2017. I know that many here would agree that public health historically has been linked to social justice. However, it's also clear to me that patterns of health and disease that vary across neighborhoods in our city reflect the legacy of income and equality and structural racism. There are neighborhoods where half the deaths would not occur if they had the same mortality profile as more affluent neighborhoods. These neighborhoods did not simply behind. They have been historically disadvantaged. The cost is paid among other ways in poorer health. That's why the de Blasio Administration remains focused on promoting equity, and I'm happy to report that this Executive Budget affirms this commitment. A core aspect of the Mayor's Equity Agenda is the Fight for 15, a higher

minimum wage for all is not only important to ensuring the dignity of work, higher wages save lives. In fact, the department's research recently published in the American Journal of Public Health it shows that raising the minimum wage to $15 per hour will save approximately 100 lives each year with the greatest for residents in our poorest neighborhoods. A 100,000--oh, 1,000. Excuse me. Thank you, First Deputy. I wish it would save 100,000, but 1,000 is a lot of lives each year would be saved by raising the minimum wage to $15 per hour. This is just one example of how a policy to promote equity in one field, in this case income equality, also promotes health. The Mayor's historic UPK program is another because research shows that access to early education is going to improve health in adults. Similarly, we know that better housing and better schools reduce health disparities among neighborhoods. Each of these priorities, which I know the Council shares, are integral to our collective effort to make every neighborhood a healthy neighborhood from the poorest to the wealthiest. At the Health Department we are grateful for a budget that supports our strides towards improving health equity. The department's

current operating budget is $1.42 billion, of which $594 million is city tax levy and the remainder is federal, state and private dollars. This reflects a net increase in spending of $111 million in city tax levy since Fiscal Year 2016, and an increase of $37 million for the Fiscal Year 2017 Preliminary Budget, including $2.4 million for the Neighborhood Health Action Centers; $8.9 for Zika preparedness; $5.1 million for opioid overdose prevention; and $2.4 million for enhanced respect--risk based inspections in childcare centers. In addition, this budget affirms the Administration's commitment to having animal shelters in all five boroughs by including $10 million in capital funding for the Bronx and Queens Animal Shelters. As we have increased funding for these vital programs, we've also been prudent. I am pleased to report that we have identified $51 million in savings for Fiscal Years 2016 and 2017 in part by reducing our reliance on consultants without any reduction in services.

The Fiscal Year 2017 Executive Budget moves our city forward on innovative health programs and allows the department to prepare for and respond to crucial public health issues. As you know, the

department will open three neighborhood health action centers in 2016 in communities that bear the highest disease burden and health based chronic disinvestment. The budget reflects our commitment of 34 staff at the cost $2.4 million, and this will help close service gaps and establish neighborhood specific action plans to inform collaboration, intervention and investments in our communities. We've already begun to work with community members, providers, organizations and institutions to coordinate joint approach to the health and social priorities of our community. Over the past year, we met with council member from the Health Action Center neighborhoods to update them on our progress and engage them in how these spikes will further the health of their constituents. The department looks forward to continuing these conversations as the doors of the re-envisioned district health center is open, and these buildings once again become hubs of neighborhood activity as they were under Mayor LaGuardia. The Executive Budget also addresses the city's plan to protect New Yorkers from the Zika Virus. As you know, this virus began moving through much of Latin America and the Caribbean last year.

The Administration plans to invest $21 million over the next three years in our Zika work, and the agency is adding 51 staff members. Our Zika preparedness plan, which we released last month with the Mayor and Deputy Mayor Palacio has three goals. First, to reduce the population of mosquitoes that may be able to transmit the virus. Next, to detect the Zika Virus in mosquitoes and then humans, particularly pregnant women who are exposed to Zika through travel or sexual transmission. And third, to educate New Yorkers about how to reduce the risk of local transmission. Although our intensive mosquito surveillance program has never detected A. aegypti mosquito, the main carrier of the virus, we have seen A. albopictus the main, also known as the Asian Tiger Mosquito, which is a close cousin, and could possibly transmit Zika. We will limit the areas in which these mosquitoes breed by reducing standing water and enhance our work by killing mosquito larva and adult mosquitoes. We will also increase the number of mosquitoes we trap and test for Zika. We assess for local transmission of Zika to the unlikely in New York, but we are not taking any changes. The consequences for babies, and the impact on families

are severe. Even if we do not have local transmission of Zika, we will continue to see cases from people traveling from outside of New York City. For this reason, it's important that we diagnose those with Zika and ensure that our healthcare partners have the information they need to test patients. I want to be clear. People who should be tested include all pregnant women who have traveled to an area of ongoing Zika transmission, as well as any travelers with compatible symptoms. Because it's so important that the public understand these facts, our third focus is getting information out to New Yorkers. Last month we launched a media campaign, Fight Back NYC and we scheduled more than 200 community outreach events across the city. We need New Yorkers to protect themselves against mosquito bites and help eliminate standing water. I want thank the City Council for amplifying the important messaging around this virus, and I also want to thank my team for its hard work as they put this emergency preparedness effort in place beginning in January.

We face a different urgent public health issue in the opioid crises. Preliminary data available this spring show an increase in

unintentional overdoes deaths from 800 in 2014 to 886 in 2015 with a 40% increase in deaths in the Bronx. With this Executive Budget we are improving health for people who use drugs through significant new funding to confront the opioid epidemic in our city. I want to thank the Mayor for dedicating another million in Fiscal Year 2017 to expand Naloxone distribution. We will also commit $1.2 million to growing critical harm reduction services, including syringe exchange in the hardest hit areas of the city, which include the Bronx expanding adolescent treatment and outreach in Staten Island.

Building upon past success, we will spend over $2 million to educate over 1,500 physicians and judicious opioid prescribe practices to reduce unnecessary exposure to opioids, and reduce the risk of unintentional overdose. Finally, we're very proud to be launching an innovative Non-Fatal Overdose Response System in Staten Island in the Bronx and an additional location, which is still to be determined, and we will expand this to all five boroughs over the next three years. Surviving an overdose is not the same as recovery, and this program will connect

individuals who have suffered a non-fatal overdose to care.

Lastly, we continue to work vigilantly to minimize illegal childcare center operations and improve health and safety at the underperforming childcare sites. We will add an additional 41 staff at a cost of $2.4 million in Fiscal Year 2017, and roughly--roughly $2.7 million in the out years to establish and illegal child care detection unit, and implement an enhanced risk inspection model. Additional investigation and inspection capacity will result in safer operation of over 11,000 childcare providers and--and further ensure the safety of over 400,000 children. The safe--the safety of our littlest, most vulnerable New Yorkers is of utmost concern to this Administration.

Let me turn now to some programmatic updates. The work of Thrive NYC is fundamentally important to our city. That's why I'm pleased that Mental Health Association of New York City has been selected to develop and operate NYC Support, and key aspect of our work to increase access to behavioral healthcare. NYC Support an investment of $20 million over three years will provide a single point of entry

by phone, text, messaging and the web for New Yorkers searching for mental health support. For some, this will be speaking with a counselor by phone, and for others connection to behavioral health services. It will provide robust crisis counseling, referrals, help scheduling appointments, and follow-up care in multiple languages. NYC Support will be a resource for any New Yorker who needs help, and we expect to serve 200,000 people in the coming fiscal year. We will also train 250,000 New Yorkers in every community across the city in mental health first aid. this course teaches people how to recognize signs and symptoms of mental illness and gives them tools to connect their friends, families and co-workers to help. I want to thank Council Member Cohen for organizing mental health first aid trainings for the City Council members and staff during the month of May. And I want to again thank our First Lady for her unwavering leadership on this, and so many mental health issues. As we ramp up our Thrive NYC activities, we're working hard to finally end the epidemic of HIV AIDS, which has plagued our city for almost 40 years. The goal of our ending the epidemic strategy is to reduce new HIV infections in New York

City to fewer than 600 per year by 2020. And I'm proud that this agency leads the nation in offering anti-retroviral treatment to all people with HIV. We are receiving applications from clinics and community organizations to raise awareness and increase access to biomedical prevention interventions for those at risk for HIV across the city. In addition, I am very excited by the renewal of our STD clinics, Sexually Transmitted Disease clinics. These facilities will provide expanded services, a welcoming environment to even more New Yorkers in need, and I want to thank the Council and particularly our Health Committee Chair, Corey Johnson for your fierce commitment to this work. Finally, I want to highlight our partnership with the Mayor's Office of Immigrant Affairs to the launch of Action Health NYC, a program to provide healthcare to New York City residents who are not eligible for public insurance. This non-insurance program will serve 1,200 New Yorkers in its first year using a dedicated network of providers and IDNYC as its member card. The program offers affordable fees to participants, and includes coordinated access to both primary and specialty care. The department is leading a comprehensive

evaluation of this first phase of the program. We are gratified to be working with Health and Hospitals, and our City's federally qualified health centers as we build a new healthcare access program for those remain ineligible for insurance through the New York State health insurance marketplace. I am grateful that our Fiscal Year 2017 Executive Budget provides significant additional funding to advance health equity. Thank you again for the opportunity to testify, thank you for your support for the department's work, and we are happy to answer any questions.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much, Commissioner. We're going to just delve right into this. We're two hours behind, and I know that you have a prior engagement you need to get to. The Executive Budget includes $265,000 this fiscal year, and $1.5 million in Fiscal 2017 as well as two new positions for Growing Up NYC. A new Children's Cabinet Initiative to address childhood development milestones. However, the budget does not include the $8 million to expand the Nurse-Family Partnership, a highly successful evidence-based program with similar objectives as called for in the Council's Preliminary

Budget Response. Give the interest in improving the Health Outcomes for women and children, can you walk me through your decision or the Administration's decision to direct this Family Health Fund and to Growing Up NYC and not the Family-Nurse--the Nurse-Family Part--Partnership?

COMMISSIONER BASSETT: I want to echo your characterization of the Nurse-Family Partnership. That is an excellent program. You are probably aware that this Health Department oversees one of the largest nurse-family partnership programs in the city. It is indeed an evidence based program with numerous positive outcomes, and we appreciate the Speaker championing this program. We are very pleased to--to--at the possibility of expanding access to this program, but we're also satisfied that we're expanding access through other means like our Newborn Home Visiting Program, which you probably know we expanded to the City Shelter Program last year. I know that the budget negotiations remain ongoing, and I will look forward to the outcome.

CHAIRPERSON FERRERAS-COPELAND: Great. So it's just good to get on the record that you do believe in this and in the--and it wasn't a sign that

you were trying to do something different, but rather that you want to do multiple approaches. Is that correct?

COMMISSIONER BASSETT: Yes, we're--we are undertaking multiple approaches to the care of our littlest New Yorkers.

CHAIRPERSON FERRERAS-COPELAND: Great, and how did the department determine that $1.5 million was an appropriate allocation for this initiative and--and--sorry--and how specifically will it use these monies?

COMMISSIONER BASSETT: You're talking about the money allocated through the--through the Children's Cabinet?

CHAIRPERSON FERRERAS-COPELAND: Yes.

COMMISSIONER BASSETT: I--I--I know--I can tell you about some of the things that we've done with the Children's Cabinet so far. We have collaborated with them on the A Program to--to promote the idea of talking, reading and singing to your baby as an important part of early childhood development. So we've been--we've been very involved with the Children's Cabinet in promoting literacy as an important tool. What the--what precisely the $1.5

million will be spent on, I should turn to Deputy Commissioner Askew. He represents the Department on the Children's Cabinet.

CHAIRPERSON FERRERAS-COPELAND: Great.

DEPUTY COMMISSIONER ASKEW: [off mic] Good afternoon, everyone. [on mic] Oh, sorry. Hi. Good afternoon everyone. I'm Dr. George Askew. I am the Deputy Commissioner for the Division of Family and Child Health, and while--since we're on the subject of the Nurse-Family Partnership, I just want to echo my support for the program as one of the strongest evidence-based home visiting programs that the country--that the country has right now. The money coming through from the Children's Cabinet for Growing Up NYC is a further--a furtherance of what initially started off as what was called Kid Nap, which is really looking at the developmental trajectory of children and young adults from birth through age 24. The Growing Up in--the Growing Up NYC money that's coming through the Health Department the Children's Cabinet will be used to help develop a resource that will allow families to engage through the Internet, and through an application that will allow them to identify resources that are targeted

specifically at different age groups and different stages of the--

CHAIRPERSON FERRERAS-COPELAND: [interposing] I'm sorry, did you say from--

DEPUTY COMMISSIONER ASKEW: --the child's development.

CHAIRPERSON FERRERAS-COPELAND: --from child to 24 years of age?

DEPUTY COMMISSIONER ASKEW: From 0--from birth through 24. Yes.

CHAIRPERSON FERRERAS-COPELAND: Okay. Al right so some of the--what--you know, sometimes we speak in months. So 24 years.

DEPUTY COMMISSIONER ASKEW: No, I'm sorry. No, from--from age birth--from birth through age 24.

CHAIRPERSON FERRERAS-COPELAND: So grown?

DEPUTY COMMISSIONER ASKEW: So really--exactly.

CHAIRPERSON FERRERAS-COPELAND: Right. Okay.

DEPUTY COMMISSIONER ASKEW: Young adults.

CHAIRPERSON FERRERAS-COPELAND: Okay.

DEPUTY COMMISSIONER ASKEW: Exactly.

CHAIRPERSON FERRERAS-COPELAND: Thank you. I wanted to ask about the Neighborhood Health Action Centers. I know that you mentioned them in your opening statement. The Executive Budget includes $3.5 million and 34 positions for the Neighborhood Health Action Centers in Fiscal 17 in order to co-locate health services, and revitalize under-used, under-utilized DOHMH buildings, which I think is great. One of the realities that we have, and I have one of those centers on Junction Boulevard in my district, is that I didn't see any funding or capital funding partnered for improvements. Did we miss it? Is it there? It seems that some of these facilities as you start you to things that may be modern. One of the challenges that I remember have--having with some of the parents when ran a Beacon program is that they felt that that building was older. There were other competing facilities that you can go get child--you know, you can get your vaccines. It just felt better, but there is no capital investment. So I'm--I'm questioning what your thoughts are or did we miss something?

COMMISSIONER BASSETT: Well, we--we agree that these buildings could benefit from capital

investments, but we wanted also to get them open and running. They are all safe for people to be in even if they might not be the most modern and enticing environment. So we have put-we have put funding into giving them a refresh, and to making them more attractive by--although this didn't extend to--to capital renovation expenses. I'd have to ask Deputy Commissioner Rozza for the amount of money that we spent on refreshing them, but we have done painting, and--and other repairs---

CHAIRPERSON FERRERAS-COPELAND: [interposing] Just problematic work.

COMMISSIONER BASSETT: --to--to make them better and refurnish them putting in more modern furniture. We also are in every--in each of these sites developing a community kitchen facility because one of our intentions is to promote healthy food access including the promotion of food preparation at home. And we also are looking where possible where there's space for a community activities at these sites. Should I? Do you want to answer that?

CHAIRPERSON FERRERAS-COPELAND: And also if you could--have you thought of doing a capital assessment? Did you go through that activity?

COMMISSIONER BASSETT: Some of them have had substantial capital investment.

CHAIRPERSON FERRERAS-COPELAND: Okay.

COMMISSIONER BASSETT: For example the East Harlem site had substantial capital investment in the past although it was mostly on the facade and the exterior, and I believe that we have received some capital funding for our--Oh, and she's whispering that we have capital funding. So let me turn it to her.

CHAIRPERSON FERRERAS-COPELAND: Okay, great. Thank you.

DEPUTY COMMISSIONER ROZZA: Good afternoon, Sandy Rozza, Deputy Commissioner for Finance. I apologize for my voice. So the new need that was given as part of the expected, the Exec Budget did include funding to create the Woman's--a Woman's Suite in each of the facilities, and a wellness room. It also included some funding to do the sprucing up and painting, as the Commissioner said. We will be looking at our capital funding to start to plain for other improvements, but as you know, spending the capital dollars take a lot more

time in order to implement, and we did want to get these three up and running.

CHAIRPERSON FERRERAS-COPELAND: Yes, that's another hearing. We're trying to get that process going a little bit faster. That will be another commissioner. Okay, great. Thank you, and I wanted to talk--two more questions. One on Vikarus (sp?) Zika response, and--and briefly on opioids. The department recently announced it would donate one million condoms to assist with Zika prevention efforts in Puerto Rico, which is more locally transmitted cases than any U.S. State territory. Can you walk me through that thinking and, you know, we have it challenging sometimes to partner with other counties. So what was the linkage between Puerto Rico and New York if you can walk us through that, and why this preventative measure is so needed?

COMMISSIONER BASSETT: Well, as you've rightly noted, Puerto Rico is the jurisdiction most affected by the Zika outbreak in the United States and also New York City has a longstanding connection to Puerto Rico. We have more people of Puerto Rican descent in our city than anywhere else in the United States. So for many New Yorkers Puerto Rico is home.

So we want in part to show solidarity with the--with the jurisdiction that's facing a very--a very large and still growing Zika outbreak. Now, we have had ties with the--the public health authorities in Puerto for some time because we have worked together with them on numbers of communicable disease issues including HIV, TB. And so in order to make this connection, we drew on our--our Bureau of HIV Prevention and Control, and the contacts that they have, and asked whether it would be useful to provide them with these comments because, of course, you know that Zika can be sexually transmitted. And we also, though, didn't want to make a contribution that wasn't going to be useful. So once we had the assurance that these would be most welcome, it was pretty simple. We just shipped them there, and I'm very--I--I don't know whether they yet arrived, but they're on their way.

CHAIRPERSON FERRERAS-COPELAND: Okay. So let us when they arrive. The--I wanted to talk about op--opioids. The Executive Budget includes $5.5 million in new needs to expand prevention outreach and treatment services to combat opioid addition including non-fatal overdose response systems, as you

had mentioned in your opening statement, and a prescriber education and training program. The budget includes additional funding for Buprenorphine. Oh, geez and--and--[laughs]

COMMISSIONER BASSETT: [interposing] Everybody had trouble with that one.

CHAIRPERSON FERRERAS-COPELAND: I practiced that, and--and other efforts to address opioid abuse. How can the integrate other drug prevention efforts into the opioid response to ensure and equitable and comprehensive approach to drug treatment and prevention in our city? So what--you know, it seems that we've been talking about this opioid epidemic for some time, and we're wondering why you're going through this process of touching people? Is there an opportunity to identify maybe other gateway drugs or--or other issues that may be one community has that other ones don't? There might be types of addictions in other communities. With just very thoughtfully and aggressively addressing this issue with money, do you see this kind of replicating itself with other addictions throughout the department?

COMMISSIONER BASSETT: You're not talking about alcohol. You're talking about other.

CHAIRPERSON FERRERAS-COPELAND: Whatever you think--as--as--

COMMISSIONER BASSETT: [interposing] Okay.

CHAIRPERSON FERRERAS-COPELAND: --the expert.

COMMISSIONER BASSETT: So the first thing to say about the opioid epidemic because I think that's an appropriate word--phrase is that it's--the number of deaths is still increasing. So although we have been working hard, we have seen the number of deaths increase. One of the things we're very worried about is that just recently we noted that Fentanyl, a drug that is 50 to 100 times more potent than Morphine was apparently on board in about 15% of these overdoses. This--this is an increase from the past where we saw it in three to 3 to 4% of overdoses. So the--so it might be that the drug is changing and that's part of the reason that we're seeing more overdoses. But we certainly haven't turned the tide well enough, and I also want to be clear that this epidemic involve--involves ever

borough of our city. Of course, everyone knows that Staten Island has had a disproportionate rate per capita. But if we looked at the opioid deaths in our city, about a third of them are in the Bronx. After that comes Brooklyn, and Staten Island accounts for under 10% of those deaths. So--so this is something that affects our entire city.

CHAIRPERSON FERRERAS-COPELAND: Right.

COMMISSIONER BASSETT: It's something that it is certainly within our hands to turn around, but it's rare that opioids are the only drug on board. And just recently our--our Assistant Commissioner for--for--it's a very long name--but the Bureau of Alcoholism, Drug Use and Prevention Services something like that treatment and care. I don't know. [laughs] Dr. Hillary Kunins, who is here with us today, and may add a few things, had noted--has noted that the use of sedative drugs is going up. So that's things like what we--like Benzodiazepines, drugs like Valium. That obviously increases the risk of a fatal overdose when people blend their drugs. So we're always concerned about Polypharmacies. So you make a very important point. We don't want people to die over overdoses. That's

where Naloxone comes in. We want more people to enter into medication assisted treatment. That's where Buprenorphine comes in, and we realize that when people enter into treatment that the whole scope of their substance use is something that they will need to address. We're also very concerned about alcohol misuse or abuse. Not only alcoholism, alcohol dependence, but people who binge drink and they may be unsafe to others because of their behavior whether it's violence or getting behind a car wheel, a car--the--the wheel of a car. So we--we also see alcohol as something that we are going to be actually coming up pretty soon launching another media campaign about.

CHAIRPERSON FERRERAS-COPELAND: Now, you've testified to this before, but if you can just help parents that may be watching this right now. What do you do if you have these--these prescriptions in your home. You're done with them, but they're still in your home. What should a parent do? Do you flush them down the toilet? Do you not? Is there a way to get rid of them? How do you get them out of your house and, you know, not in the hands of a young person or someone who may abuse them?

COMMISSIONER BASSETT: Well, the first thing that we want to really do is work hard with--with prescribers to--to get them to reduce--to reduce the amount they prescribe for people. That's what we mean by that sort of arcane phase "judicious prescribing." We want doctors and others--and nurse practitioners, other people have prescribed to prescribe as little as is needed to address pain, which usually means not more than three days worth of a prescription. And we want them to lower the dose. So no more of those 30-day prescriptions. And then, there are a number of ways that people can safely dispose of these. So if you have to--them laying around the house, you should get rid of them. Dr. Kunins, if you would introduce yourself and perhaps give the name of your bureau, which I so badly mangled [laughter] jus a few minutes ago.

DR. HILLARY KUNINS: Hi. I'm Dr. Hillary Kunins from the Bureau of Alcohol and Drug Use Prevention Care and Treatment. It's no accident that's not memorable. The--discarding unused medications from medicine cabinets is an important part of the strategy. We know that 70% of people who report having a history prescribe drug misuse report

getting the--the pills from friends or family. The recommendation is to discard it, mixing with undesirable substances such as kitty litter or coffee grounds for example. There are period take-back days, but it may not be temporally convenient to families looking to throw out pills, but are also periodically available.

CHAIRPERSON FERRERAS-COPELAND: We don't want to flush down the toile, right. Okay. I feel like last year we were flushing. Now, we're not flushing. I just want to be clear. So no flushing down the toilet. Thank you very much. We will now hear from our Chair, Chair Johnson followed by Chair Cohen.

CHAIRPERSON JOHNSON: Thank you, Madam Chair. Good to see you, Commissioner. So, I--I know the Finance Chair just asked a bit about the Zika response, and as I had mentioned in my opening statement, $13.5 million in the Executive Budget, $9 million of which is city tax levy, $4 million in state funding, $3 million, which shows up [coughs] in the out years. On the federal level, as you've been following, Congress has been preparing an appropriations package related to local Zika

transmission and supporting states and municipalities, and on the federal level, they recently shifted $600 million in unused Ebola funds to combat Zekra--Zika and Congress is currently negotiating $1.9 billion to fight the virus. Do we have any--have we been in touch with our--our senators and our congressional delegation to understand potentially what amount of money New York City would see out of that congressional appropriation? What would we see locally? I'm sure it would far exceed $13.5 million, but continue to supplement and help our efforts on a local level.

COMMISSIONER BASSETT: Sure. Thanks for that question. The first part is that we have seen a sort of borrowing from Peter to pay Paul phenomenon a the federal level and have experienced a budget cut to part of our public health preparedness funding. We--I wrote a strong letter to the Health and Human Services secretary expressing my concern that this limits our ability to respond to emergencies. Ebola preparedness is still needed. The--the--as you know, the Congress is still, you know, dickering over the allocation of earmarked funding for the Zika response, a big part of which would be devoted to

vaccine development, which is very important to our ability to respond to this virus, most especially in the countries of Latin America and the Caribbean that have been so hard hit. But the Congress has so far not taken action. We, of course have been expressing our support for this allocation through our--the Mayor's Washington office, but we are prepared to respond to Zika with our own resources that include the state Article 6 match, which is the way the state supports public health activities in our city. If federal funds become available, I assure you we will enter into robust discussions with the federal government about how to, you know, how to support our effort here. I have Deputy Commissioner--no, nope, she's--she's okay with what I said. [laughs]

CHAIRPERSON JOHNSON: Okay. I'm going to leave questions related to the siting of animal shelters to Council Member Vallone, who I know wants to ask specifically about the Bronx and Queens. I wanted to follow up on previous capital allocations for the renovations at the Manhattan garage--

COMMISSIONER BASSETT: [interposing] Yes.

CHAIRPERSON JOHNSON: --as well as the Brooklyn HVAC systems. Now, they've been pushed

further to the out years, and I'm wondering why those capital allocations--the money was put in, which I'm really happy last year--

COMMISSIONER BASSETT: [interposing] Yes, yes.

CHAIRPERSON JOHNSON: --in last year's budget, but the actual construction I'm seeing it show up in much later years, you know, two, three, four years from now, and I wanted to understand why that allocation was pushed then, and why isn't it included in this fiscal year so that we can begin the project?

COMMISSIONER BASSETT: Well, we're committed to these projects so I committed--

CHAIRPERSON JOHNSON: [interposing] Yes, but I want to get it done as quickly as possible.

COMMISSIONER BASSETT: Absolutely, and I--I know that you've expressed in the past frustration with the many steps that are involved with--with siting and building these shelters. But whatever the budget sheets say, they will not slow down this process, but I should ask our Deputy Commissioner to speak about--about what the budget sheets reflect.

DEPUTY COMMISSIONER FRIESEN: Good afternoon. My name is Julie Friesen. I'm the Deputy Commissioner of Administration and I oversee facilities at the Health Department. So, the capital money must be spent by DDC with these construction projects, and there is--there are numerous oversights and processes in place before capital money can be approved to be spent by DDC. So, we are, you know, the consultant is in place, the contract is being registered, the consultant is going to start work. The certificate to proceed was approved on April 20th of this year for that work to begin. Then there's a--I'm just going to go through the steps with you a little bit to explain. There's a pre-schematic design that takes about three months. The actual design after that takes about 12 months for the consultant to do, and then it's put out to bid. DDC then bids out the project. That takes about five months before a consultant is selected, the contract is registered and the work can begin.

CHAIRPERSON JOHNSON: So where are we in the process?

DEPUTY COMMISSIONER FRIESEN: So right now the CP was approved by OMB last month to select--

to the consultants on board, Smith Miller and Hawkins.

CHAIRPERSON JOHNSON: So I mean I'm happy to hear that. The--you know, only dis--disconcerting part of that is, you know, a year ago the money was put in the budget. So--and we had a hearing, you know, 14 months ago or 15 months ago, and there were conversations then. So--I mean I'm glad that, you know, it's starting to move through the process, but it would be helpful moving forward if as the--the timelines and benchmarks that you just laid out if there's going to be a delay in that, it would be helpful to communicate that to the Council so that we understand why there's a delay and what's actually happening so that we understand what the status is moving through.

COMMISSIONER BASSETT: You know, we're happy to continue to keep you apprised of this process. As you've gathered, there are many steps, and the--what I want to leave you with is that the placement of the capital funds in the budget won't be a barrier. If we can somehow accelerate this process, we can bring the money back and spend it.

It's simply a matter of the most reasoned assessment of when the money would actually be spent.

DOUGLAS JOHNSON: And are there any--

COMMISSIONER BASSETT: [interposing] So, you know--

DOUGLAS JOHNSON: --are there any cost overruns. Do you believe--I mean the--the money that was put in for the Manhattan upgrades

COMMISSIONER BASSETT: [interposing] Oh, I see what you mean.

DOUGLAS JOHNSON: --and the Brooklyn, is it--is it--

COMMISSIONER BASSETT: [interposing] I don't think we're at that stage yet to have had--to have exceeded our budget. We don't know that yet.

CHAIRPERSON JOHNSON: Okay. I want to just hit on a Penicillin shortage. The FDA recently reported a shortage in Penicillin, the recommending treatment for Syphilis and the only option for pregnant women infected or exposed to Syphilis due to manufacturing delays. The shortage comes at a time when New York City has experienced a 15% increase in Syphilis cases. I know the Department has been working with advocates and put together and advisory

group and taskforce coming up with recommendations on Syphilis. Dr. Varma and Dr. Blank I know have been very involved in that. How will the Peni--Penicillin shortage affect the department's efforts to reduce the rate of Syphilis in the city?

COMMISSIONER BASSETT: It will not affect it.

CHAIRPERSON JOHNSON: It won't affect it. We have enough?

COMMISSIONER BASSETT: No, I mean we have a--we will use alternative treatments. We--that recommendation was simply for pregnant women because alternative treatments may have an affect on the developing baby is really limited to Bicillin treatment. If a woman is, for example, allergic to Penicillin, the recommendation is that be desensitized and still treated with Penicillin. So it was really--our alert is really to warn people to--to preserve this if they have to prioritize it to--to use it on pregnant women.

CHAIRPERSON JOHNSON: And has the--has the Syphilis Advisory Group met since this news came out?

COMMISSIONER BASSETT: They just met recently.

CHAIRPERSON JOHNSON: Okay.

COMMISSIONER BASSETT: I think yes it has, okay.

CHAIRPERSON JOHNSON: I think they met last month.

COMMISSIONER BASSETT: I think it was--no I think it was last week.

FEMALE SPEAKER: [off mic] Friday.

COMMISSIONER BASSETT: Friday.

CHAIRPERSON JOHNSON: Oh, Friday. I didn't know that. Okay.

COMMISSIONER BASSETT: Yeah, it was very good meeting.

CHAIRPERSON JOHNSON: Was this discussed at the meeting, where Penicillin is--

COMMISSIONER BASSETT: [interposing] I'm sure that it came up because I--I don't think you see the--I'm--I'm concerned that what we all think of as such a commonly available drug should become less available. I think all of us have witnessed the phenomenon of price rises really of--of drugs that we consider like Doxycycline, which was once a very

cheap drug. But this is not a--but that's a--a philosophical concern. At the moment we're told that it's simply due to manufacturing delays, but it doesn't mean that we have been disarmed in terms of treatment of Syphilis. We have alternative drugs.

CHAIRPERSON JOHNSON: And do you anticipate any impact on HIV transmission due to co-infection?

COMMISSIONER BASSETT: We are very serious about bringing the Syphilis epidemic under control because it is an established factor in HIV transmission along with other--several other Bacterial TDs. But the drug shortage is not going to stand in the way of our control efforts, and I don't whether New York City is seeing this drug shortage yet, Dr. Varma, I believe. No. This was announced by the CDC, and we relayed it to doctors.

DR. VARMA: Yeah, it's--this is Dr. Jay Varma. I'm the Deputy Commissioner for Disease Control. I--I don't anticipate any problems in our clinics with the ability to treat primarily for the reason that Dr. Bassett mentioned. We haven't experienced the supply shortage ourselves, but again a supply chain takes a long time. It's anticipated

that the shortage is supposed to resolved over the next two months. But, of course, we also keep a--a ready supply chain, and also have access to very effective alternative treatments for non-pregnant adults and--and adolescents.

CHAIRPERSON JOHNSON: The--the City Council's Preliminary Budget Response identified certain gaps in ending the epidemic. We're really grateful for the amount of money the Administration put forward, and thank you for you said in your testimony, and I think we've worked really well with your team and especially with Dr. Daskalakis on--on this effort. One of the things that the City Council's Budget Response called for was addressing crystal meth use, and the impact that was having on the epidemic. It wasn't included in the Executive Budget. I wanted to see if you had any thoughts, and what the department is doing on crystal meth use, and if the department would support provider education, and targeted public health detailing?

COMMISSIONER BASSETT: We do have a plan, and I'm going to ask Dr. Varma to describe it. Although it doesn't appear in the budget, we are mindful of the observation that you've just made.

DR. VARMA: Correct. Yes, we--we are--we've--we've had a number of discussions including a--a large community meeting I think we had in March, if I'm remembering this correctly, with people to address this issue. It's also included as a component of the, you know, RFPs that were issued, and just try to strengthen relationships with community members and work on--on issues related to education, and--and obviously policy related to crystal meth. We're--we're, you know, quite aware that there's a major concern because we have seen in our epidemiologic data that there has been an increase over, and I think we will continue to--to support these programs.

CHAIRPERSON JOHNSON: The--in the Mayor's 2016 Consolidated Plan, it showed a $7.2 million cut to the department HOPWA funds, Housing for People with AIDS funds. You know HOPWA is a federal housing program for homeless or unstably housed people with HIV, and unless this is addressed, this cut would cause about 400 people who are currently housed through HOPWA funds to be homeless. I wanted to understand what is being done to address this so that

these individuals who are currently housed through federal HOPWA are not at risk for homelessness.

COMMISSIONER BASSETT: Thanks. The-- there--I think--are you referring to the federal cut or-?

CHAIRPERSON JOHNSON: Yes

COMMISSIONER BASSETT: So the--the first thing to say about the HOPWA funding is that for Fiscal Year 17, we are adequately funded. There will be no shortage of--of housing availability to--or where we have to decrease the allocation of housing. There is a problem for FY18 we are already beginning conversations with advocates or at least beginning planning to have conversations with advocates of how we can make the case in Washington for--for continued support to HOPWA and not additional cuts, which is what some have suggested may be coming. I think that it's indisputable that this administration has made supportive housing a very high priority. It's part of the whole effort to tackle homelessness as well as to improve the outcome of disease for people living with HIV.

CHAIRPERSON JOHNSON: So the Administration is not going to allow--

COMMISSIONER BASSETT: [interposing] We are not going to--

CHAIRPERSON JOHNSON: --these people to be put at risk?

COMMISSIONER BASSETT: That is correct.

CHAIRPERSON JOHNSON: Right. So Rat Reservoirs, a lot more rats all over the city.

COMMISSIONER BASSETT: We are going where there are a lot of rats, and what do you know, we're finding them.

CHAIRPERSON JOHNSON: You're finding them. [laughter]

COMMISSIONER BASSETT: Right, and we--when we find them. Am I allowed to say that we kill rats? I believe so. [laughter] So the--so the--I'm a very non-violent person, as Council Member Johnson may have guessed. We love pets but animals that are rats are not among the animals that we like in the city, nor does anybody who--who lives in our neighborhoods with rats. So, we know about--

CHAIRPERSON JOHNSON: [interposing] You know that I'm not saying--I'm not saying anything, Commissioner. I'm just letting you speak.

COMMISSIONER BASSETT: I don't know, this--this may not be headed in the right direction [laughter] just get moose in here.

CHAIRPERSON JOHNSON: Anyway, I wanted to ask about an 18% increase that we saw in calls to 311 over the same period compared to 2015, and the 39% increase and people calling 311 for rats compared to 2014. The 2017 Executive Budget includes $16 million for environmental health pest control services, and I want to understand how does the administration, how does the department integrate 311 calls, and complaints into how they actually spend the money on pest control?

COMMISSIONER BASSETT: So the first thing to say is the whole Rat Reservoir program, the one that--that you heard us talk about actually when we both first started, Council Member Johnson. The--the--it began as a--as a pilot and has now been expanded citywide. So this focuses on areas where our-our rodent control program knows that we have hot spots without people having to make complaints. Ironically, sometimes in neighborhoods where there are endemic rat populations, people don't complain about them that often. So, we go where we know there

to be rats, and that's what the Rat Reservoir program has been so successful at. In areas where we have implemented it, we've seen reductions in rat signs of 60 to 100%. But when we go to places where we know that we're going to find rats, we find that, and that's why you have noticed in the Mayor's Management Report the--the percentage of--of inspections where rat signs were identified has increased. And that in part reflects the fact that we have targeted our rodent--our rat control program to areas where we know there are a lot of rodents. Additionally, we respond to complaints, and we have despite the increase in the number of complaints, which may reflect the greater ease that people have with the 311 app in calling and--and conveying their complaints to 311, which is a good thing. So it may not mean that there actually are more rats around, but jut that it's easier to make a complaint about them because of the 311 app. And our response time has remained the same. We investigate and respond to all--all complaints.

CHAIRPERSON JOHNSON: Okay, I want to ask a--a few questions and maybe Deputy Commissioner Kass wants to come up. It's related to restaurant

inspections, and then I'm going to hand it over to my colleagues.

COMMISSIONER BASSETT: Okay.

CHAIRPERSON JOHNSON: But regarding the Food Service Establishment Advisory Board, and its subcommittees, this was created by law. The annual report that we received in January indicated that the Establishment Advisory Board met twice in 2015, and my understanding is the Board is supposed to meet every three months by law. Has the Board met in 2016.

COMMISSIONER BASSETT: Yes. Oh, yes, it has, but if you would like to speak to Deputy Commissioner Kass.

CHAIRPERSON JOHNSON: No, I'm happy to-- [background comments] [laughter] I'm--I'm happy to--

COMMISSIONER BASSETT: [interposing] And he is fabulous, by the way.

CHAIRPERSON JOHNSON: I know he loves grading restaurants, which is why I invited him up.

COMMISSIONER BASSETT: And New Yorkers should be proud of their restaurants because 92% of them have an A letter grade.

CHAIRPERSON JOHNSON: Which makes me ask what does that A grade mean if that many are passing.

COMMISSIONER BASSETT: It means that we have succeeded in moving the needle on--on food preparation--

CHAIRPERSON JOHNSON: [interposing] Well, do you believe it's appropriate for restaurants that after adjudication receive an A grade be treated differently from restaurants that receive an A grade without adjudication? It seems to be an unrelated--

COMMISSIONER BASSETT: [interposing] You--then, well, the number that number that get an A letter grade on the very first inspection has continued to creep up. It's a little over 60% now. It's 61 or 62%.

DEPUTY COMMISSIONER KASS: It varies.

COMMISSIONER BASSETT: And that reflects a restaurant that is going to get an A on inspection where somebody just showed up unannounced. So in a sense if that unannounced visit is the best snapshot on how that restaurant is doing, it's an important and we're really glad that increasing number of restaurants are given an A on the first--on the first inspection. People do have the chance to adjudicate

their inspections, and many, as you can tell, by the aggregate numbers of 92% end up with an A letter grade, and they all get to post that A letter grade.

CHAIRPERSON JOHNSON: So I mean I have--I'm going to hand it over to my colleagues. I have a series of questions on this. I'm happy to, you know, speak individually with--the--

COMMISSIONER BASSETT: We are--

CHAIRPERSON JOHNSON: --Health Department on this.

COMMISSIONER BASSETT: We treat them all as As. Are you talking about the fines? No?

CHAIRPERSON JOHNSON: No, I mean I have some concerns about the overall grading system, and--and I want to--I'm going to be looking at maybe making some changes, but I want to give you guys a heads up on that because I haven't figured out what I want to do, and I know the Health Department is very invested in this. It has worked really hard at making it more fair for small businesses, and there's been a significant fine reduction over the years.

COMMISSIONER BASSETT: There has been.

CHAIRPERSON JOHNSON: Yes, significant, significant.

COMMISSIONER BASSETT: Yes, I mean this past year our--our--the level of our fine of--of--what do we call it--our revenue from fines is about $29 million. It's down to the level that it was before we even began the restaurant grade. In fact it's lower than the revenue that we got despite the fact that we're now doing many more inspections, and we believe as reflected in the--in the letter grades, we have succeeded in what the letter grades were intended to do, which is to improve the hygiene, food hygiene practices in our restaurants. So--so we would be happy to continue this conversation--

CHAIRPERSON JOHNSON: [interposing] Let's keep talking.

COMMISSIONER BASSETT: --with you. Yes.

CHAIRPERSON JOHNSON: Okay, thank you, Chair Ferreras.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Johnson. We will now hear from Chair Cohen.

CHAIRPERSON COHEN: Thank you, Chair. Thank you, Commissioner. I'll try to keep them moving because I know you're trying to--that you have another engagement. Thrive NYC. In response to the

FY Preliminary Budget and discussions we have, I guess the agency is preparing a 150-day report that's going to I guess come up with a--metrics to how we're going to evaluate the effectiveness of Thrive. Is that--is that correct, and when--when should we expect that report?

COMMISSIONER BASSETT: This is from the--from the Council that we've put together that is comprised of a number of different agencies, although the Health Department has remained the technical lead on--for Thrive NYC. As you know, many, many agencies across the City are engaged with the project of putting mental health at the center of health.

CHAIRPERSON COHEN: But--but are we expecting a--

COMMISSIONER BASSETT: It is a 150-day report yes.

CHAIRPERSON COHEN: Okay, so we--

COMMISSIONER BASSETT: [interposing] Yes, you are correct to expect it.

CHAIRPERSON COHEN: Okay. I--I have some questions about procurement, but maybe just in a nut shell, do you know how many agencies that con--how many contracts the agency issues every year?

COMMISSIONER BASSETT: No.

CHAIRPERSON COHEN: Do you know how many contracts there are?

COMMISSIONER BASSETT: I'm--no I'm--but it doesn't mean that I--royal we can answer this question. [laughter] So, I'll just give--let me give it to--

CHAIRPERSON COHEN: [interposing] Thank you.

COMMISSIONER BASSETT: --Deputy Commissioner Rozza.

DEPUTY COMMISSIONER ROZZA: We have approximately 1,300 contracts annually.

CHAIRPERSON COHEN: 1,300, and I'm--I'm asking this because obviously some of the people who you contract from have been--brought this up to me. Do you know what the--the lag time is from the time that a contract--a contract is executed until a service provider can expect the first payment?

DEPUTY COMMISSIONER ROZZA: As long as the contract is executed and registered, and they submit an invoice we pay right away. So there really isn't a lag time as long as the contract is registered.

CHAIRPERSON COHEN: As long as the contract is registered?

DEPUTY COMMISSIONER ROZZA: As soon as they perform the service they come down.

CHAIRPERSON COHEN: From--they perform the service, they bill and then how--when would they receive payment? How long is that period?

DEPUTY COMMISSIONER ROZZA: We have up to--we have up to 30 days, but the department normally within 14 days issues payment.

CHAIRPERSON COHEN: Is there any difference between a discretionary contract and a--a regular or routine contract with agencies in terms of payment?

DEPUTY COMMISSIONER ROZZA: In terms of payment no. As long a s contract is registered a payment can be issued.

CHAIRPERSON COHEN: I guess obviously the backlog isn't getting the contract registered--

COMMISSIONER BASSETT: [interposing] That's correct.

CHAIRPERSON COHEN: And that's--that's been communicated to me repeatedly as--as a real concern about how to-trying to move that process

along, and we should probably try to put our heads together to see if we can't--if there is something that we can do on our level to try to--

COMMISSIONER BASSETT: We're happy to engage in that conversation with you.

CHAIRPERSON COHEN: In your--in your testimony regarding opioid abuse and particularly in the Bronx, is it all Heroin? Is it prescription? What do you attribute the--the steep rise in--in overdoses in the Bronx to?

COMMISSIONER BASSETT: We've seen a--a rise in--in overdoes due to Heroin--Heroin.

CHAIRPERSON COHEN: Overwhelmingly Heroin is--

COMMISSIONER BASSETT: [interposing] Yes.

CHAIRPERSON COHEN: --a prescription.

COMMISSIONER BASSETT: That's what's made us concerned about the observation that Fentanyl seems to have arrived in our city.

CHAIRPERSON COHEN: But you know what's--I apologize for going back and jumping around a little bit. On--in your testimony on Thrive, the--the telephone services, are--are there any anonymous

services provide for in--in the telephone service, the--the $20 million?

COMMISSIONER BASSETT: You mean when you call NYC Support--

CHAIRPERSON COHEN: [interposing] Yeah.

COMMISSIONER BASSETT: --do you have to give your name?

CHAIRPERSON COHEN: Yes.

COMMISSIONER BASSETT: No, you don't have to give your name?

CHAIRPERSON COHEN: Yes.

COMMISSIONER BASSETT: No, you don't have to your name.

CHAIRPERSON COHEN: You don't have to.

COMMISSIONER BASSETT: You can ask for--of course, if--if you want to get some assistance including someone calling back to check on whether you've made your appointment or you weren't able to get the care you needed, you would have to provide contact information, but, you know--

CHAIRPERSON COHEN: [interposing] No, but I--I think it's important that people have--

COMMISSIONER BASSETT: [interposing] Yes, agree with you.

CHAIRPERSON COHEN: Okay. I have a couple of questions about harm reduction if I can find what I want to ask.

COMMISSIONER BASSETT: We're doubling harm reduction.

CHAIRPERSON COHEN: Doubling harm reduction. There's money for needle--additional money for needle exchange. I was curious, and I don't know what the question, but how--how we decided 12,000--there are 12,000 additional people to be served. How did we come up with 12,000? Where did that number come from?

COMMISSIONER BASSETT: I--I thin that the--it's a combination of experience and expansion of the available sites is how we're working with our available sites in the city. We have 14 syringe exchange programs in the city, and we want to expand their reach both by an increasing number of clients that they serve including with--for the first time adding community outreach workers to these sites. So, the--the number is based on--on our assessment of what the potential is for expansion and the time frame.

CHAIRPERSON COHEN: And I--I--

COMMISSIONER BASSETT: [interposing] And this is the first expansion that we've seen in these sites in a number of years. We're very, very excited about the opportunity to have the funding to do this.

CHAIRPERSON COHEN: I know this came up briefly at the--the last time we had a hearing about the supervised injection. Is there any consideration of maybe exploring that as a harm reduction method employed in the city?

COMMISSIONER BASSETT: We--I--certainly as we discussed the last time we-we met in March, the department is looking at the experience of--of supervised injection sites elsewhere. We talked about the fact there are numbers of these around the world. I believe that the number is 90. Most of them in Western Europe, but in Canada we have one. The Mayor of Ithaca has announced his intention to establish one. So we certainly are following this with interest, and educating ourselves about them.

CHAIRPERSON COHEN: Is there any sort of timeline to study that or--?

COMMISSIONER BASSETT: No.

CHAIRPERSON COHEN: In terms of--of Naloxone use, do we have any hard data on--is there a

corresponding with the rise in overdose, a corresponding rise in the number of administrations of Naloxone. Is there any--do we--

COMMISSIONER BASSETT: [interposing] So, you're wondering whether we're able to track reversals?

CHAIRPERSON COHEN: Yes.

COMMISSIONER BASSETT: Well, we do know that the NYPD tracks reversals, and we--the rest--otherwise we depend on--on individuals to notify us. So the number that we're notified of obviously is a--likely a far underestimate of the number of reversals that actually occur. Dr. Kunins, do you want to add?

DR. HILLARY KUNINS: So as--as Commissioner Bassett is reporting, the--the reversal system is voluntary. So we know that there is under-reporting. We conducted an evaluation of our program about a year and a half ago, and we know that among participants trained by syringe exchange programs about 30% of the people trained go onto observe an overdose and use their Naloxone in the 12 months following receipt of training. So have some sense of participants receiving training who are themselves people who use drugs or they're social networks that

we estimate about a third will have unfortunately to use their Naloxone.

CHAIRPERSON COHEN: Does that give you confidence, though, that the additional distribution is being like as effective that we're distributing it in a way that actually being used and--and providing people.

DR. HILLARY KUNINS: So I--I think you raised a very excellent question because as the Naloxone programs are being grown across the country and in New York City, we are still coming to understand what is the right amount of Naloxone. We've done a variety of estimates to try to saturate communities where there are a high prevalence of overdoses because our goal is to get to as many of those overdoses as we can to prevent all the fatalities we can. Right now, we know that the vast majority of our Naloxone that the Health Department distributes goes to high need communities and high need individuals.

CHAIRPERSON COHEN: So I know this is not exactly a mental health question, but I was reminded during the other questioning. Mosquito prevention on private property. I have an issue in the district.

I don't know if there's a--if we have a system to deal with that? How my office could--could deal with that, but I have somebody who owns a--a sig--a significant piece of property with a significant standing water problem, and not--and no interest in being--

COMMISSIONER BASSETT: We definitely want to talk with you about that.

CHAIRPERSON COHEN: I appreciate that. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Cohen. We will hear from--well, we've been joined by Council Members Rosenthal, Mendez, Borelli, Van Bramer and Gibson. We will hear from Council Member Matteo followed by Council Member Koo, followed by Council Member Vallone.

COUNCIL MEMBER MATTEO: Thank you, Madam Chair. Welcome Commissioner. Commissioner, I'd like to focus my question on the opioids in Staten Island, and we--together with Senator Lanza and Senator Cusick we had a great Narcon training system. We've gone to all of our schools. At New Dork (sic) we had the highest amount of participation. So we're making--and I appreciate the extra funding. My

concern is what are we doing after, and is that--in your testimony you talked about the non-fatal overdose responses in Staten Island. So my concern is where Narcon is being issued, right, and we save someone's life, what happens next? It's--it's been our concern now, you know, how are we getting them that treatment that they need to get them that care that they need. I know you talk about treatment and care. So I was wondering your thoughts on that, and if this program directly addresses that issue.

COMMISSIONER BASSETT: Yes, thank you for that question. As the--as I outlined in my testimony, we have a multi-pronged response to the opioid epidemic, and ensuring that people survive overdoses is only one component of it. With Borough President Oddo we co-chaired a task force on prescription and opioids, and Heroin [coughs]--I can't remember the full name of the task force. It was very long. The--and--but one of the key things that was pointed out in the deliberations that we had was that surviving an overdose is not the same as having entered recovery. But, of course, somebody needs to survive an overdose in order to have an opportunity to recover. So it's a high priority for

us to ensure that--that no one who overdoses doesn't have the opportunity to have that overdose reversed, and most overdoses are witnessed. But beyond that, we are very committed to expanding the opportunity for Buprenorphine treatment. This is a--a medication that people who are opioid dependent can take. They can be prescribed it in a primary care settings, and we are committed to training physicians including physicians on Staten Island. But across the city our goal is 1,500 individual prescribers so that we can extend more broadly the opportunity for Buprenorphine assisted treatment. We--we also need to educate people, and to--and to reach out to people who are engaged with substance use and try and make sure that they're engaged in safe syringe use. That's why harm reduction has been such a core part of our activities. And with these additional funds, we will be able to expand some of these activities and in some cases initiate them. And the one that is completely novel is the one where we will seek to identify people who have survived overdoses in emergency departments. And with a peer--a navigator try and follow up with them, and navigate them to care.

COUNCIL MEMBER MATTEO: And that is-- that's exactly what we're looking for. So I'd like to offline meet with you.

COMMISSIONER BASSETT: We would be delighted. We would be.

COUNCIL MEMBER MATTEO: And also, if we could expand that and we're--we're promoting this training to everyone. So whoever is coming to get training, we have to--maybe they're not getting into the ER. I want to make sure that we're getting everyone we can--

COMMISSIONER BASSETT: [interposing] Yes.

COUNCIL MEMBER MATTEO: --and I know it's difficult, but I think if we work together we can broaden that not just to the ER, to expand and then get them the help they need once they've received the Narcon, and--and then thereafter promote a plan that works for them?

COMMISSIONER BASSETT: Exactly. Thank you very much for that offer.

COUNCIL MEMBER MATTEO: You're welcome. Do you believe that over-prescribing and the over-promotion of opioids had been the two--one of the two

biggest problems that this epidemic has--has stemmed from? Or, do you think there--I mean--?

COMMISSIONER BASSETT: I--well the--certainly in prescription painkillers experienced exponential growth in terms of prescribing, and that has undoubtedly play a role in increasing opioid dependence. I don't think there's any question about that.

COUNCIL MEMBER MATTEO: So then as it gets, you know as more I stop and other--the email that the doctors have do now to the, you know, the pharmacies and whatnot, I guess its different. Is that where we're going to have Heroin and then other drugs because--

COMMISSIONER BASSETT: [interposing] Yes.

COUNCIL MEMBER MATTEO: --we're stopping one and just it continues to grow to other drugs that are less--

COMMISSIONER BASSETT: [interposing] Well, in fact--

COUNCIL MEMBER MATTEO: --less expensive?

COMMISSIONER BASSETT: [interposing] Yes.

COUNCIL MEMBER MATTEO: --easier to get, you know, do you feel that that's the sense of what's happening and once we tackle the opioid epidemic?

COMMISSIONER BASSETT: You mean the people will shift from that to--to other drugs?

COUNCIL MEMBER MATTEO: Yeah.

COMMISSIONER BASSETT: The people just have an over [bell] an overarching desire to take drugs. I--well, that's almost a philosophical question there, but I think that there's no doubt that pursuing what we call judicious opioid prescribing meaning reaching out to the prescribers, doctors, nurse practitioners, people in primary care and in emergency departments where we have written guidelines that have been widely accepted across the city encouraging people to prescribe less, to prescribe a lower doses, and for shorter a duration. It has--actually in Staten Island, our data show that this was successful, and we saw a reduction in the prescription of high dose opioids. So, we know that the prescribing community despite the promotion of these--these medications by the pharmaceutical industry has reigned in its prescribing habits. Some of it is their judicious prescribing habits. Some if

it is related to the I-Stop, but it's very important to reduce the source of opioids in our community.

COUNCIL MEMBER MATTEO: And I--and I think as, you know, we without a doubt put more resources in than we have to in this government. You know us as a community have to come together and--and ensure that parents are getting the help that they and to--to recognize, you know, a child who--who may be using prescription drugs and, you know, it's a community effort, and I just--I--I thank you for your efforts so far, and-and one last questions off-just a quickly different topic on mosquito spraying. Can you--and if you don't have the information now can we meet offline on the Staten Island? You know, we--we asked for the spraying especially in our Sandy impacted areas for the summer. The difference between the spraying and then putting the pellets in--in--in the standing water. So if we could at least sit--and I'll send it back to the Chair--offline so we could discuss the schedule, and--and go over there in the next few weeks?

COMMISSIONER BASSETT: We're about--we'd be happy to do that.

COUNCIL MEMBER MATTEO: Okay, the borough president and I asked for the request in our usual neighborhood. So I just want to go over that and making sure.

COMMISSIONER BASSETT: With pleasure.

COUNCIL MEMBER MATTEO: Thank you.

CHAIRPERSON COHEN: Commissioner, I just--I--I forgot one thing. I--I know we've spoken offline I mean, but at the last hearing the agency in terms of baselined contracts that by the middle of this month that they would all be awarded. I just want to make sure that we are on track for that, and if could just tell us quickly what the status is.

COMMISSIONER BASSETT: By the end of next week.

CHAIRPERSON COHEN: Okay.

COMMISSIONER BASSETT: Except for one. There's one that has been delayed that I--I, you may know about that one.

CHAIRPERSON COHEN: You did tell us, yes. All right, thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank you. Council Member Koo followed by Council Member Vallone followed by Council Member Rosenthal.

COUNCIL MEMBER KOO: Thank you. Thank you, Dr. Bassett for your leadership and dedication for our serious health, proper health. I have many questions, but I'm going to ask only two because of time limitation. The Administration they put a budget, you're going to have the $24--$2.4 million going to minimize your legal childcare program operations. How will these funds be utilized? Are you going to hire more inspectors? And if so, how-- and they will be divided by borough or by what? Commissioner, the first question, and the second is concerning animal care shelters. The Executive Budget allocated $10 million in capital funds for two shelters, one in the Bronx and one in Queens. $2 million to show the design and $8 million for land acquisition. However, there's no funding allocated to run the shelter. Who will be responsible for maintenance, and operational costs of the shelters? So those are the two questions.

COMMISSIONER BASSETT: Thank you, Council Member. The first question is about the Illegal Daycare Inspection Unit, which has been newly established as a result of new funding. And you're asking how is it going to work. The first step is

looking at elec--at web-based electronic search engines, things like Yelp extending to parent blogs, mommy blogs and other search engines to see if we can identify daycare centers that are adverting themselves as childcare sites, which we then compare to the city's database of our childcare centers and to the state database of family based care, and then we see if we can identify any that don't seem to appear in our database of--of permitted daycare sites. And then we do a further investigation of those sites. We've done--I can give you some data that are sort of through April. We're are going through this many different electronic sort of investigations. We came down to 80 possible sites, and of those, none were found to be illegal daycare sites, and two are still under investigation. But that's the basic strategy. It's starting by using the fact that--that these days people advertise their services in ways that are accessible to us through electronic means. It's not people just going out pounding the pavement, but eventually it comes down to dispatching people who are investigators to actually go to the address and find out what's going on. We, of course, always receive tips and

complaints from the general public and that remains an important way that we identify daycare sites that are operating without being legally permitted. Do you have something. [background comments, pause] Oh, I'm sorry, you wanted that. I--I--I'm reminded by the Deputy Commissioner that you asked about our full budget of new needs. So the $2.4 million is not only for the illegal daycare site inspection unit. It's also for a--an enhanced inspection of all childcare sites in our city, which we have 11,000. In the past, we've shown up on single day, and assessed how that site was doing on that day. And we didn't pay attention to how they did over time. Now, we're going to be looking at the performance of sites over time, and identifying chronically under-performing sites. Some of those we'll get technical assistance to try and remediate their performance, but additionally we will enhance and accelerate their inspection schedule. So that some sites will get one inspection a year, and others may bet up to three inspections a year depending on their historical performance not only their performance at that one time when we show up for an unannounced inspection. So that's what the total $2.4 million. The second

question that you had was about the animal [bell] -- about expand--having full service shelters at--in Queens and the Bronx, and you wondered whether the $10 million would be, you know, would cover all the costs. This amount really reflects the administration's commitment to establishing these-- these shelters, but we are still in--at the stage of looking for appropriate sites. I'm very happy to tell all committee members that since we last met in March that together with DCAS, our staff has been to 36 different sites in the--in Queens and the Bronx looking at city properties that might be appropriate for shelters. So we've been working hard at finding a site, but until we get closer to meeting running costs--right now we're looking for the plot of land. We're a ways still from meeting running costs in our budget, but I want to reiterate that the Mayor has committed to having full service animal shelters in every borough of our city, and we will--are pursuing that commitment with full intention.

COUNCIL MEMBER KOO: But--but who is responsible for the maintenance? Who are the services with?

COMMISSIONER BASSETT: Well, these fall under the animal care and control, which is an aligned non-profit that has its own board--board, and they will continue to be operated by Animal Care and Control.

COUNCIL MEMBER KOO: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Koo. Council Member Vallone followed by Council Member Rosenthal followed by Council Member Gibson.

COUNCIL MEMBER VALLONE: Thank you, Madam Chair. Good afternoon Commissioner or Doctor. I think you see a lot of excitement from the council members since 40 of us have signed onto the Animal Shelter Bill, and I think my questions really depend as a perfect example of when I made my phone call home after the Administration announced the $10 million funding. It depends on who picks up the phone. So when my mother picks up the phone she's in tears with happiness, and then when she hands the phone to my father, he gets on the phone quickly and says, "I'll believe it when I see it." So, this is the two sides of the coin I think--

COMMISSIONER BASSETT: [interposing] And you saw it.

COUNCIL MEMBER VALLONE: And I saw it. Well, yeah, and it's the first step. I think--I think the way you're describing it has historically been really a lot of the issues. I mean funding is a--is a major first step, but actually getting the plan for the site where--where the fully operational shelters will be, what they'll look like, what type of services we're talking about. What the overall budget is going to be because obviously $10 million is not enough particularly the first step. Because I think where the conversation I don't think is-is premature. I think we've had the Mayor's commitment. In fact he came out to a town hall to Bayside and he told a whole bunch of students who did a wonderful video saying we want an animal shelter, and he looked and said we are committed to animals shelters. So I believe the commitment is there. $10 million is not enough, but the $10 million the way I see it, it's broken down to different components. So maybe we can just flesh a little bit for us today. I believe there are segments to it. Like $2 million for this--for the design and construction because we haven't

talked about that. So there's last year's funding for the siting, and there's this year's funding, which Council Member Johnson was talking about. This year's funding is a segment of that. It's for design and construction, and the second segment is really for a future down payment. So can you kind of flesh that over?

COMMISSIONER BASSETT: I think that the first tranche was for design. I--I can't imagine that $2 million would cover construction.

COUNCIL MEMBER VALLONE: What design. So is--I don't think we've really talked about that, so can we talk about that time line and between from siting to design to the actual down payment and creating of those sites.

COMMISSIONER BASSETT: So the first step is to identify a site, and that we've been working on with--with a lot of effort in the past week since we last met here on the Preliminary Budget. The staff of the--our Division of Administrative--Administration and DCAS have visited 36 sites, and they're visiting more this week in the Bronx and in Queens, and they're--you know, they've identified some that they think are potentially appropriate,

which they will be looking at further, but we have not yet identified a site. There are obviously very clear ad--advantages to identifying a city-owned property. In terms of land use conversations it will be also a great advantage to have properties where we have the ability to--to build without--there's a phrase that's used for that.

COUNCIL MEMBER VALLONE: Well, I was just going to ask are we looking our blanket prop--our land that we're going to build on this site? Are we looking to renovate or--?

COMMISSIONER BASSETT: Some of it--it--it might be possible to renovate--I--we're also just looking at land at empty lots.

COUNCIL MEMBER VALLONE: Is--is the overall I would say goal or wish to emulate the existing shelters or do something different?

COMMISSIONER BASSETT: Well, we also have a--you know, we're very mindful of having a--a shelter that meets the needs of that community and potentially provides additional services, spray and neuter to the community even if their animals aren't--aren't taken in by the shelter. So, figuring out the whole spectrum of services, figuring the sort of

siting criteria that we should be using in terms of access to transport. And also navigating the whole zoning land use is quite complex, which was we got the assistance of a consultant with expertise in these areas to give us guidance on this. The siting isn't just a matter of convenience. If we have a well sited shelter, we'll have much higher adoption rates.

COUNCIL MEMBER VALLONE: Sure.

COMMISSIONER BASSETT: The easier it is for people to get to a shelter, the more likely they are to go there to adopt a pet, and the more attractive a--an environment a shelter is, the more likely people will be to come and look for a pet there. So these are--

COUNCIL MEMBER VALLONE: [interposing] But simultaneously the design is going on at the same time?

COMMISSIONER BASSETT: No, we can't begin the design until we know what the site is like.

COUNCIL MEMBER VALLONE: That's not--

COMMISSIONER BASSETT: The first step--

COUNCIL MEMBER VALLONE: --that's not was said at the previous hearing.

COMMISSIONER BASSETT: I don't know what the--I--I think I'm talking about architectural design. We can come up with the specs [bell] on what sort of service composition we would like to have at that site, but the actual architectural design would depend on having the site. Do you want to speak to that?

DEPUTY COMMISSIONER KASS: One of the--Hi, I'm Dan Kass. I'm the Deputy Commissioner for Environmental Health. The--so yeah, I--I think that's right. There are--we have already engaged the services of contractors to do a variety of things. One has been looking at the kind of spectrum of services that would belong to create a new network or five shelters. So rather than think of every single shelter as providing the precise--precisely identical set of services that they would create, you would merge with a network of them. The second is to really look at fundamental space requirements, and so I think previously when we spoke about design, we've been really thinking about what kind of space requirements do we have, how many, how many kennels, or cages or condos for cats that we want to have in each of these locations, the kinds of room

ventilation, isolation, surgical services that be going on.

COUNCIL MEMBER VALLONE: But that's going on now.

DEPUTY COMMISSIONER KASS: And that's going on now.

COUNCIL MEMBER VALLONE: Well, that's--yeah, because we just don't want to see a timeline that goes two years for sites, and two years for design and six more years for budgets and, you know, I'd like to see this in my lifetime.

DEPUTY COMMISSIONER KASS: Yeah.

COUNCIL MEMBER VALLONE: I think there's a--a point there as the Council Member Johnson--

DEPUTY COMMISSIONER KASS: Council Member Johnson has echoed the same thing. So, I thought you were talking about actual architectural designs, which can--

COUNCIL MEMBER VALLONE: [interposing] Well, I mean I think there is.

COMMISSIONER BASSETT: But I think your--I--I think that what--well, what Deputy Commissioner Kass is conveying, and what you're asking us to do is

everything that we can do in parallel get to work on it.

COUNCIL MEMBER VALLONE: Exactly.

COMMISSIONER BASSETT: And I can assure that that's--that's exactly what we're doing.

COUNCIL MEMBER VALLONE: And--and I guess the last question because I know I want to come back, but the last question on this because this--the reality here is we're talking about a--a time period four or five years, whatever it may be, three years, hopefully two years that we still have a crisis on our hands, and we had a mobile unit wonderful coming out to Northeast Queens this weekend. Tremendous success, but in talking to the staff, and Theresa and AC&C it's--there are problems with even if we fund two additional mobile units, which has happened, to actually getting the staffing and the proper full funding to operate mobile units because they are successful. But, you can't take staff from the existing Manhattan site and put them in a mobile unit and have the same type of successful when we're short staffing something to put into a mobile unit. So is there any plans to fully fund and to create these additional mobile units as was promised in the past?

COMMISSIONER BASSETT: Well, I certainly appreciate the need for these mobile units and we'll come back to you on that.

COUNCIL MEMBER VALLONE: Thank you. Thank you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We'll hear from Council Member Rosenthal followed by Council Member Gibson.

COUNCIL MEMBER ROSENTHAL: Thank you. Thanks so much Madam Chair and thank you Commissioner for your time. It's really very much appreciated. I have two questions one on Thrive NYC did you guys create the ad campaign around it? I saw an add the other nigh.

COMMISSIONER BASSETT: Oh, yes we have very big campaign. It's on our subways on the sides of buses and I'm glad that you've seen it.

COUNCIL MEMBER ROSENTHAL: Yeah, it's awesome.

COMMISSIONER BASSETT: Great.

COUNCIL MEMBER ROSENTHAL: So my point, however [laughter] is that I believe and--and I say this as often as I can that the DOT is the wrong agency to have our traffic safety campaign. I think

that and when it comes to traffic safety what pedestrians are doing that the Department of Transportation is not the right place to put a campaign like that. The right place to put is in the Department of Public Health because the traffic incidents are an epidemic, and as an epidemic they should be treated in the same way that an addiction is. And so for us to have the same success as you'll have with the Thrive NYC. Okay, I'm done, but I--I you get my point?

COMMISSIONER BASSETT: I appreciate your making that case that injury is a--

COUNCIL MEMBER ROSENTHAL: [interposing] And I know you sit in on the meetings.

COMMISSIONER BASSETT: Yes.

COUNCIL MEMBER ROSENTHAL: And that's not enough, and I appreciate that, but that's very different than what you did with Thrive NYC, and that's what I'm looking for.

COMMISSIONER BASSETT: Well, thanks for that feedback. I just want to assure that we do participate and--and work collaboratively the Department of--

COUNCIL MEMBER ROSENTHAL: Yeah, it's no Thrive NYC. All right. So--but what I really wanted to do is ask you about your contracts and Council Member Cohen very kindly started the conversation for me. Of the 1,400 roughly contracts that you guys have, how many go through Public Health Solutions?

COMMISSIONER BASSETT: Actually, I'm--I'm not sure of that. I know that we have--we use Public Health Solutions very successfully as a master contractor for HIV related and-and no for the baseline contracts. I think--I don't know what's the total there because I can't read the handwriting on the sticker. [laughter]

COUNCIL MEMBER ROSENTHAL: But you can roughly. I'm--I'm all about drafts. She can combines (sic) right, an 100 are there. 10, 20--

DEPUTY COMMISSIONER ROZZA: So the HIV contracts go through--

COUNCIL MEMBER ROSENTHAL: [interposing] Right.

DEPUTY COMMISSIONER ROZZA: --Public Health Solutions.

COUNCIL MEMBER ROSENTHAL: Got it.

DEPUTY COMMISSIONER ROZZA: And the new baseline contracts, which are additional to our traditional 1,300 are going through PHS as our fiscal agent. All others are processed in house.

COUNCIL MEMBER ROSENTHAL: How many are there baselined?

DEPUTY COMMISSIONER ROZZA: I don't know exactly.

COUNCIL MEMBER ROSENTHAL: So if we could follow up on which ones--

COMMISSIONER BASSETT: [interposing] Sure

COUNCIL MEMBER ROSENTHAL: --which ones those are, and the Council Member--the question is from time of providing this service, the contracted service, what is the time difference between when a provider starts giving the service, opening up its doors, and when they first get paid? But often--most often they do--they start providing the service prior to a contract being signed. And maybe you're going to tell me of the 1,400 that's only true for 10, but let me know.

DEPUTY COMMISSIONER ROZZA: So, we would have to get back to you on the number or retroactive contracts--

COUNCIL MEMBER ROSENTHAL: Uh-huh.

DEPUTY COMMISSIONER ROZZA: --but it's not the majority. So from the time that the provider issues the service, as long as the contract is registered, we--

COUNCIL MEMBER ROSENTHAL: No, no, no. I'm not talking about that. The problem is the amount of time it sits in the Department of Health, and I'm wondering whether or not the Department of Health is fully staffed up, or if they're using PHS, or if they're using funds for the City of New York as a fiscal con--conduit. How can we best expedite providers getting their payments? And this is a follow up to a hearing I had last month where we learned that, you know, from the Human Services Council that most of their providers get paid 8 to 18 months after they start providing the service. In--so in addition to late payments, they get 80 cents on the dollar, and it's not the contract that they wanted to but--

COMMISSIONER BASSETT: I--I think this has been raised a couple of times in our--in various settings including the Preliminary Budget hearing that there are concerns about the--the timeliness of

the contracting process. We are happy to say that since we last met, we have processed over 150 contracts. So I'm pleased [bell] about that. We have coming in this fiscal year two times as many contracts as we had in the previous fiscal year. So our contract load has increased a great deal.

COUNCIL MEMBER ROSENTHAL: Why is that?

COMMISSIONER BASSETT: Part of it is the base line, you know, increased the number of contracts that we anticipate having in the current--in--

COUNCIL MEMBER ROSENTHAL: [interposing] And those will become three years--

COMMISSIONER BASSETT: And [coughs]

COUNCIL MEMBER ROSENTHAL: --so it doesn't--

COMMISSIONER BASSETT: [interposing] Exactly. Most of them will be--will be in there. (sic)

COUNCIL MEMBER ROSENTHAL: [interposing] How many are discretionary.

CHAIRPERSON FERRERAS-COPELAND: Council Member, if you can wrap up your questions. It's far too many.

COMMISSIONER BASSETT: But I do--I do want to say, though, that--that after a contract is registered that--then--

COUNCIL MEMBER ROSENTHAL: [interposing] Of course.

COMMISSIONER BASSETT: --things move very quickly. But we've--several members have said including several of the chairs that they would like us to sit down and go through the--the, you know, the timeline and see how we deal with those.

COUNCIL MEMBER ROSENTHAL: [interposing] Well, I was just asking how many are discretionary contracts.

COMMISSIONER BASSETT: I'm not sure I know what--what you mean by discretionary.

CHAIRPERSON FERRERAS-COPELAND: Okay, Council Member we're going to follow up--

COMMISSIONER BASSETT: [interposing] Oh, I see.

CHAIRPERSON FERRERAS-COPELAND: Thank you. We're going to now hear from Council Member Gibson, and I know that we have OCME and EDC and SBS still for these hearings.

COMMISSIONER BASSETT: Yes.

CHAIRPERSON FERRERAS-COPELAND: And you have to go.

COMMISSIONER BASSETT: And I have to leave.

CHAIRPERSON FERRERAS-COPELAND: You're very, very late so--

COUNCIL MEMBER GIBSON: [interposing] Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Council Member Gibson.

COUNCIL MEMBER GIBSON: Thank you, Chair, and good afternoon, Dr. Bassett to you and your team. It's a pleasure to see you here, and I just wanted to tell you for the record the full name is the Mayor's Heroin and Prescription Opioid Public Awareness Task Force.

COMMISSIONER BASSETT: It said that it was long.

COUNCIL MEMBER GIBSON: Yes. [laughter] And I thank you for your work sharing that with our Staten Island Borough President Jimmy Oddo, myself, Council Member Johnson, Council Member Cohen. Really understanding a lot of the work we're doing around prescription drug abuse and misuse as well as opioid

and the fact that obviously Staten Island and the Bronx unfortunately have higher numbers than other parts of the city. But I appreciate the approach that we're taking to this, and I wanted to ask one question around existing drug treatment programs. Have you heard from any of the providers around any changes that they see with the program? So I've gotten a couple of concerns from some of the providers of drug treatment programs saying that we may need to look at a different approach of how to tackle individuals that live with drug addictions in terms of meeting some of their immediate needs. So I wanted to find out if you had any thoughts on that, or have you received any type of feedback on our drug treatment programs?

COMMISSIONER BASSETT: I--I'm not quit sure what you mean by meeting their additional needs.

COUNCIL MEMBER GIBSON: So what--and what providers have been saying to me at least in the Bronx is that sometimes the programs that they are receiving are more generally based, and not to some of their immediate needs. Looking at drug addiction in 2016 is a lot different from previous years, and not just opioid and prescription drug, but also

Heroin and some of the other things that we deal with, alcoholism as well. And all of that coupled together looking at our existing drug treatment programs to make sure that they are serving the needs of those that are most in need.

COMMISSIONER BASSETT: Well, we--first I--I want to thank you, council Member, for your participation in the task force, and for hosting us when we had our meeting up the Bronx.

COUNCIL MEMBER GIBSON: Absolutely.

COMMISSIONER BASSETT: Thank you very much for that. As you know, we are looking forward to working with--we--work--working with drug treatment programs although we don't license them. They're mostly licensed with--through the Office of Mental Health or they sort of do an access.

COUNCIL MEMBER GIBSON: Right.

COMMISSIONER BASSETT: --at the State Health Department. So, but we certainly welcome their feedback and they, of course, are our window onto the using community. And it's very important to us that we have feedback from them--

COUNCIL MEMBER GIBSON: Yes.

COMMISSIONER BASSETT: --and disseminate Naloxone through those settings--

COUNCIL MEMBER GIBSON: [interposing] Right.

COMMISSIONER BASSETT: --and so on.

COUNCIL MEMBER GIBSON: Okay, and I wanted to ask another question. Local Law 77 and all of the work that we've been doing around obviously the Legionnaires outbreak that affected the Bronx last year, we're approaching the summer season, and warm weather. So I know that I'm going to get questions and inquiries from residents about our efforts, what Local Law 77 is, how it's going. So I noticed in the budget we had estimated there were 4,000 cooling towers, and I'm now seeing that there's a revised number of 6,500. So there's a need for us to hire more staff. So I wanted to find out for my Bronx residents what should I let them know in terms of the maintenance and the operations and the inspections, how as Local Law 77 going, and is there anything that we should be aware of approaching this summer in the city?

COMMISSIONER BASSETT: Thanks very much of that questions and thank you also for your support

during--in reaching out to residents during the outbreak last summer. The thing that your residents should know is that we have in place the most robust cooling tower oversight--maintenance oversight, regulatory framework for anywhere that I know of certainly in this country and probably around the world. So we are registering cooling towers in the city. The Buildings Department is doing that, and our agency is staffing up, and has already begun inspections of cooling towers. We have very rigorous mandates on cooling tower owners and operators. I hope you don't get complaints from them, but--

COUNCIL MEMBER GIBSON: [interposing] We'll call you.

COMMISSIONER BASSETT: --we will--we are re--we are working hard to ensure that the cooling towers are well maintained, and reducing the risk of Legionnaires in the coming season.

COUNCIL MEMBER GIBSON: Okay, great, and then my final question in my remaining time, alluding to what Council Member Cohen was talking about in terms of some of our baseline contracts, I'm very concerned about many of our existing providers around suicide prevention. I've been talking to DOE about

ensuring that we can look at having suicide prevention counselors in our schools. Many of us fund organizations that do that, but we simply don't have the capacity to take it on district wide. So I wanted to find out with suicide prevention, how we assure, be assured that some of those communities' small providers will still access to administer services that are necessary?

COMMISSIONER BASSETT: Well, as you know, we are--we have selected a contractor for NYC Support, which will be--

COUNCIL MEMBER GIBSON: [interposing] Right.

COMMISSIONER BASSETT: --a--a sort of one-stop gateway for anyone who needs--who needs mental health services, and that includes people in crisis although, of course, when--if there is somebody with an immediate threat to life, the right number to call is always 911. I--I know that the Department of Education has been mindful of the fact that there's an alarmingly high proportion of teens who respond on surveys that have been so unhappy--

COUNCIL MEMBER GIBSON: [interposing] Uh-huh, yes it is a problem. Right.

COMMISSIONER BASSETT: --that they have considered taking their lives, and that they are looking at--at--at specifically addressing that. We are having an investment that I have never--we have never seen before in providing mental health services in our schools. There are 200 mental health school based health centers, 50 more waiting to be--final registration by the state. We're hundred--hiring a hundred mental health consultants who will work with the schools that don't have school based health services to ensure that they identify both their needs and their available resources. So I think it's very important to think of the entire spectrum of mental health, the depression then is un--acknowledge that leads to suicidal thinking. And we want to tackle the entire spectrum and we're in a better place than we've ever been to provide those services in schools.

COUNCIL MEMBER GIBSON: Okay, I definitely look forward to working with you on that since I'm out of time, but we'll have further conversations, and thank you so much for all the work you and your team do. I really appreciate the partnership as Chair of Public Safety. Public Health

go hand in hand. So I know we have a lot more work to do, but I thank you for your leadership. Thank you.

COMMISSIONER BASSETT: Thank you.

COUNCIL MEMBER GIBSON: Thank you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Gibson. Dr. Bassett, we're going to be following up with you. We have a lot of other questions. We're going to put then in a letter. All I ask is that you get them back to us expeditiously. We need them to continue to negotiate on the budget. The last time the Health Committed received your responses to the letters six weeks later. That clearly isn't enough time for us. We need to get that back as soon as possible.

COMMISSIONER BASSETT: If you get that the questions to us, we will get you the answer expeditiously.

CHAIRPERSON FERRERAS-COPELAND: Excellent and thank you very much for your patience today. We will take a two-minute break while we prepare for OCME. [background comments, pause] We will now resume the City Council's hearing on the Mayor's

Executive Budget for Fiscal 2017. The Finance Committee is joined by the Committee on Health Chaired by my colleague Council Member Johnson. [sneezes] Excuse me. Whoo. We just heard from the Department of Health and Mental Hygiene, and we will now hear from Dr. Barbara Sampson, the Chief Medical Examiner. In the interest of time, I want to first thank you for your patience. I know that we're running several hours behind today. I will forego making an opening statement, but before we hear testimony, I will open the mic to my Co-Chair Council Member Johnson.

CHAIRPERSON JOHNSON: Thank you, Madam Chair. Good afternoon, everyone. I have a brief opening statement. I'm Corey Johnson, Chair of the Council's Committee on Health, and today we're discussing the Fiscal 2017 Executive Budget for the Office of Chief Medical Examiner. The Fiscal 2017 Executive Budget allocates more than $68 million to OCME, an increase of nearly $4 million or 6% since the Fiscal 2016 Adopted Budget. The new funding speaks to the office's important role in the city's Public Health and Criminal Justice Systems. The Executive Budget includes significant changes in

funding and headcount since we last met to discuss the Fiscal 2017 Preliminary Budget including nearly $2 million in new needs. The budget allocates more than $200 million to regularly test for Fentanyl, a powerful synthetic opioid. In bodies examined in the OCME Toxicology Lab and this is part of the Administration's $5.5 million investment in preventing opoid-opioid overdose. Additional investments include $600,000 and six new positions to the Forensic Toxicology Laboratory, and I look forward to discussing how the new funding and staff will help reduce the case backlogs and turnaround times we discussed during the Preliminary Budget hearing. I'd like to also discuss the near $1 million investment mortuary--mortuary security and its affect on office operations, and with that, I want to pass it back over to the Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Chair Johnson. My counsel will swear you in and then you may begin your testimony.

LEGAL COUNSEL: Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief?

DR. BARBARA SAMPSON: I do. Good afternoon. I want to thank the Chairs f the Committees that are holding today's hearings, Council Member Johnson and Council Member Ferreras. I also want to thank the members of the Committees on Health and Finance for the opportunity to testify. I am Dr. Barbara Sampson, Chief Medical Examiner. Seated to my right is Dina Maniotis, Executive Deputy Commissioner for Administration, and to my left Florence Hutner, our General Counsel. I can say with conviction that I am here today as the City's Chief Forensic Pathologist because of the influence of two people: My mother who was a trailblazer in her own right, and first inspired me that women cannot do science, but like men we can achieve the highest positions in the service community and improve its public health. The second influence was a giant in forensic medicine, Dr. Charles Hirsch, who inspired me along with an entire generation of medical examiners. Dr. Hirsh died this past April 11th, and I want to take this opportunity to pay tribute to his work that has ground our agency on a solid foundation of science and for teaching forensic scientists what it means to serve justice.

In 2007, at the opening ceremony of our DNA laboratory, Dr. Hirsch reminded us all, and now I quote his own softly spoken words that continue to thunder with meaning: The model of this building attempts to capture the impartiality and independence of science. It is inscribed on the wall of our lobby: Science Serving Justice, unambiguous and direct, Science Serving Justice. It does not say science serving the police. It does not say science serving the district attorney, and it does not say science serving the defense. Right down the middle of the road it simply says Science Serving Justice, and my entire testimony today will echo this wisdom of Dr. Charles Hirsch.

At every hearing since my appointment, I have stated that I commit to building an ideal medical examiner's office, independent, unbiased, immune from undue influence and as accurately as humanly possible. I commit again that our science will serve justice. As the City's Chief Medical Examiner, I am also responsible for public health, and if you were wondering what proportion of medical examine cases have some relation to public health, it's 100%. I want to share with you the areas where

I will be using my medical examiner's authority to perform autopsies and evaluate threats to public health, and of my particular focus in the months and years to come. In March of 2015, the Drug Enforcement Agency--Administration issued a nationwide alert about the alarming rate of overdose deaths related to Fentanyl. That represents a significant threat to public health and safety. Just this April our own Department of Health's advisory on drug overdose deaths publishes what the Medical Examiner has established from autopsies. Fifteen percent of all overdose deaths involve Fentanyl, up from approximately 3% in the past 10 years of autopsied overdose deaths. This administration has responded swiftly, and mobilized resources to create a $5.5 million program to reduce opioid overdose deaths. The opioid threat is being threat is being confronted with a multi-pronged approach that includes training healthcare providers to reduce unnecessary exposures of patients to opioids, targeted outreach to support individuals with a history of opioid use; increase the availability of Naloxone kits; increase surveillance of opioid misuse citywide to identify trends and design intervention;

and at the OCME the establishment of a broad Fentanyl testing program to track all deaths associated with this substance and provide critical data to inform prevention efforts. The OCME has been fully resourced with $233,000 of new funding for our Toxicology Laboratory. Of this, $92,000 is baseline funding for us to perform complete testing of all our casework for Fentanyl. We have also been funded an additional start-up amount of $93,000 to perform method development invalidation of instruments for forensic casework use. The Toxicology Lab has purchased, received and recently installed a time of flight liquid Chromatography and mass spectromety-- mass spectrometry instrument using capital dollars. This technology has undergone tremendous improvements allowing for the simultaneous screening of hundreds of drugs and drug metabolites in a single run including Fentanyl and its metabloids.

As part of our new Fentanyl funding, we received $48,000 for one time to enhance our Laboratory Information Management System, which is a software based laboratory casework management system that was implemented in the Department of Forensic Toxicology in August of 2014. This is the same

system that has been utilized by the Department of Forensic Biology since January 2012. Some of the functionality of the LIMS includes, but is not limited to, the receipt of evidence from the NYPD medical examiners and law enforcement agencies; scheduling and tracking of the sample and associated analytical workload, and the processing and quality control associated with the sample. Our enhancements to the LIMS are required to allow us to manage our analytical workload more effectively, as this has been done manually up to now. To meet industry standards and best practices as established by the professional organizations Society of Forensic Toxicologists, our laboratory has been funded six new headcounts in the amount of $465,000 to hire senior scientists to perform the laboratory work as well as to conduct a new method development and validation and quality control. The OCME Forensic Toxicology Laboratory is undergoing extensive reorganization to optimize the completion of casework and to introduce modern laboratory practices. The changes introduced over the last three months to the end of April have reduced the backlog of cases by 98% with just 17 cases left. The average turnaround times for

completion of cases during this same period have also decreased significantly from 110 days to 27 days for port-mortem cases and from 160 days to 40 days for drug facilitated sexual assault cases. With the state-of-the-art instrumentation plan for installation through 2016 and 2017 and staff recruitment and retraining underway to address gaps in experience and competency, the laboratory will be in a strong position to maintain its American Board of Forensic Toxicology Accreditation, and also position to achieve the International Accreditation Standard of ISO 17025 within the next 24 months. The OCME Non-Grant Expense Budget reflects funding of $68.3 million in FY17 including a budgeted headcount of 643, and a Five-Year Capital Plan totaling $58 million. In the FY17 Executive Plan, OCME received $457,000 and six headcount to improve turnaround time in the Forensic Toxicology Laboratory. $964,000 in baseline funding to cover security contract costs, and $232.9 thousand dollars in FY17 for initial start-up costs with respect to increased Fentanyl testing that will be baselined at $92,000 beginning in FY18. I am happy to answer your questions.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much for your testimony today. I just wanted to thank you because I--this was--I think you had just started when we were going over the rap kits and the issues that we were having--

DR. BARBARA SAMPSON: [interposing] Yes.

CHAIRPERSON FERRERAS-COPELAND: --at your labs. And you committed then that you would do better, and you have and, you know, these are moments where we have to a knowledge and say thank you because we did this together. That was a very tough hearing that we had at the time. I think it was Arroyo and myself ad Chair of the Women's Issues. So we've come a long way. I think in some ways it created another--a different problem because you paid so much attention on one side. So I understand that prioritizing that was very important, and I just want to say thank you for that.

DR. BARBARA SAMPSON: Thank you.

CHAIRPERSON FERRERAS-COPELAND: I want to talk about the Queens Annex space. The Fiscal 2017 Executive Budget Capital Commitment Plan includes $5.3 million for the design and construction of the OCME Queens site to be completed in June of 2021.

What additional details can you provide about the capital--this capital project?

DR. BARBARA SAMPSON: So this is in the planning stages. We have a number of improvements we want to make to that Queens facility including an addition of what's called a sally port to allow us to--within the facility itself bring in decedents and then load them back into funeral director vehicles within the--the facility.

CHAIRPERSON FERRERAS-COPELAND: [interposing] So currently you don't do it that way, or--?

DR. BARBARA SAMPSON: The--this would be en--entirely indoors so that the--the truck could actually drive inside and those transfers could be made in a--in a--a better way. It's still done--the--the facility--it does back into the facility as it is now, but this would be more facilitate that.

CHAIRPERSON FERRERAS-COPELAND: Okay.

DR. BARBARA SAMPSON: We also want to centralize where all our claim cases are taken so the Medical Examiner's Office is not only responsible for Medical Examiner cases, but we're also the City Mortuary. So there are decedents that are with us

that for what we call claim only, and that means that a funeral home will be coming to pick up the decedents, and we're an interim storage facility. So we would like to centralize that. Also, with the Queens site is our emergency site, our coup backup for--in the case of an emergency or if another site were to go down. So we want to increase our decedent's storage in the Queens facility to accommodate that possibility.

CHAIRPERSON FERRERAS-COPELAND: Oka, and just for my own education--

DR. BARBARA SAMPSON: Sure.

CHAIRPERSON FERRERAS-COPELAND: --when the--the decedents are usually from Queens. So is this to facilitate families or how--how does process work.

DR. BARBARA SAMPSON: Okay, so in each of the five boroughs there is an OCME Identification Unit, which meets with families so they can perform the identifications. We now have three mortuaries, one in Queens, one in Brooklyn and one in Manhattan that are handling the cases for the whole city. So the Queens Mortuary does--handles all the cases for Queens and some of the Bronx cases. The remainder of

the Bronx cases are handled in Manhattan along with the Manhattan cases and the Staten Island cases are handled in--

CHAIRPERSON FERRERAS-COPELAND: [interposing] In Brooklyn.

DR. BARBARA SAMPSON: --in Brooklyn, correct.

CHAIRPERSON FERRERAS-COPELAND: Okay, and for my last question this was specific just for an update on the World Trade Center Repository, the Office of the Chief Medical Examiner operates and maintains a repository at the World Trade Center Memorial, and continues to identify remains through DNA. Would you please provide us an update on operations in their Repository and the offsite identification work?

DR. BARBARA SAMPSON: The--the work--we have a--a full-time presence at the Repository. The identification efforts are ongoing as DNA technology improves. We have a unit that continually goes back to the samples that we have trying new techniques, and slowly we are making some limited progress, but we made a commitment to do whatever it takes for as

long as it takes to identify as many people as possible, and that effort continues to today.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much, Doctor. Chair Johnson.

CHAIRPERSON JOHNSON: Thank you, Dr. Sampson. It's good to see you. I wanted to ask about the $1 million included in the Executive Budget for mortuary security, and what specifically does the new funding support?

DR. BARBARA SAMPSON: Okay. So of the $1 million, the majority of it is for 24/7 security in the three mortuaries. So that there is physically guard present at all times.

CHAIRPERSON JOHNSON: That currently isn't the case.

DR. BARBARA SAMPSON: It has been the case. Now, we have actually gotten the--the--the funding to do it.

CHAIRPERSON JOHNSON: How were you funding it before?

DR. BARBARA SAMPSON: Do you want to describe the efforts?

DEPUTY COMMISSIONER MANIOTIS: We actually had to make a technical adjustment from our

PS Budget to allow us to fund the contract to be able to immediately implement this. For obvious reasons, it was something that the Chief had directed, but now we got fully funded from OMB to be able to--

CHAIRPERSON JOHNSON: [interposing] So no change in operations?

DEPUTY COMMISSIONER MANIOTIS: No.

DR. BARBARA SAMPSON: No.

CHAIRPERSON JOHNSON: Okay, on the Fentanyl testing thank you for talking about the need and why you're doing this, and nationally what's been happening with opioids and looking at what DEA recommendations are. Ho will the Office determine which bodies to test for the presence of the drug?

DR. BARBARA SAMPSON: Okay, we--up to now as in everything with medicine, it's at the discretion of the physician doing the examination what kind of testing is done. But with this funding now, any case that we are running toxicology on, which is the vast majority of the cases, which I'm talking way over 95% of the cases that we do will screening for Fentanyl. So we'll be able to ensure that we are capturing every Fentanyl related death in the city.

CHAIRPERSON JOHNSON: And will the Fentanyl increase case completion time subsequently taking care of part of the backlog--increasing the backlog, I mean?

BARBARA SAMPSON: Oh, it--it--it will not increase the backlog. We were careful to set up this funding for the testing that--so that we would not contribute to our backlog. We've worked so hard in the last few months to bring it down. The last thing we want do is to contribute to it again.

CHAIRPERSON JOHNSON: Okay. Toxicology the 16 positions, $600,0000 that was mentioned was in your opening, how will the office improve employee retention in the Forensic Toxicology Lab and throughout OCME?

DR. BARBARA SAMPSON: The--let--let me just say first that the--the amount of the Forensic Toxicologists is I believe $457,000. There's a slight technical adjustment--$159,000 that is in that number is actually a--an adjustment that OMB made for some expected revenue.

DEPUTY COMMISSIONER MANIOTIS: [off mic] For efficiency, yes.

DR. BARBARA SAMPSON: For efficiency yes.

DEPUTY COMMISSIONER MANIOTIS: We had expected to--

CHAIRPERSON JOHNSON: If you could just speak into the mic please.

DEPUTY COMMISSIONER MANIOTIS: Sorry. [laughs]

CHAIRPERSON JOHNSON: Thank you.

DEPUTY COMMISSIONER MANIOTIS: We had expected to have some efficiencies in our budget, and we did not, and OMB very kindly put that money back in so that we would not find ourselves in gap, and they just happened to put it in that line.

CHAIRPERSON JOHNSON: If you could just give us your name and title.

DEPUTY COMMISSIONER MANIOTIS: Dina Maniotis, Exec--Executive Deputy Commissioner for OCME.

CHAIRPERSON JOHNSON: Okay.

DEPUTY COMMISSIONER MANIOTIS: But getting back to your real question, those--the retention of criminalists is a bigger problem in our DNA Laboratory than our--in our Toxicology

Laboratory, but it is still a problem, and we've really identified the source of that problem as the salary level. And we are working very hard now to try to come up with inventive ways to incentivize those positions so that we are able to retain our staff, you know, after the extensive training that--you very well have heard about from--from us several--on several occasions.

CHAIRPERSON JOHNSON: Okay.

DEPUTY COMMISSIONER MANIOTIS: So that's definitely a top priority to retain our excellent staff.

CHAIRPERSON JOHNSON: Are you going to talk to OMB about trying to raise the salaries for some of these positions.

DEPUTY COMMISSIONER MANIOTIS: We are discussing with OMB different ways to be able to raise their salaries as we would like.

CHAIRPERSON JOHNSON: Okay, the Forensic Statistical Tool--

DR. BARBARA SAMPSON: Yes.

CHAIRPERSON JOHNSON: In your response to our written questions from the Preliminary Budget hearing you stated that validation studies concern

low copy number testing on DNA mixtures weighing less than 20 picograms were provided to three courts in addition to the Forensic Science Commission and the DNA Subcommittee. Is that correct?

DR. BARBARA SAMPSON: Yes.

CHAIRPERSON JOHNSON: Based on the reading of these cited cases, it was our understanding the studies provided for these cases were for single source samples rather than mixtures. Are you willing to provide the mixture studies to the Council?

DR. BARBARA SAMPSON: I'm going to have to review the--the details of the cases that I referred to. I'm--I'm not aware of--of that.

CHAIRPERSON JOHNSON: And also, have the same studies been made available to attorneys at the Legal Aid Society via the discovery process? If you could just introduce yourself to us.

FLORENCE HUTNER: Good afternoon. Florence Hutner, General Counsel to the OCME. Yes, validation studies have been made available to different counsel in the context of criminal proceedings and those were all pursuant to court order, and within the context of criminal discovery,

as you mentioned, and that's limited to use within those cases.

CHAIRPERSON JOHNSON: The opinion in the Morgan case states that OCME asserted that it would not conduct testing for samples below 20 picograms when it received approve for its low copy number testing from the DNA Subcommittee in 2005, and again in 2006. Is that accurate, Florence, do you know.

FLORENCE HUTNER: I'll take this one. (sic) If you're whether that's what the court said, I would have to go back and check.

CHAIRPERSON JOHNSON: Okay, so--because I wanted to know what changed after that that led the OCME to decide to actually perform the testing. So we can give you those questions.

DR. BARBARA SAMPSON: If you would, that would be very helpful--

CHAIRPERSON JOHNSON: [interposing] Okay.

DR. BARBARA SAMPSON: --and we'll go back to our experts.

CHAIRPERSON JOHNSON: I am done. You will--I'm going to hand it over to Minority Leader Matteo.

COUNCIL MEMBER MATTEO: Thank you, Chair Johnson. Dr. Sampson, how are you?

DR. BARBARA SAMPSON: Very well, thank you.

COUNCIL MEMBER MATTEO: I want to--a few questions.

DR. BARBARA SAMPSON: Sure.

COUNCIL MEMBER MATTEO: One, you know, last year we talked about Staten Island and Bronx. Obviously, I was not happy with it. So I'm just following up this year.

DR. BARBARA SAMPSON: Uh-huh.

COUNCIL MEMBER MATTEO: Do you have numbers from--how many Staten Islanders are using the Brooklyn numbers--of how many Staten Islanders are actually going to the Brooklyn site?

DR. BARBARA SAMPSON: There's no need for a Staten Islander--

COUNCIL MEMBER MATTEO: [interposing] At all

DR. BARBARA SAMPSON: --to go to the Brooklyn site. They would be the Staten Island Identification Unit is in exactly the same place

where it was a year ago, and families are going there seven days a week.

COUNCIL MEMBER MATTEO: So there is-- absolutely there's no need for them to go at all?

DR. BARBARA SAMPSON: Well, there's no need for a family to go any place but to the Staten Island office where the make the identification via a photograph.

COUNCIL MEMBER MATTEO: And--so no delays based on, you know, what we talked about and--

DR. BARBARA SAMPSON: No the actual--the--the release of bodies from the Brooklyn morgue, those times actually decreased because we have more staff working in the three mortuaries. So those times have been actually very good. So it has decreased delays.

COUNCIL MEMBER MATTEO: So you haven't been receiving complaints--

DR. BARBARA SAMPSON: [interposing] No, we haven't had--

COUNCIL MEMBER MATTEO: --from funeral directors, families?

DR. BARBARA SAMPSON: Certainly not within the last six to nine months.

COUNCIL MEMBER MATTEO: And have you decreased dramatically, decreased the same?

DR. BARBARA SAMPSON: There--no quite dramatically. We're talking--it's less than--the average release time I think is less than--

DEPUTY COMMISSIONER MANIOTIS: [off mic] Ten minutes.

DR. BARBARA SAMPSON: Yes, like about half an hour--

COUNCIL MEMBER MATTEO: [interposing] Less than hour, huh?

DR. BARBARA SAMPSON: --where it was, you know, probably closer to an hour--it's 45 minutes or so to an hour.

COUNCIL MEMBER MATTEO: And you just attribute that to jus more staff?

DR. BARBARA SAMPSON: Increased--increased efficiency by concentrating the staff, yes.

COUNCIL MEMBER MATTEO: Okay, and I just want to follow up on the toxiol--toxicology.

DR. BARBARA SAMPSON: Uh-huh.

COUNCIL MEMBER MATTEO: So, the average is 108 days, it's like an average in the last from

July to October of last year. It's usually an average of 28. Is that for a toxicology report?

DR. BARBARA SAMPSON: The turnaround time a few months was as high as 110 days, something on that order and we have reduced it now to 27 days.

COUNCIL MEMBER MATTEO: And just simply stated because of--and again following up on--on Chair Johnson, just on hiring and retaining?

DR. BARBARA SAMPSON: [interposing] We--we--we hired a new lab director as of February 1st, and she has been reorganizing and using a Lean Six Sigma approach to really revolutionize the business practices within the lab and this--and this is exactly the same thing we did with the forensic biology lab several years ago. So, already in just the first three months we've been able to see a lot of improvement. We are outsourcing some of our toxicology until the lab is ramping up with these six new hires so that we can take it all back into our own toxicology lab.

COUNCIL MEMBER MATTEO: Thank you. I look forward to meeting you off line to discuss the specific Staten Island issues--

DR. BARBARA SAMPSON: [interposing] Absolutely.

COUNCIL MEMBER MATTEO: --and we can go from there.

DR. BARBARA SAMPSON: Any time you want.

COUNCIL MEMBER MATTEO: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We've been joined by Council Member Garodnick and Rodriguez. Thank you very much for coming to testify today. We greatly appreciate it. We're going to have follow-up questions.

DR. BARBARA SAMPSON: Sure.

CHAIRPERSON FERRERAS-COPELAND: If you can get them to me expeditiously because we need them to negotiate the budget.

DR. BARBARA SAMPSON: Very well.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much.

DR. BARBARA SAMPSON: Thank you.

CHAIRPERSON FERRERAS-COPELAND: We'll take a two-minute break and we'll hear from SBS and EDC. [background comments, pause] We will now resume the City Council's hearing on the Mayor's Executive Budget for Fiscal 201 The Finance

Committee is joined by the Committee on Small Business Services chaired by my colleague Council Member Cornegy, and the Committee on Economic Development chaired by my colleague Council Member Garodnick. We just heard from the Chief Medical Examiner's Office, and we will now hear from Gregg Bishop, Commissioner of the Department of Small Business Services and Maria Torres Springer, President and Chief Executive Director--Chief Executive Officer of the Economic Development Corporation. In the interest of time, I will forego making an opening statement, but before we hear testimony, I will open my--the mic to my Co-Chairs Council Member Garodnick and Council Member Cornegy.

CHAIRPERSON GARODNICK: Thank you. I, too, will forego my opening statement and with apologies. I have to take a child to a doctor's appointment so we'll be leaving shortly, but will look forward to having a chance to ask a few questions. Thank you. [pause]

CHAIRPERSON CORNEGY: While I'm tempted to read my opening statement, I will forego mine as well. [laughter]

CHAIRPERSON FERRERAS-COPELAND: Thank you very much. Both President and Commissioner, you will be sworn in by the Committee Counsel, and you can begin your short brief edited opening statements.

LEGAL COUNSEL: Do you that your testimony will be truthful to the best of your knowledge, information and belief?

COMMISSIONER BISHOP: I do.

MARIA TORRES-SPRINGER: Yes.

LEGAL COUNSEL: Thank you.

[background comments]

MARIA TORRES-SPRINGER: I will condense testimony in order to allow for as much time as possible for questions. So good afternoon Chairwoman Ferreras-Copeland, Chairman Garodnick, Chair Cornegy and the members of the Committees on Finance, Economic Development and Small Business. I'm Maria Torres-Springer from EDC. I'm pleased to join the SBS Commissioner testify today along with members of the Team a EDC to shares some of the specifics of our budget for FY 17 as well as our overall focus for economic development across the five boroughs, which we shared as well at our earlier hearing in March. So, we've been quite focused on growing jobs that are

truly accessible to New Yorkers in every neighborhood, and that focus we believe is already paying dividends. Since the Mayor took office, New York City has become home to a record 4.3 million jobs. The highest number in city history. Just as importantly, we're seeing job growth in boroughs outside of Manhattan at nearly double the rate of Manhattan, which truly speaks to the five borough nature of our economic development strategy. With regards to EDC's Budget, one thing that I did want to highlight for members of the committees is that we have increased our capital commitment rate. At the last budget hearing in March, our commitment rate was 12.6% for EDC projects. Today, we are at 23.7%. Historically, our commitment rate had been low, primarily due to the practice of having large multi-year projects funded upfront even though we know that many of those funds would not be drawn down until out years. We have worked very diligently with the Office of Management and Budget on a multi-year CP Process and Concept, and we have consistently re-forecasted our budget in order to ensure that funding aligns with our spending need in order to continually improve those commitment rates. Between now at the

end of the fiscal given pending registration to the Controller's Office and CPs that are at OMB, we project that commitment rate to be over 35%. And so I'd like to take a moment to thank members of the committees for working with us over the course of the last few years in improving these efforts. Another issue of note that I wanted to highlight is regarding our financial support to the city. So, as you might know, the revenue that receive to run our operations and advance projects at EDC are derived from our property management financing fees and land sales, and this is reinvested in EDC operations programs and assets to bring jobs to New Yorkers while also providing a significant amount of support to the city. The funding we typically provide each year fluctuates based on our land sales, and the 42nd Street payment collections among other factors. Going forward, however, after conversations with OMB, EDC will include the cost of the Citywide Ferry Service in our financial support to the city. While the form our financial support may differ from last year, our overall contribution to the city is still expected to remain high. Over $75 million for instance in FY17, and that includes now the

contributions towards citywide ferry. I'd also like to because I know there were questions last time, provide a brief update on the status of the funds that were locate--that were allocated in FY16. In order to quickly and aggressively realize citywide economic development and housing goals, the city created new acquisition housing infrastructure and neighborhood development funds that are currently in EDCs budget. These funds enable us together with different agencies to identify appropriate sites for affordable housing and economic development, and plan for and fund amenities that will help our neighborhoods grow and thrive. The approximately $700 million Neighborhood Development Fund, for instance, was created to support capital investments where the city is pursuing a rezoning. These expenditures will happen along side rezoning efforts. We expect to begin projects in FY17. Meanwhile, the $75 Million Acquisition Fund was created for future land acquisitions to assist in the implementation of city policy priorities. EDC intends to target sites of at least 500,000 square feet in all five boroughs with multi-use potential, and access to public transportation. The--the last major component that

I'd like to highlight before turning over to my colleague Commissioner Bishop are the additional allocations in our budget in order to support the launch and implementation of Citywide Ferry Service. As you all might know, the Citywide Ferry Service will connect communities that have traditionally been underserved by transit. For example, Red Hook, Bayridge in Brooklyn, Long Island City, Queens Bridge and Astoria Waterfront, the Rockaways and Easter Queens and Soundview in the Bronx. By allowing waterfront communities around the city to gain access to job opportunities and employment hubs, in particular along the East River, we're helping to shift the backbone of city--of the city's economy eastward and closer to where a majority of New Yorkers live today and are choosing to live in the future. A few weeks ago we were happy to select Hornblower as the operator of the entire integrated ferry system, and we are pleased to report today that this project is on schedule for the first phase rollout in 2017. As you also might know, we are using $55 million in city capital to build the infrastructure needed to support Citywide Ferry Service. That is going towards the construction of a

total or 10 new landings as well as the upgrade of two existing landings. These barges are currently being fabricated then they ship repair--and they ship repair in Staten Island. And we have recently come to an agreement to home port all of the vessels in New York City's Brooklyn Navy Yard at a cost of about $30 million. Home porting the vessels over night and during repair times at the Brooklyn Navy Yard will facilitate operations while also promoting job growth at what is--has become a major industrial employment hub along the East River. We and the Brooklyn Navy Yard are currently working together to determine the best way to accommodate the needs of the Citywide Ferry Service fleet within the campus, a location that will allow vessels to be more centralized to the ferry network. Let me just end by saying since the last--since the last hearing in March, we have been pleased to work very closely with member of the City Council, a number of key initiatives including, of course, the East New York Community Plan and a number of the investments that are going to be made through the Neighborhood Development Fund will be targeted towards the Industrial Business Zone in East New York. Working closely with local elected officials

on Staten Island to continue development on the North Shore including cutting a ribbon at the new Stapleton Waterfront Park. We were also very happy in Mott Haven to have opened the first of what will be several community healthcare centers together with Speaker Mark-Viverito, and last but not least, over the course of the last several months, we at EDC have also been very aggressive in expanding and building out new programs to help the city's Women and Minority Owned Businesses in order for them to--in order for us to open door s really to all aspects of our work: Construction, development, professional services, and so we have launched a number of new programs, new financing tools, and we look forward to continuing to work with the City Council in order to improve those efforts in addition to all of our other initiatives to spur economic opportunity across the five boroughs. Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank you. Commissioner, before you begin your testimony we're going to have Chair Garodnick pose his questions to the EDC President, and then we'll come back to you.

COUNCIL MEMBER GARODNICK: Thank you very much, and I appreciate your indulgence. Madam President, I wanted to just focus for a moment on the funds because as you allocated---as you--as you--as you described in your testimony, you've allocated funds for neighborhood development, acquisition, industrial and housing. The biggest numbers here are in the Neighborhood Development Fund at $700 million. Well, that--that's just the EDC component of that fund. There's also another $300 million with DEP as I understand it. Is that correct?

MARIA TORRES-SPRINGER: So they--there are lots of different sources for the investments that are being made for each of the neighborhoods that are going to be rezoned or have been rezoned. And so the Neighborhood Development Fund there--let me just name them. There's the School Construction Authority's Budget, DEP's budget, which is the number that you had mentioned; all of the operating capital agencies have funds that they have allocated for state of good repair projects in different neighborhoods.

CHAIRPERSON GARODNICK: Got it. So if--if I'm understanding correctly--

MARIA TORRES-SPRINGER: [interposing] In different sections. (sic)

CHAIRPERSON GARODNICK: --the $700 million is the stuff that is flowing through EDC--

MARIA TORRES-SPRINGER: [interposing] That's correct.

CHAIRPERSON GARODNICK: --and then there is additional funds that are going through other agencies--

MARIA TORRES-SPRINGER: [interposing] That's correct.

CHAIRPERSON GARODNICK: --is that correct. Okay, so the $700 million is--is a--it's a portion of--of the total. It's not the total. Okay, so let's talk about process for a moment as to how these funds are--are allocated. You noted that they're done mostly in connection with the re-zonings, and as--as far as I can tell, there was a $56 million allocation for East New York already. But there are additional funds that have been approved up to $76 million. Is that accurate?

MARIA TORRES-SPRINGER: Those particular numbers I'm not familiar with. What I will--so we'd be happy to go back there. The commitments that were

made as part of the East New York Rezoning are embodied in a letter from the Deputy Mayor, Deputy Mayor Glen to Council Member Espinal. And so a number of those items will be funded through the Neighborhood Development Fund, and we'd be happy to make--to cross-check the numbers to see if those totals are the same.

CHAIRPERSON GARODNICK: Good. Tell us what the process is--

MARIA TORRES-SPRINGER: Sure.

CHAIRPERSON GARODNICK: --on the Administration side when it comes to making a commitment such as that whether--whether the--the number is $56 million or $76 million--

MARIA TORRES-SPRINGER: [interposing] Right.

CHAIRPERSON GARODNICK: --or whatever the number is. The Deputy Mayor has the exclusive authority to--to commit those funds on behalf of the Neighborhood Development Fund or is there addition process at the administration side and what does that look like.

MARIA TORRES-SPRINGER: Sure. So let me start with the original intent of the fund. The fund

was designed in order to allocate funding in advance of going through the public approval process for each of the rezoning neighborhoods in order to ensure that neighborhood infrastructure and other amenities that are necessary as each of the housing neighborhoods, rezoning neighborhoods, as each of those processes unfold that there is a funding allocated for those that are above and beyond what might exist in different budgets. And so, the identification of the specific projects it's really part of the comprehensive overall community planning process that happens in each and every one of those neighborhoods. So City Planning, EDC, City Hall, OMB together with all of the relevant agencies who are involved in--on any of the rezoning efforts work very, very closely with local stakeholders with the local Council person in order to not just identify, but really understand the scope of each and every one of those projects. And so that--it--it happens concurrently with each of the rezonings, and--and at the end the--the identification, the specific and the formulization of what those projects is a set of decisions that are primarily made by the Deputy Mayor, OMB, the Department of City Planning and EDC.

CHAIRPERSON GARODNICK: Does each of those agencies need to approve the concept before those dollars are allocated?

MARIA TORRES-SPRINGER: There are several conversations and meetings that happen throughout each of the rezoning processes throughout the entire process to understand the initial concepts, to hear back based on the due diligence that each of the potential managing agencies has conducted, and then it comes back to that group that I mentioned before a number of times actually before formal approval.

CHAIRPERSON GARODNICK: Okay, I--I--I guess what--what I'm really asking is if several of these agencies had different viewpoints on the subject the ultimate decision on whether or not or how much money would be allocated for a particular projects rests with whom?

MARIA TORRES-SPRINGER: The--what we--the experience with East New York was that--and--and this is due what I think was a very thoughtful and comprehensive planning process as well as extraordinary due diligence by staff at each of the agencies. There was consensus on all of those

projects by individuals and agencies that I mentioned earlier.

CHAIRPERSON GARODNICK: Good. There was consensus. I--I--I'm going to leave it, but I really do have that additional question as to within the Administration whether there is a, you know, a final point at which the decision can be made even if it is separate and apart from the other component parts that you mentioned in the absence of consensus. But let me ask you again about the acquisition fund and then I'm going to--to close, and before I'll leave this to my colleagues. There's a $75 million acquisition fund, and as I understand it, there have been two acquisitions that have been made already to date both in the Bronx--

MARIA TORRES-SPRINGER: [off mic] That's right.

CHAIRPERSON GARODNICK: --one of a vacant property and one with a building on it that needs to be demolished. Is that correct?

MARIA TORRES-SPRINGER: That's right.

CHAIRPERSON GARODNICK: Okay, and how were those sites identified?

MARIA TORRES-SPRINGER: Right. So let me start with the--the intent of the acquisition fund. So this funded in city capital. It's about $75 million over a three-year period. The strategy for the use of these funds is into--in traditionally under-invested areas of the city. Our goal is to achieve. The--the purpose is to achieve one or more of the following three goals: Foster economic growth and job creation; two, stabilizing communities through affordable housing development; and three, agency relocation potentially to make city-owned sites for redevelopment. And so the real estate team at EDC with those criteria in mind identify sites across the city. The two in the Bronx are the early ones that have been acquired through this acquisition fund, and the intent there is to utilize those sites that cause that reactivation and redevelopment of those properties. They generally are sites that are larger than 5,000 square feet that are close to transportation, and that will allow us over time to be able to achieve one or more of the three goals that I mentioned earlier: Economic development, affordable housing or agency relocation to make way for development.

CHAIRPERSON COHEN: And you acquired these funds for $4.5 million, is that correct?

MARIA TORRES-SPRINGER: I'm confirm the exact number. It's approximately that number.

CHAIRPERSON COHEN: Okay, and what's the time line for units to be built as a result of these acquisitions?

MARIA TORRES-SPRINGER: Yeah, it will depend on each of the sites. We intend over the course of the next two to three years to identify a--the final plan for the sites potentially to RFP, and so the--but the goal is to reactivate them for economic development, affordable housing and other comparable uses as soon as possible.

CHAIRPERSON COHEN: So the goal is to do an RFP within--for these sites within two or three years of acquisition?

MARIA TORRES-SPRINGER: Potentially.

CHAIRPERSON COHEN: What would--what's holding back faster action on that?

MARIA TORRES-SPRINGER: We'd like to do--have more planning in terms of--of those sites to understand how best we can achieve one or more of the goals that I mentioned before, but in the meantime

the acquisition of the sites given their size, given their location approximate to transportation gives us a lot of confidence that they--that they will be--we can put them to good use to achieve one or more of those goals.

CHAIRPERSON COHEN: Presumably your Real Estate Division had some sense when the acquisition was made that they would be able to achieve some of those goals at the outset.

MARIA TORRES-SPRINGER: That right.

CHAIRPERSON COHEN: So I guess what I don't understand is why it takes two or three years after acquisition to move to the next step of finding an appropriate or qualified developer to actually effectuate the goal. We'd like to make sure that the planning that we do, and the engagement that we do on this site or others is as extensive as possible. To the extent that we can do better than that, we'd like to, but in order to provide a realistic and conservative estimate of what that time frame, we think that that can be done within two or three years. Are there more acquisitions planned at this point?

MARIA TORRES-SPRINGER: We are to the extent that there are sites that meet the criteria that I mentioned before that are close to transportation modes that are of the right the right size, and have the potential to achieve those goals. We are actively looking at different sites across the city. So we intend to acquire more in the future.

CHAIRPERSON COHEN: Do--okay, do you--do you have any sites that you today believe will be acquired in the next six months.

MARIA TORRES-SPRINGER: Not that I am aware of, but we are constantly--you know, we want to make sure we do have the $75 million in our budget. We want to make sure that we--it does not affect our commitment rate in a negative way, but most importantly it's--it's intended to achieve one or more of the three goals that I mentioned before, and so we want to deploy the funds in that way.

CHAIRPERSON COHEN: Do you think you'll be able to spend $75 million on acquisition during--

MARIA TORRES-SPRINGER: [interposing] I think it's in our---

CHAIRPERSON COHEN: --in the coming down. I guess--

MARIA TORRES-SPRINGER: --of--of being able to deploy those funds and acquire the sites in a way that's consistent with--with the goals, and--and also deploying them as quickly as possible given our need to always make good on our commitment rate, but we have--our goal is to be responsible fiscal stewards of--of this fund. And so we'll--we'll strike that balance in any given opportunity.

CHAIRPERSON COHEN: The last question for me, and again I thank my colleagues for this, the--both of the sites were in manufacturing zones. Is that correct?

MARIA TORRES-SPRINGER: I will have to double--let me confirm that.

CHAIRPERSON COHEN: Okay.

MARIA TORRES-SPRINGER: I'm not exactly sure of that.

CHAIRPERSON COHEN: I believe that that this the case. Let's just--let me just ask then as a more general matter as to how the intersection between the city's policy, the Mayor's policy, the Council's stated desires to protect manufacturing zones runs in place with or counter to the desire to find opportunities that could be redeveloped for

residential housing. How does EDC think about when looking at potential acquisitions?

MARIA TORRES-SPRINGER: Right, of course when we announced to the City Council in November the 10 Point Action Plan to promote and grow industrial businesses in New York, those steps included a number of actions that we committed to take from land use to financing to workforce development and we take each and every one of those seriously. And given EDC's responsibility as the asset manager for over 200 properties most of which are industrial, we every day are as aggressive as possible to promote and to grown industrial businesses. And so with--whether it is this particular funds or the neighborhood development fund, we are going to look for ways to make sure that we protect real estate for industrial firms, and to just give you an example-- And there are conflicts in time, but to give you an example of how we're using one of the funds in a neighborhood like East New York about approximately $15 million of the Neighborhood Development Fund allocation, are going towards investments in the IDZ, public realm improvements, the rehabilitation of a city-owned industrial building extending broad band access in

the area. And so all of those are--all of those investments are intended to promote industrial firms.

CHAIRPERSON COHEN: Got it. Just to--just to clarify, and then I will end, but it is--it is not the policy of EDC to stay away from manufacturing zones when considering potential acquisition from residential development. Is that correct?

MARIA TORRES-SPRINGER: Well, one of the three goals that I mentioned before is to foster economic growth and so for some of the sites that we acquire and hopefully for as many of the as possible whether it's in the manufacturing zone or elsewhere we would look to achieve the most job intensive use as possible. To the extent that there is another potential use like residential, like affordable housing we have to, of course, keep in mind what everyone knows, of course, to be an extraordinary need for additional affordable housing. And so there, like anywhere else, we will be working with local--the local elected official and other stakeholder to determine the right balance to strike as it relates to competing uses.

CHAIRPERSON COHEN: Okay, fair enough, but I just think that when--in--in the Council and I-really say this for the benefit of my colleagues is that when EDC has the power to go and make the acquisition, there is a presumption at least in these cases that--that will be a future residential development. So we do need a high level of partnership to ensure that areas that are on the one hand perhaps looking to be preserved as industrial or manufacture or manufacturing are not running into the challenges of acquisition for residential purposes which, of course, is the challenge that we're facing all around the city. So I just wanted to--

MARIA TORRES-SPRINGER: Yes, that's right and to the extent that any of these sites need to be rezoned, of course, each--that action goes through the same public approval process as any other rezoning or change in use for the City Council and so those conversations will happen, and we're committed to a high level of communication on that.

CHAIRPERSON COHEN: Thank you very much, and I appreciate the time.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Co-Chair. We will now hear from Commissioner Bishop.

COMMISSIONER BISHOP: Thank you. Good afternoon Chairman Garodnick, Chairman Cornegy and Chairman Ferreras-Copeland, and members of the Economic and Development, Small Business and Finance Committees. My name is Gregg Bishop, and I'm the Commissioner of the New York City Department of Small Business Services. I'm pleased to testify today with my colleague Maria Torres Springer, President of New York City Economic Development Corporation as well as my First Deputy Commissioner Jackie Mallon and my Senior Leadership Team. Today, I will focus my brief testimony on the new additions to the SBS budget and the FY17 Executive Budget and how this funding will support our mission of creating stronger businesses connecting New Yorkers to good jobs and investing in neighborhoods. In the FY17 Executive Budget, SBS received $2 million to increase awareness of the City's Hire NYC Program, one of the largest targeted hiring programs in the nation. Hire NYC leverages SBS network of Workforce One Career Centers to connect New Yorkers to open positions created through

the city's purchases and investments. Mayor de Blasio expanded Hire NYC citywide this October to cover all city goods and services procurement over $1 million. The new funding will be used to ensure that every possible candidate is aware of the program and employment opportunities created through city development and procurement contracts. We thank the Council for your support, and look forward to working with you to reach out to your constituents about available training and connections to employment. As we continue to support our small business, I want to thank Chair Cornegy on your leadership to increase tenant bargaining power by defining and codifying commercial tenant harassment. To support this effort, SBS provides preemptive legal assistance to businesses including commercial lease workshops, and one-on-one consultations with lease reviews and education on commercial lease negotiations. These are complex issues, and we will continue to develop the necessary tools to target those with greatest need. As you are aware, SBS is helping the city's MWBE leadership team to conduct a citywide MWBE disparity study to better understand the conditions for MWBE contractors. We are currently in the middle

of our disparity report committee meetings, which are being held this week, and in all five boroughs with Staten Island this afternoon, offering MWBE business owners the opportunity to share their experiences directly with myself and the rest of the city's MWBE leadership. We also received--we also recently announced a $10 million bond surety fund to provide collateral assistance to MWBEs attempting to obtain bonds, as well as low-interest loans to city certified MWBEs. With a $10 million investment from the city, SBS will also create a revolving loan fund for emerging and MWBE contractors or subcontractors with the goal of increasing the amount of capital for what is now $150,000 to up to $500,000 in financing. Finally, I also want to invite everyone here to our tenth annual MWBE Procurement Fair on May 24th. The fair will showcase city contractor--contracting opportunities for an expected 500 MWBE firms. Finally, in our support for commercial corridors, I wanted to thank Chairman Garodnick and the Council for your support in our Neighborhood Development Grant Initiative, which provides grants for community-based economic development organizations in each of the--of New York City's 51 Council districts.

I also want to acknowledge Council Members with assistance from EDC and the Mayor's Fund for his support of the Downtown Far Rockaway Storefront Improvement program, which will provide $185,000 in grants to help the local business and property owners complete storefront renovation projects. In the FY17 Executive Budget SBS will received $215,000 to increase the capacity of the Business Improvement District team. SBS staff serves as full voting members on the boards of directors of all BID boards, representing the Mayor and serving as a the primary liaison between the BIDs and the city. These responsibilities range from coordinating the BID building process of more than $100 million in annual assessments with the New York City Department of Finance providing financial oversight, and ensuring operating and governance compliance. The additional staff will ensure that SBS continues to support the city's existing 72 BIDs, as well as the unprecedented 27 BID formation and expansion efforts currently underway across the city. Thank you for your time, and I'm happy to take your questions.

CHAIRPERSON FERRERAS-COPELAND: And thank you for reading that testimony without breathing.

[laughter] I want to delve into our Budget Response. SBS charges administrative fees to oversee Council initiatives. In Fiscal 2016, SBS received $794,300 or 5% of the total $15.3 million allocated to various Council initiatives administered by the department. No other city agency charges these administrative fees to manage the Council initiatives, and it is in the budget--and in its Budget Response, the Council called upon the administration to pay these fees so that the Council's funds could go towards their intended purpose providing services through the initiatives. Why does SBS charge these administrative fees even though no other agency does, and why hasn't the administration agreed to pay these fee s with SBS support baselining the fees?

COMMISSIONER BISHOP: So thanks for that question. I think it--it's--one of the things I would like to say is that at SBS we are a small agency. We have a staff--we are sort of the agency that can, and--and we have full support of all the Council initiatives. With--when you look at all the contracts that we support, it's over 160, and just to give you an example, some of these contracts varies from $5,000 all the way up to $100,000. We have to

work with the community-based organization to actually help them get to the point where the contracts can be registered. That could be very time intensive. So in order for us to be successful, and in order for these initiatives to be successful, we depend on the support of Council to help us fund program managers. Certainly, we--I would be happy to work with Council Finance to look at sort of the range of contracts that we administer, and figure out if there's a way that we can improve the efficiency of that to reduce our dependency the administrative fee that we depend on in order to have staff, to expand our capacity to administer these contracts.

CHAIRPERSON FERRERAS-COPELAND: So we've been joined by Council Member Matteo, Rodriguez, Borelli, Ulrich, Koslowitz, Dickens, Miller, Richards, Eugene, Rosenthal and Menchaca. I just say this because there is a lot of agencies that have very small contracts, large contracts, numerous amounts of contracts when we talk about DYCD or DFTA, and no other agency has these administrative fees. So we're hoping that we can move forward to a point where maybe it's just that you need additional support or staff, and that's what we need to be

calling upon the Administration to do. So that you are able to handle, but this is kind of the way we do business, and it's just--it's just disheartening to organizations that we're funding that then they see a fee taken from the agency when we're funding them for discretion through our discretionary dollars. I wanted to briefly talk about the citywide savings for FY17. It's--it's around $270 million. SBS--SBS expects to save a total of $3.3 million in Fiscal 2016 and $451,000 in Fiscal 17. Can you--can you walk the committee through where the savings comes from and where you will affect services, and if this will affect services in any way.

DEPUTY COMMISSIONER MALLON: [off mic] Do you want me?

COMMISSIONER BISHOP: Yeah. I'll have First Deputy Jackie Mallon respond.

DEPUTY COMMISSIONER MALLON: Hello.

CHAIRPERSON FERRERAS-COPELAND: Hi.

DEPUTY COMMISSIONER MALLON: How are you?

CHAIRPERSON FERRERAS-COPELAND: Good.

DEPUTY COMMISSIONER MALLON: The FY16 portion I--I don't know exactly what number you just

said--is essentially under-spending that occurred in this year.

CHAIRPERSON FERRERAS-COPELAND: So under-spending, what does that mean, under-spending?

DEPUTY COMMISSIONER MALLON: It--it means there was a--a series of dollars in the budget this year that we--we--we didn't spend.

CHAIRPERSON FERRERAS-COPELAND: You didn't utilize?

DEPUTY COMMISSIONER MALLON: Right.

CHAIRPERSON FERRERAS-COPELAND: Okay, and is there a particular program where the under-spending was?

DEPUTY COMMISSIONER MALLON: It's across a--a series---

CHAIRPERSON FERRERAS-COPELAND: [interposing] So can you share with this committee more details--

DEPUTY COMMISSIONER MALLON: [interposing] Yes.

CHAIRPERSON FERRERAS-COPELAND: -- explanation on that, and also the total savings was $3.3 for Fiscal 16, but for this fiscal year you have $451,000 proposed in your savings plan. But in

particular, and I highlighted your agency during my OMB hearing because there was--the description was one line. It was like savings will be reached by savings or something like that.

COMMISSIONER BISHOP: Was that--so--so I think the--so there's a couple of things that we will-we can get back to you on. One of the things that we have learned in terms of the budgeting process when we make requests from OMB the assumption is that that program will start immediately from the start of the fiscal year. It does not count the actual procurement process, and we are getting better at that. So, some of the savings that--that we have sort of returned to OMB is because the procurement process, the program starting later than anticipated.

CHAIRPERSON FERRERAS-COPELAND: Right.

COMMISSIONER BISHOP: But we will give you a detailed breakout across the agency with those programs.

CHAIRPERSON FERRERAS-COPELAND: We want you to propose savings that make sense, and we don't want programming to be impacted. So, if you're a small agency with a small budget then we're not expecting you to propose this huge savings, but if

you're--if you don't tell us what exactly is the savings, I think you proposed staffing as the--the savings cost, which then speaks to you're charging us for administrative costs because you don't have enough staffing. I just want to follow where--why this makes sense.

[background comments, pause]

COMMISSIONER BISHOP: Okay. So we--we'll get back to you because there--there is definitely no staff impact. As a matter of fact, we-as I mentioned in my testimony, in certain areas we--we actually got additional staffing to increase our capacity. So I want to make sure that we're reconciling what you have, and--and--and what we have submitted to OMB.

CHAIRPERSON FERRERAS-COPELAND: Great and again the details that are provided through the Savings Program were lackluster. There were no details. So we need to have the details. We would have preferred to have them before today, but I would love to engage--have both--all of our communities engage with you to get more details on your savings plan.

COMMISSIONER BISHOP: Yep.

CHAIRPERSON FERRERAS-COPELAND: I'm going to ask some community board--but--and I'm going to come back for a second round, but I just wanted to ask the EDC questions. Of the City's 59 community boards, how many received city funding for projects, which are spearheaded, which you spearhead? Do you believe there are areas, which the city--within the City that should be investing in, but have failed to do. How can be we better at spreading economic development? I think we're very focused in some areas, and in some ways we've looked at the mapping and there's--it doesn't necessarily meant that we have development in every corner of New York City. So how do you envision getting economic development to be spread out through New York City so that everyone can benefit?

DEPUTY COMMISSIONER MALLON: We, too, are extraordinarily focused on making sure that when we talk about economic development, and then we talk about spurring the economy, what we're talking about and doing on a day-to-day basis is creating a five boroughs economy and strengthening a five borough economy. And so, when we look at the--the statistics I mentioned before about job growth in the city, and

we're at record levels, we are at record level job growth. But what's heartening to us is we're seeing that across the five boroughs. So that is a good sign. We know that we have to be extraordinarily diligent in the use of our tools, and we have many tools. We administer, of course, various incentives. We have a multi-billion capital budget. We have--we do area wide re-zonings, and dispose of city property and we want to make sure that a five borough equity is a--something that is--that undergirds all of those efforts. So to just give you an example, in terms of our capital budget, we did look at the capital spending by borough, and--and what is--what can be complex. But not the use of any of these tools and trying to understand what the investment is by borough is that a lot of--many of our initiatives are driven by where we have property. So for instance, with--in Sunset Park with the Brooklyn Army Terminal, Bush Terminal and the hundreds of millions of dollars that we have in the Capital Budget for--for that area or at Hunts Point $150 million for the modernization of those markets. So that somewhat drives where the capital investment is, and to the extent that there area wide re-zonings, what we have tried to is

contrary efforts in areas that have been historically under-invested. Certainly with working with Council Member Ydanis Rodriguez, and Council Member Richards in Inwood and in--in--in downtown Far Rockaway with Council Member Richards, we are allocating our resources in a way that recognizes that there has been under-investment. So all of that is a long way to say there are lots of ways to--to cut the numbers, but we'd happy to provide whether it is where we're doing RFPs, where we own property, where our capital dollars going, where were doing area wide re-zonings, how that breaks out by borough, and by community board. But we do think that this is something that is really important. It probably hasn't been done with as much diligence and thoughtfulness as it could have been. And I am personally very committed to making sure that we continue to better buy it.

CHAIRPERSON FERRERAS-COPELAND: That would be good. I mean that was part of my follow-up question especially with the capital commitment plan to have these things. The Finance Division is looking at it as, you know, these long Excel--Excel spreadsheets with a lot of information. It would be

great if we can just get them by community board, by borough kind of with some of your thinking behind.

DEPUTY COMMISSIONER MALLON: [interposing] that's right.

CHAIRPERSON FERRERAS-COPELAND: You know, this--this project serves these community boards because that would better help understand. We're forced to be--also to be able to experience the numbers when these questions come up so--

DEPUTY COMMISSIONER MALLON: We'd be happy to do that.

CHAIRPERSON FERRERAS-COPELAND: Excellent. I want to talk about revenue return to the city. The Executive Budget shows a large reduction in the revenue EDC returns to the city. Our understanding is that this is occurring for two reasons: Firstly, some EDC revenues are being removed from EDC to some other code, which we weren't sure about. Secondly, a lot of it is being kept by EDC to subsidize the operating costs of the Citywide Ferry Service. These bring us to two issues. Why is E--what are EDC revenues being moved to another code? For example, the pilot portion of the revenue for the 42nd Street Payments will now be recognized under the

city's overall pilot revenue. I will follow up with OMB on this because I realize that it is also part of an OMB question. But--and secondly, why was the decision made to not have the money flow through OMB and instead remain in EDC's internal budget? This makes it very difficult to track revenue, the revenue EDC would normally return to the city. Would you be willing to restore these payments to the city's budget to make it more discrete or transparent?

DEPUTY COMMISSIONER MALLON: So, let me start. There are a few questions in there. We would be more than happy to clarify as much as possible. The--the place to start is to clarify upfront that the--a map that the City--that ED--because we are a self-funding entity, we don't--we operate based on revenues that we generate. And so we don't take operating expense dollars from the city for our operations. The--in fact, we have contributed back to the city over the course of the last several years different forms of financial support, contract payments, land sale revenues, property revenues, pegs, et cetera. And that number since 2001 it fluctuates but has--has been as low as 43 to as high as 155. There's an extraordinary year in 2014. But

we make those payments every year, and we project that at the end of this fiscal year for instance it's about $75 million. Now, because of the citywide ferry service, what we had worked out with OMB after extensive consultation is that we needed to readjust our financial. The bottom of the financial commitments is we will still continue to contribute to the city approximately 75, 80 per year. It just depends given all of these sources of revenue, but that in lieu--since we are taking on the yearly operating subsidy for citywide ferry, that we are essentially going to be made whole for that amount by being given relief on certain payments that we otherwise would have made. For instance, our Maritime Contract, which is contract payments, which is typically over $10 million in addition to what we call the 42n Street pi--non-pilot payments. And so, by relieving us of certain--of certain payments, we're able to make sure that we continue to be a sustainable organization. The specific question on the budget codes with pilot payments for 42nd Street properties. So those--we are the property managers for all of the 42nd Street properties, and so it's our--part of our responsibility to collect those

payments. These payments every year on a quarterly basis we have for the last several remitted them back to the city. So that has not changed as part of this deal. I'm not sure what budget code they are now putting it in, but we'd be more than happy to make sure that the payments, that those payments and others that may have caused confusion in the past that they are in a format or in a code, in the right code so that they are as easy to understand and as clear as possible for the Council.

CHAIRPERSON FERRERAS-COPELAND: Great, and I think you for your commitment on that. I just--which is--with this issue we need to be able to follow this through, and the--where we have the most jurisdiction and where the Finance Division is able to get the most detail is through OMB. So sometimes your--your documents aren't necessarily as accessible or transparent to us. So if you can do that ahead of time including sharing these in lieu payments that you've negotiated, we'd like to understand what-what are those payments that you are not making any more in lieu because of the ferry service. And also, what is the cost of the projected cost to run the Citywide Ferry Service?

DEPUTY COMMISSIONER MALLON: It--it--it ups to $30 million per year on the operating side.

CHAIRPERSON FERRERAS-COPELAND: Okay, and then anything over that or are you expecting--is this--this-?

DEPUTY COMMISSIONER MALLON: The way the deal is structured is to the extent that ridership exceeds a certain number we should be able to share more in the revenues, which brings down the operating subsidy on a given year. But our expectation if ridership meets our original projections is that on an operating basis the subsidy to run Citywide Ferry and carry the 4.5 million passengers every year, is approximately $30 million.

CHAIRPERSON FERRERAS-COPELAND: Okay, and I--I want to give my colleagues an opportunity to ask their questions. So I'm going to leave my other questions for the second round. We will now hear from Chair Cornegy.

CHAIRPERSON CORNEGY: Good afternoon, Commissioner and President. I just have--my first question is on the support for small businesses. The Administration added $2.2 in Fiscal 2017 and $3.2 million annually in the out years to fund three

initiatives that will strengthen support for the city's small businesses. These three initiatives are: Intense Business Adaption Services, Commercial Tenant Protection and Legal Service Program, and Neighborhood Space Program. Can you tell us more about these initiatives such as the types of services that will be provided through those initiatives and the purpose of those initiatives. In particular, if you could delve into the Tenant Protection and Legal Services Program because that is one that we believe will support obviously our A51s and--and we appreciate that support. So if you could just--just tell us a little bit about those three initiatives.

COMMISSIONER BISHOP: Sure. So--so-- there's a couple things and--and as you know as we talked about with the budgeting process, we are still shaping the programs, and shaping the eligibility. So I could talk very high level on--on the intents of the programs but in terms of the details, that's forthcoming. We--we need to--to tighten up in certain areas On--on the adaptation it's--it's really we recognize that every small business is unique, and when small business are facing rental pressures, it may not be necessary. The rent that's

actually causing the business pain, it could be that they are not running their business appropriately. So we certainly want to make sure that we provide every single tool to help that business succeed, and one of those tools is really providing some one-on-one intensive counseling services to really help that business identify some of the areas that can improve their earnings. So for example looking at if it's a storefront, you know, or retail store looking at the inventory process, looking at, you know, how often, you know, anything that could be a--an expense for that business trying to reduce that expense. So because it's unique, we--we envision that it will be consultants working with businesses. And we certainly want to make sure that we again provide the--the tools necessary for--for businesses to--to succeed. The Space Program is--is definitely very high level. We are still working the details on that, and we can get back to you on--on sort of what that program will be, but we are looking at figuring out ways to help longstanding businesses stay in the neighborhoods that they have created. With the--the legal service, as you know, we have expanded our pro bono legal assistance to help businesses understand

the terms and conditions of their lease either the lease that they have currently, or a leas that they're about to enter into. That pro bono--pro bono legal assistance stops at a certain period, a certain point, which is if there is a sort of lit--litigation that needs to happen, the pro bono service advises the business owner on what they need to do. But that business owner would--then has to take--to take it to the final leg. So the funding that we have received will allow us to walk with that business owner to do that final in conjunction with the legislation.

CHAIRPERSON CORNEGY:

COMMISSIONER BISHOP: So--so when do you think these new programs will commence. So our--our hope is--is that the funding will be there in the Executive Budget. I mean the--the funding will be--will be there starting July 1st for next fiscal year, and certainly as we build out the programs, we hope to have them launched by the end of this year.

CHAIRPERSON CORNEGY: Do you have any planned outreach programs to inform small businesses of these initiatives?

COMMISSIONER BISHOP: For outreach yes. So, in--in general one of the things that I'm doing

at the agency as you know, and--and, you know, I want to thank you for your support as well, and the Council's support for committing to Chamber on the Go, but as you know awareness and outreach--and of our services is very important to me. So we've made investments and continue to make investments in our communications and marketing team, and certainly working with a number of community based organization. My intention is not only to as the infrastructure of--of Chamber on the Go, but also work with the Council, work with different community-based organizations in order to connect to the specific sectors that could benefit from this program.

CHAIRPERSON CORNEGY: And so I'm wondering you guys have--are expanding, you know, very rapidly to meet the demanding needs of small business. So I'm wondering or I am concerned about whether there may or many not be some capacity issues. So will these services all of them that you're proposing be provided by SBS, or will some of them be contracted to third parties?

COMMISSIONER BISHOP: More of--so this is a combination of both, and the way we operate is that

yes. So as--in order to scale really quickly we would be putting out-we would contract out, and in certain cases, especially adaptation, we do not have the--the capacity or the skill set for the various different industries. So, we would need industry experts to really help those businesses in this particular area. I don't know if--do you have anything to add?

DEPUTY COMMISSIONER MALLON: [off mic] No, I don't.

COMMISSIONER BISHOP: Great.

CHAIRPERSON CORNEGY: Thank you, so--so President Torres-Springer, in--in the past with your predecessor we've had dialogue around creating programs at EDC that looked at helping small businesses that you move into spaces to negotiate leases that were appropriate and that kept them in the spaces before. Had it--in the transition, I don't know if that was passed along and if in--from your purview there will be any efforts to exactly that?

MARIA TORRES-SPRINGER: We're always open to using any of the tools that we have whether it's our existing properties that we've managed, or where

we are RFPing for new sites to find ways to ensure that local small businesses have opportunities to utilize space in those sites. And so to the extent that there are either specific development sites or larger policy initiatives that we can work on, we'd be happy to do that and, of course, we'd work very, very closely with our colleagues at SBS to make sure that any of the tools that we have at EDC we're using for--to promote small businesses. So for instance, we have created new programs through the Industrial Development Agency that allow smaller firms to be able to access the finances that they need in order to rehabilitate their spaces, and other new financing tools that are in development. But its something that we're committed to, and to the extent that there was a specific project that you have been speaking with my predecessor about, we'd be--I'd be happy, more than happy to make sure that we continue that.

CHAIRPERSON CORNEGY: So thank you for that, but it wasn't a specific part--it wasn't a--a specific project or a specific group that we were dealing with. We just saw that you guys have the capacity to help small businesses get into spaces

that you own. We just hope and continue to hope that in crafting those leases we didn't see the end being what we're seeing obviously across the city, which is a--a force out, primarily because some businesses aren't as skilled at negotiating their contracts as--as they should be. So maybe there's a partnership that can be formed with the new legal department new legal initiative from SBS to help EDC with its client base as they move into brick and mortar buildings.

MARIA TORRES-SPRINGER: Understood. We'd be happy to continue to pursue that.

CHAIRPERSON CORNEGY: And so I would wait for the rest of my questions for the second round, and I will pass to my colleagues who have questions.

CHAIRPERSON FERRERAS-COPELAND: Thank you, thank you, Char. We have--we're going to hear from Council Member Rodriguez followed by Council Member Ulrich, followed by Council Member Miller.

COUNCIL MEMBER RODRIGUEZ: Thank you, Chair and first I would like to thank Mayor de Blasio and his administration for keeping his word when it comes to including Inwood as one of those areas that we are looking for the opportunity to develop creating jobs with the mission to create jobs for our

working class and middle class building the housing with a goal to get a higher percentage affordable. I'm going to say that the support that we've been getting as EDC being the agency leading that effort together we see the plan in HPD and the whole staff have been very important to be sure that we have an open transparency process where the community is being enabled to give their voices at the end of the day, and to come out with a product that is the ownership of the community. So I would like to again thank Mayor de Blasio and--and President Maria Torres, too, for all her support and that the whole team in that they've been very important. As SBS the same thing. Like, you know, as Commissioner Bishop in there is always open and being accessible to our community. We know that we're working with the work for the same in our community. The boroughs is moving on, and I hope again that your leadership, both of you, the other agency will definitely help the mission that we have as a city, which is to close the gap between the 1% and 99%. So when the Administration and here is the number of 46% New Yorkers living in poverty, the only way of how we can say 10 years from now we can go down from 46 to

whatever number is the goal, 30, 25 by connecting, you know, New Yorkers especially from the working class and middle class to more and better opportunity bringing incentive. I think that it is the right thing to do to spread the wealth and the resource of the city. We cannot leave the billions of dollars incentive only in the Midtown area even though Midtown will always be a priority, but when we look at the five boroughs, and the out--all those areas in the South Bronx and in Brooklyn and in Uptown Manhattan, we need also to be sure that the dollars go there so that we can create those jobs in those communities. So, for me one of my--I have two concerns. You know, an area that I hope that working together we will explore the way of how to do better. One is how can we connect average working New Yorkers to good jobs? Like when we look to the film industry in our city, they benefit a lot. So it is true that we can say that they help with the image of the city, but when it comes to the type of job or their career, I don't think that most of those jobs that they create for New Yorkers are the best well paid jobs. So, how can--from the SBS and workforce center that you've been able to establish and grow this in the

city be sure that there's a clear plan that more New Yorkers are connected to that industry that move billions of dollars that close our--our street, but we don't see many people who live in our communities working in that particular sector. So, when you look on the network of jobs that we have in our city, do we have a plan of connecting New York--New Yorkers in--in that particular industry?

COMMISSIONER BISHOP: Yeah, so--so let me start off by talking about our industry partnership, and then I'll have First Deputy Commission Jackie Mallon talk specifically about what we are doing with the Mayor's Office of Media and Entertainment. Because there's a number of initiatives that I think you'll be very pleased with. As you know, at our Workforce Center, our motto now is really uncovering all the--the best jobs across the city and connecting New Yorkers who are coming through our centers regardless to location to those jobs. So we have decided to focus on--on--on six major industries where we feel that it's either quality jobs or the--these sectors are actually growing. So healthcare, as you, has been one of the partnerships that's been launched and we're having success there. We're

focused on technology, and we've launched about ten new training programs where individuals are being trained in we development, in app--application development, and they're actually being placed in jobs paying $50, $60,000 a year. So we consider those good jobs. We just recently launched other partnerships in [bell] in--in construction. Is that my time? Okay. [laughs] In construction, food service, industrial and in retail and what we're doing is we're working with the private sector. We're understanding the skill sets that they are looking for, and we either working with community-based organizations, academic institutions, or we are creating the training programs ourselves to train individuals with those skills that the industry need, and then placed them into jobs. So a lot of the activity that you're seeing on the workforce side is really to open up opportunities not only in the private sector to--to individuals, but actually to place or centers where there's high a high concentration of unemployed individuals. So that way they can access our services. Now, with the Mayor's of Media and Entertainment, we have a very, very strong and longstanding relationship with that

agency. I have a great relationship with Commissioner Menin, and certainly we have three or four new initiatives that are coming down the line in terms of training for that particular sector. I'm sure you've talked to her about the Made in NYC, Made in New York Program, and the Production Assistant program that they run. But we also have some initiatives that we're going to be working closely together.

DEPUTY COMMISSIONER MALLON: Hello. So, yeah, we're--we're--as--as the Commissioner said, we are working currently looking at four specific tracks. We're looking for ways to--to help people get into the post production industry into the--the editing field, the writing field and then also trying to uncover opportunities in the theater, which all represent-- They're all somewhat dominated by jobs that are often freelance and independent contractor type jobs, but they're still very good jobs, and we're also working to integrate services that will help people prepare and succeed as--as contractors, which--which we think is a great opportunity as well.

COUNCIL MEMBER RODRIGUEZ: Thanks. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We will now hear from Council Member Miller followed by Council Member Dickens.

COUNCIL MEMBER MILLER: Thank you, Madam Chair. So with--with Small Business, I want to ask you about a couple of programs that are being administered through the agency there, and I noticed that the CWE funding had been reduced this year, the Consortium for Worker Education. Is that a reflection of--of the work that they have done in the past?

DEPUTY COMMISSIONER MALLON: Hi. It's actually. Those are discretionary contracts that--that we fund CWE--through not--not us.

COUNCIL MEMBER MILLER: Okay, but--but you administer it?

DEPUTY COMMISSIONER MALLON: [interposing] We administer it--

COUNCIL MEMBER MILLER: You're the administrator?

DEPUTY COMMISSIONER MALLON: --but you decide on--on the funding of that.

COUNCIL MEMBER MILLER: So, okay, okay so that--that--that piece I will leave alone. Tell me

about the--the employee the EPP. Do you guys administer that as well the Employee Protection Provision on the school bus?

DEPUTY COMMISSIONER MALLON: It's the bus program.

COUNCIL MEMBER MILLER: Where are we at with that? How much funding is left in that?

DEPUTY COMMISSIONER MALLON: [off mic] I don't know off the top of my head. Do you guys know that? Do you know that?

COUNCIL MEMBER MILLER: What do we see the future of that program being?

COMMISSIONER BISHOP: Chair, I'm going to ask our General Counsel Andy Schwartz to answer.

COUNCIL MEMBER MILLER: In--in lieu of any state legislation that would guarantee those protections?

GENERAL COUNSEL SCHWARTZ: [off mic] I don't know the answer to that.

COUNCIL MEMBER MILLER: Okay, so in the meantime is that--

DEPUTY COMMISSIONER MALLON: [off mic] Andy, do you want to--?

COUNCIL MEMBER MILLER: Think he's got it.

DEPUTY COMMISSIONER MALLON: No, I'm sorry.

COUNCIL MEMBER MILLER: Okay.

DEPUTY COMMISSIONER MALLON: He's just getting a little clarity around the specifics of your question. That's all. I'm sorry. That's okay.

GENERAL COUNSEL SCHWARTZ: Hi, Andy Schwartz. I'm General Counsel to the agency. I just want to clarify we don't administer the EDPs for the contracts. We administer a grant program.--

COUNCIL MEMBER MILLER: Right.

GENERAL COUNSEL SCHWARTZ: --to restore the difference in the salaries and benefits for the drivers and the Mayor's---

COUNCIL MEMBER MILLER: [interposing] Right, we, yes, okay.

GENERAL COUNSEL SCHWARTZ: Yes.

COUNCIL MEMBER MILLER: Okay.

GENERAL COUNSEL SCHWARTZ: Yes. So for that it was about $27 million paid out last--in the first school year, and we're in the second year of that program now.

COUNCIL MEMBER MILLER: So there was like $40 million allocated, $41, $42 million.

GENERAL COUNSEL SCHWARTZ: The in--the initial estimate for year 1 was $42 million, but the amount paid out was closer to $27, $28 million.

COUNCIL MEMBER MILLER: Okay, and--and--and the--so the difference is what is--do you--do you anticipate utilizing that this year?

GENERAL COUNSEL SCHWARTZ: No, not in last funding. This year we expect the cost to be around $27 to $30 million.

COUNCIL MEMBER MILLER: Okay, okay, thank you. For EDC, could--could we talk about--could you explain the structure of EDC in particular as it--as it pertains to decision making around appropriation of resources and funding. I know you spoke about some of the properties that you that--that the corporation may already own, but there seems to be a disparity in how those resources get allocated and some things that are happening throughout the boroughs, and not impacting communities like Jamaica and places like that.

MARIA TORRES-SPRINGER: Respectfully, Council Member, I'd like to beg to differ--

COUNCIL MEMBER MILLER: [interposing] In Harlem.

MARIA TORRES-SPRINGER: The--the--the disparity across different boroughs as I mentioned earlier, we have with this Administration really redoubled our efforts t make sure that in all of the tools that we have whether it is building capital projects across the city, initiating area wide re-zonings, disposing of city-owned assets for the development, spurring new transportation system like Citywide Ferry and others that we as much as possible because it is the mandate given to us by this Mayor to make sure that issues of equity in the allocation of those resources are taken very, very seriously, which isn't to say that there isn't more work to be done, but the decisions regarding where we initiate projects, and where capital dollars are spent we--a--a lot of that due diligence happens internally--

COUNCIL MEMBER MILLER: Okay.

MARIA TORRES-SPRINGER: --but we certainly work with other members of this organization.

COUNCIL MEMBER MILLER: So, and--and the reason why I say that--I'm glad you brought up

transportation being that who represent--an area that is considered by the federal government to be an extreme transportation desert, and yet I see a lot of resources and revenue being spent toward ferry services. Now, we're talking about the--the Brooklyn-Queens--what is it? The Brooklyn-Queens Streetcar connector thing there, and another couple of billion dollars being spent there, and these are--it doesn't seem--these are communities that already had transportation options. Wouldn't it make sense to look throughout the city in those areas of Eastern Queens [bell] and Northern Manhattan that don't have transportation options where you want to invest considering that transportation is the great equalizer.

MARIA TORRES-SPRINGER: We agree that in--in terms of--of transportation that we have to make sure that areas that have previously been--have been under-served by transit that were committing resources and doing the right planning, and the--the one thing I'll mention whether it's Citywide Ferry, if you look at neighborhoods like Red Hook like Soundview like the Rockaways, these are neighborhoods that--with commute times that extraordinarily long,

and so Citywide Ferry slashes those commute times with the Brooklyn-Queens Connector. The same is true for-for communities like Red Hook. None of this is to say that we can't do better, and we'd be more than happy to identify how we can work more closely with either the MTA or the Department of Transportation or the federal government to find new ways. We know it's a problem, and we'll keep doing it.

COUNCIL MEMBER MILLER: Yeah, but--but with all due respect, I heard you mention Red Hook and these communities multiple times, so you've--you've given them multiple options, and for communities that don't have options, there is no plan in the works to--to bring relieve to those transportation deserts that really and--and I think any of those compared to the hour and a half commutes that we have in Southeast Queens.

MARIA TORRES-SPRINGER: Uh-huh, I understand and we'd be happy to find and identify other ways we could be helpful with this cost.

COUNCIL MEMBER MILLER: Thank you. I look forward to the second round.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Miller. We will have Council

Member Dickens followed by Council Member Richards, followed by Council Member Koo.

COUNCIL MEMBER DICKENS: Good afternoon or maybe I should say good evening. [laughter] I want to thank you Presenting Springer-Torres and, of course, Commissioner Gregg Bishop for staying so long. Quickly, President on page 8 of your testimony, you talk about the $10 million in funds for our Merge and Develop or Loan Fund that is, according to this, pre-development and acquisition stage companies who face specific financing gaps. Does that include the MWBEs that don't need the acquisition of pre-development funding, but instead need the--the funding the during the course of the contract during the time frame of the contract when the government pays so sparingly or I should say infrequently. And--and that's when our MWBEs are closing up. Does that fund address that? That's one, and is that interest free, by the way?

MARIA TORRES-SPRINGER: So, the Emergency Developer Loan Fund, the $10 million for that fund is intended to address a need that we've heard by emerging developers, MWBE developers across the city who otherwise might bid on city RFPs, development

contracts that in order to pull together a project and the financing for it, they do need financing with interest rates that are lower. So it's not interest free, but it's--it's much more affordable than what they otherwise would get. And our goal here through $10 million, which is we think we'll be able to fund six to ten projects, and if it's successful, we're--we're looking to expand that. That allows MWBE developers to have more opportunity. I agree with--with our contracts and others, frankly in the private market. I agree with you that then for MWBEs who are doing business with the city in terms of contracts there is in terms of working capital often an issue. So at two programs are up and running that help. That EDC has a program called--that we call it the Kick Start Program, and that bridges in the beginning the working capital that is needed as you are performing on a city capital--on a--on a city project. And my understanding ant the Commissioner can correct me if I'm wrong, is that there is an addition program, another $10 million that will allow us as an administration to expand exactly that type of program. I don't think it's been named yet, but it essentially does the same thing, bridge in the

beginning the capital--working capital that is needed because as you mentioned the--the payments don't start flowing for a while. Meanwhile these businesses have to hire the staff, buy the equipment, do what they need to do in order to start performing on the contract.

COUNCIL MEMBER DICKENS: Because frequently it's not, you know, at the beginning with the problems they face throughout the--the term of the contract midway, and that's the end of the game midway through towards the end because of the inability for access of capital, they don't---they--they frequently close up because we're not paying them on a timely basis. And so that's why I raise the issue, and I raise it repetitively. I know I sound like I'm beating a dead horse, but sometimes I feel like it is a dead horse. Tell me, how was a Basis management group chosen, and is that an MWBE?

MARIA TORRES-SPRINGER: Basis Management Group is an MWBE firm. We ran a competitive process. The criteria for the selection of Basis included having the track record and qualifications for administering a fund like this, and they have extensive experience in making particular commercial

loans throughout the country with the particular focus in the Northeast area. They are based in New York city, and they have worked with different municipalities, different forms of government in projects like this. They also in their proposal had very excellent ideas on how to not just administer a loan program, but on ways we can ensure that the outreach for this program is one that will attract the types of candidates. And lastly, they had a really solid plan on how we can all learn from the early loans made from this program to see if there is, in fact, (1) the right--significant demand for this financing; (2) that we have initially structured the fund properly; and (3) to the extent that expand it, how we can ensure that we [bell] are assisting the MWBEs and the emerging developers that we intended to assist.

MARIA TORRES-SPRINGER: And Madam Ferreras-Copeland had asked you specifically about a breakdown by borough, and you mentioned that EDC is based upon the process that you have citywide, and--and I reading in your testimony about the managed forward and the program that you're now expanding next level in Bronx that you spoke about here. And

do you have a breakdown by borough to answer the chair's question where you could tell us how many--or how many and where there are projects still left open in the various boroughs. You may not have it here now, but are you able to provide Madam Chair with that information?

MARIA TORRES-SPRINGER: We'd be happy to. We'd--we'd love to work with you to clarify what it means for a project to still be open, and once we do that, we'd be happy to provide that info.

COUNCIL MEMBER DICKENS: I would appreciate it so when she's able to share that with the--with the members of this committee. And lastly, I wanted to ask in those two programs I didn't see anything mentioned about Queens and Manhattan, and the second part of that is do some qualify for the--the--any of these programs and the CMs as well as soft costs contractors, are they also on a pre-qualified list?

MARIA TORRES-SPRINGER: So, the--we have--the--the Manage Forward Program started in Brooklyn. We have expanded to the Bronx. We would be happy to--our goal is to learn from these and to expand where needed, and so while we have not yet determined if

and how we will expand them, we're more than happy to speak with you, Council Member, on--on how to ensure with the existing programs that we're doing the right type of outreach to the types of businesses in your districts so they can take advantage of our programs. What I will say is that we have tried to structure both the different types of capacity building programs as well as the new pre-qual list, as well as the new funds to ensure that different types of MWBEs can participate whether you are a developer, a prime contractor, a subcontractor, in construction or in professional services. And so, we'd be happy to provide a more user friendly summary of what those programs are so that it is as clear as possible.

COUNCIL MEMBER DICKENS: Is there anything for MBEs and not just MWBEs?

MARIA TORRES-SPRINGER: Well, the--the way--I'd like to say is all of these programs are for MBEs. To the extent that they are for MWBEs, we are--they are--

COUNCIL MEMBER DICKENS: [interposing] Not quite- [laughs]

MARIA TORRES-SPRINGER: --not quite relevant.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Dickens. We can have additional follow-up questions added to--

COUNCIL MEMBER DICKENS: [interposing] Thank you.

CHAIRPERSON FERRERAS-COPELAND: --the follow-up questions that will get to the agencies. We will now hear from Council Member Richards followed by Council Member Rosenthal followed by Council Member Menchaca.

COUNCIL MEMBER RICHARDS: Thank you so much, Chairs, and first I want to just start off by thanking our President Maria Torres-Springer and Commissioner Bishop to their commitment to my district in unwavering support and responsiveness to the needs of District 31. So I wanted to put that on the record first. I wanted to jump into Neighborhood Development Funds. So I noticed in your Budget Response you spoke of managing nearly $581 million in particular in capital projects for other agencies. So I just wanted some clarity along the lines of DEP. So I see $216.3 million you'll be managing for DEP. That's not coming out of the Neighborhood Development Fund?

MARIA TORRES-SPRINGER: No, it is not.

COUNCIL MEMBER RICHARDS: Okay, good. All righty. I wanted to make sure of that, and have we thought of--about replenishing the Neighborhood Development Fund or making sure that more money is in place because we--we--I expect more re-zonings than what we're speaking about to certainly move sooner than later. So I'm not sure if they in Far Rockaway obviously will move soon or--or Edgemere, but I'm wondering is this enough money this fiscal year to really follow up on commitments that, you know, will need to be met as we move forward?

MARIA TORRES-SPRINGER: So the--the--what I'll say is we now have the experience of East New York under all of our belts, and that has--and every neighborhood is different, and--and I think with East New York we saw--what we saw was the--one of the largest areas to be rezoned, and certainly a period of--of historic disinvestment. As, other neighborhoods go through the public approval process, all of the--we will better understand given what is already in different capital budgets for those neighborhoods together with the development potential, the number of--of residential housing

units, et cetera, the state of the parks. It will really vary and we have $700 million. We've done--we have completed the public approval for one, and so I am sure at the right time once we all see what it looks like and how--how the fund-how the fund looks after a few of the re-zonings, we will re-visit the conversation about where the is enough. But the commitment of making sure there is both a planning process, and the funds set aside to fund the infrastructure and infrastructure needs and amenities for each of these neighborhoods is--will endure.

COUNCIL MEMBER RICHARDS: Okay, thank you so much for that. I'm glad you left the door open there. I also wanted to know will EDC--so we had a discussion with the admin on--on--on reporting on the NDFs. Will EDC oversee that particular reporting mandate that the Council and the Admin agreed to do? So in particular reporting online like a tracker style when it comes to the NDFs.

MARIA TORRES-SPRINGER: We are definitely on board with the tracking of all of the commitments. The Mayor's Office of Operation will be taking a lead in that effort, and we will happily participate to make sure that all of the commitments that are made

through each of the re-zonings are ones that are honored. And then as it relates to the Neighborhood Development Fund, as specific projects are identified, our expectation is that instead of it being a lump sum in any given fiscal year, you'll start seeing the specific projects together with who the managing agency is going to be.

COUNCIL MEMBER RICHARDS: Okay, great. All righty, SBS questions for Commission Bishop so obviously there are a lot of areas that have high poverty, unemployment. In particular are there any thoughts to expanding more Workforce Development Centers or satellites? In particular, I'm talking about rezoned areas possibly as well. So has SBS looked into that?

COMMISSIONER BISHOP: So--so, I think similar to what we just talked about in terms of our--our strategy with generating the--the high quality jobs, we will look at every single rezoning area and--and make a determination on a case-by-case basis. I think East New York was an exception because of the--the--the size of the rezoning, but certainly one of the things that we want to do a much better job is really connecting with community based organizations.

It actually may not be necessary to have a center per se, but really have a strong pipeline of a community-based organization that's already doing work in community to connect their resources to our resources. And we certainly will continue doing more outreach in--in communities [bell] that may not actually have a particular center. But certainly with the rezoning we'll--we'll continue on a case-by-case basis.

COUNCIL MEMBER RICHARDS: All righty, on the--I know I have a short time. These last two questions are related to ferry service. So, one, I wanted to know where we are at in terms of looking at a second landing for the Rockaways. In particular because 70% of our residents do not have access to it, and it's a side that actually has the least amount of capability--of--of drivers, obviously and the least transportation options. And then, lastly, I know you released an Environmental Impact Statement and a question of emissions came up in particular with the particular ferry boats that--your vessels you're going to be utilizing. So I'm wondering is EDC working with particular operators to strengthen standards to ensure that, you know, we are being as

environmentally friendly as well. And--and I--one solution to that is, and there is, and I was going to say it and maybe it's something worth looking at. I know that there's a bill. In particular I know Costa and myself co-sponsored the Chair of the Environmental protection to look biodiesel in particular for ferry fleets. So I'm not sure if EDC has--has looked at that, but DEP was doing a particular pilot around it, and it may be worth looking at that.

MARIA TORRES-SPRINGER: So for the first question, whether it is a second landing or making sure that a--the shuttle service gets as--as far east as it needs to in order to serve as many people that is something that we are closely, closely working on and monitoring. There was, of course, $50 million I believe as part of the study, the federal earmark for additional ferry infrastructure in the Rockaways, and we'd be happy to provide an update on where that is as well as to continue to talk about shuttle service and what it means to ensure that that is as robust as it needs to be. In terms of the Environmental Impact Statement, the first thing that I'd note is that with any new mass transit system, there will be

some emissions that results from that. Despite that, the--the thing that was not picked up in--in a couple of the articles about the Environmental Impact Statement was the overall headline that--which is that the Citywide Ferry would not represent a significant adverse impact, and it should--that would otherwise be reasonably expected from a citywide transit service. What the EIS did for clarity's sake is that it analyzed a reasonable worse case, and by law we have to disclose what the impacts are of that reasonable worse case, and whether are mitigatable or not. What we know is that--and it's part of the reason, a huge reason why we selected Hornblower because if they are an operator who will both design and operate the most state-of-the art, the most green type of vessel, and that--what that means for us is to make sure that these are new vessels that use the right type of fuel so in this case it's ultra low sulfur diesel. Now, to the extent that are other forms of fuel that are green I think that is something that we will continue to investigate, and if that technol--if that type of fuel or other green technologies become available in time for us to launch next year, we'll continue to do that. And a

weight design, a whole deign a low weigh hull design for the boat. So there are lots of different ways that we're going to make it for. (sic)

COUNCIL MEMBER RICHARDS: So the key word--

COMMISSIONER BISHOP: [interposing] But that is--

COUNCIL MEMBER RICHARDS: --before they kick me out biodiesel, biodiesel.

MARIA TORRES-SPRINGER: Biodiesel.

COUNCIL MEMBER RICHARDS: And they should be looking at that--

MARIA TORRES-SPRINGER: [interposing] We'll call it whatever.(sic)

COUNCIL MEMBER RICHARDS: --particular standard but you replied to me before they kicked me off the mic. (sic)

MARIA TORRES-SPRINGER: Okay.

COUNCIL MEMBER RICHARDS: Thank you.

CHAIRPERSON CORNEGY: I just want to quickly say that on behalf of Council Member Dickens, I will follow up with you, Madam President, on some of the issues that she raised. She's been such a staunch advocate for MWBEs, and specifically MBEs

that we'd like to see a little bit more movement. So I--I will be following up and disseminating whatever information that you have on behalf of the questions that she asked directly back to her.

MARIA TORRES-SPRINGER: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you. Council Member Rosenthal followed by Council Member Menchaca.

COUNCIL MEMBER ROSENTHAL: Thank you so much, Chairs, Commissioners and President, nice to see you. I actually want to direct my questions to the SBS Commissioner Bishop. First, talking about worker cooperatives. How many staff or FTE does SBS have now to run that Worker Cooperative Program?

COMMISSIONER BISHOP: Specifically for that program, as you know, it's--we administer about $2.1 million over 14 organizations. They're discretionary contracts. So we have to help those organizations with the paperwork necessary to get the contract registered. So we have full-time staff member that funded through the initiative and--but that full-time staff member is supervised by an individual that is also--that's tax levy funding.

COUNCIL MEMBER ROSENTHAL: Okay, it was a follow up, you--you knew where I was going wit that. It was a follow up to Council Ferreras-Copeland's question about whether or not an FTE is City Council funded through an initiative or not.

COMMISSIONER BISHOP: Correct.

COUNCIL MEMBER ROSENTHAL: And I guess my question on the Worker Co-ops is at what point in time does this become an ongoing scrutinized--

COMMISSIONER BISHOP: [interposing] Right, I--I--

COUNCIL MEMBER ROSENTHAL: --thing that Worker Co-ops do and possibly is--they've already been through one or two rounds of contracting these 14 organizations. Perhaps they already have a good sense of how to do the contracting process and possibly don't need that facilitation.

COMMISSIONER BISHOP: I will certainly be happy to--

COUNCIL MEMBER ROSENTHAL: [interposing] It's not going to happen?

COMMISSIONER BISHOP: So, I mean we--in--in my--in my history there are organizations that continue to have challenges with the process, and we

continually need to have someone to hand-hold these organizations to---

COUNCIL MEMBER ROSENTHAL: [interposing] Does she do anything in addition. I'm sorry to cut you off. I'm sorry.

COMMISSIONER BISHOP: To--in--in addition to administering the contract, yes.

COUNCIL MEMBER ROSENTHAL: Okay.

COMMISSIONER BISHOP: So, in--in terms of helping pot together the reporting of--of the initiatives and the--and what has been happening, but certainly one of the things that we do is to ensure because each of these organizations per Council has a--a specific scope of work. So we need someone to actually supervise those organizations to make sure that the--the deliverable that you have or that you have intended is actually met. So--so there is additional work that--that every program manager that we have actually is responsible for it. So earlier we had this conversation. SBS--so you're just looking at worker cooperatives, but agency wide--

COUNCIL MEMBER ROSENTHAL: [interposing] Right, bigger. (sic)

COMMISSIONER BISHOP: --we have over 160--

COUNCIL MEMBER ROSENTHAL: Right.

COMMISSIONER BISHOP: --similar contracts. So certainly we'd be happy to work with Council Finance to--

COUNCIL MEMBER ROSENTHAL: [interposing] Welcome to DC-DYCD land.

COMMISSIONER BISHOP: But we are staffing---

COUNCIL MEMBER ROSENTHAL: 400 is the number.(sic)

COMMISSIONER BISHOP: --is not the same size.

COUNCIL MEMBER ROSENTHAL: [laughs] Right, but that's sort of the point--

COMMISSIONER BISHOP: Right.

COUNCIL MEMBER ROSENTHAL: --I think that the chair is--is making.

COMMISSIONER BISHOP: Yep.

COUNCIL MEMBER ROSENTHAL: And could you foresee the Worker Co-Op Initiative becoming something that is baselined by the Administration, something that the Administration would want to just

see as, you know, the pathway to the middle class, to middle-class jobs and a willingness to embrace that 100%?

COMMISSIONER BISHOP: I think based on--on--how it--the--the initiative--the success of the initiative, I think it's definitely and--and there--there is opportunity for us to have the conversation. We have to figure out what and how we can integrate some of the work that's being done with our current services, and--

COUNCIL MEMBER ROSENTHAL: Yes.

COMMISSIONER BISHOP: --if there's any additional budget needs, I'll be happy to sit down and--and talk to--to you and then the Council, and--and OMB and--and figure out ways of doing that.

COUNCIL MEMBER ROSENTHAL: Okay, thank you, and then I want to ask you about the commercial rent tax, which possibly is a DOS question, but I'm hoping you can help me with this. It gets to the question of what's the definition of a small business and I'm wondering if SBS has ever contemplated what the impact of the commercial rent tax has been on the small businesses in Manhattan. So as you may or may know, the CRT applies to all businesses that all

commercials and sees that pay rent. It's an additional tax on their rent, and anyone who's paying rent, any small business paying rent under $250,000 is exempt [bell] but if it's over $250,000 they're not, and I'm wondering if you would be willing to do an analysis of the impact of the CRT on small businesses in Manhattan? Because I hear there's, you know, it becomes just one in addition--additional tax on our small businesses, and I'll close with that out of consideration for everyone's time, but just say yes. [laughter]

COMMISSIONER BISHOP: I'm--I'm willing to have a conversation in terms of when you say a student to figure out the parameters of that to make sure that we have the capacity to actually do that. And certainly, you know, DOF is the agency, the department, you know, the Finance is the agency that I would actually ask that question about the commercial owner tax.

CHAIRPERSON FERRERAS-COPELAND: [off mic]

COUNCIL MEMBER MENCHACA: Thank you, Chair and thank you to both for being here and your teams. My first question is relating to the Capital Projects list, this is an EDC, the Capital Project

list for commitments, between 20--16 and 20, and can you tell us a little bit more about what--what defines the new need for the Brooklyn Army Terminal and the other projects the asset management and the waterfront improvements just to kind of get a better sense about what--what those needs are.

[background comments, pause]

MARIA TORRES-SPRINGER: Okay, the--for--there are a number of different capital investments that we are making in the Brooklyn Army Terminal Campus and so the primary one, which was the significant new funding from last year representing over $100 million, that's for the rehabilitation and a subdivision of--for BAT Phase 5, which will bring on several hundred thousand new square feet for additional job creation and to support new industrial businesses there. -So that work is ongoing. We actually the completion of that to be late next year, but we're moving very, very steadily in terms of deploying that particular capital. There is in addition to that $15 million specifically for the Annex Building that we have visited in the past, and we are currently leasing them that building, and so the renovation for that is complete. There are also

in our budget what we refer to waterfront lumps that I'm going to ask Kim to just explain.

KIM: Right, we have two what we call the lumps. There's the waterfront lump and there's the NRE. One is for all of our waterfront property upkeep. It's really for normal replacement wear and tear maintenance of all of the property. So we get an allocation each year in a lump sum, but then again each project is approved by OMB. So we have a lump sum for that waterfront assets, and then we have a lump sum for all of our other assets.

COUNCIL MEMBER MENCHACA: Is that--is that a list that we can--that we can get later? So I was familiar with that five and the Annex. Is there anything other than that as part of the--the--the $99 million that was--that's--that's here in the--the long--the long term commitment plan? Or is that--so those are essentially the two for--for Brooklyn Army Terminal?

KIM: That essentially borough.

COUNCIL MEMBER MENCHACA: Great. It would just be great to get--to get a sense, and if you can get that to the committee, that--that would be wonderful.

MARIA TORRES-SPRINGER: I'm happy to.

COUNCIL MEMBER MENCHACA: Moving away from capital and into--into more kind of community engagement and community planning, I--I've--I've seen an array of in the last year an anyway an array of--of community engagement processes, most notably the Integrated Flood Protection Engagement planning that's--that's happened in Red Hook. And I guess what I'm--what I'm--my question is how much does that cost, and where does that fit in the budget, and are we--are we expecting more of that kind of planning, and where are we expecting it in terms of other things that are coming down like the BQX, and whether or not--where--where does that fit into the--where--how much is EDC spending on the community engagement and community planning?

MARIA TORRES-SPRINGER: So it is a significant part of what we do and, of course, it differs depending on the project. For--we have a fairly--a fairly large, and really you probably don't think it is government and community relations team so that's at least eight individuals and--and--and more for certain projects that wake up every day thinking about what it means to coordinate and--and

drive that engagement. Then for particular projects, we also want to make sure that the community engagement is--it's commensurate with the magnitude of the--the scope of the project, and in many instances the capital investment. So with--for a lot--for example of the Resiliency Projects, significant amounts of CDBGDR Funding right? And so for those particular projects, community engagement happens by virtue both of staff that we have at EDC at the Mayor's Office of Recovery and Resiliency and in a lot of cases, some percentage of the CDBGDR funds are allocated towards engagement in facilitation. So there--there are different models depending on the project. [bell]

COUNCIL MEMBER MENCHACA: Got it and I guess what-what we can talk about later and--and through the budget process is figuring out how we create consistency and--and engagement, and I think there's been some really great new energy coming from--from some of these bigger projects. And I want to make sure that we actually create some consistency in making sure that you have the money to--to do that--to do that work and the community has now gotten a better taste of--of a--a fully fueled--

MARIA TORRES-SPRINGER: [interposing] I've got one. Yes.

COUNCIL MEMBER MENCHACA: --workshop process, and engagement. So that will be for later, and then--and then my--my going away question Commissioner Bishop is the question about the industrial business service providers, and just kind of give us the--the kind of final update on this latest Executive Plan on where they are this year, and any changes that--that you've noted.

COMMISSIONER BISHOP: So--so the one thing I would say is that as you know, the administration I believe it was last year commit--made a strong commitment to supporting the industrial service providers. At SBS we provide those services by contracting out to vendors. We recently issued an RFP, and we had responses, and I can get to the details in terms of the organizations that are now re finalizing contract negotiations with those organizations. But that is--that represents a $1.5 million baseline budget for supporting the industrial. What I would remind Council is that in the past we've--it has been a partnership. So some of the concerns I'm hearing from the--the

organizations now is--is on the budget side, and certainly the Administration had put our portion there. For the past year or so Council has not. So I just wanted to make sure that Council if there are concerns about industrial, that you would also help us in terms of partnering to sort of help those organizations their budget shortfalls.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member Menchaca. Both President and Commissioner we have additional questions, but we're going to forward them to you in a letter because I know you all have to go out to the Bronx today. So in the interest of time, we're just going to be following with the Minority Business Owned Business Enterprises as was asked by our colleague Dickens, and the Co-Chair. In particular, your funding of the $500,000, one-time funding for SBS to conduct a study. How is that study different from the Disparity Study. We have additional additions on Hire NYC in the outreach and rezoned areas, additional questions on the City Savings Plan, EDC projects by Community Board follow-up, revenue, Return to the City follow up, IBZ Enhanced Business Area proposals, and just updates in particular on

projects from EDC. So we'll lay out all those questions. We are going to ask that you get those answers beck to us expeditiously because we will be using them through our negotiating process.

COMMISSIONER BISHOP: Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much for coming today. Do you have anything additional you want to add?

CHAIRPERSON CORNEGY: I just--I just wanted to know from the SBS Commissioner, Commissioner Bishop we asked in the Preliminary Budget for $300,000 for added staff or Worker Cooperatives, and we wonder--we just were wondering why the Administration failed to add those funds. So that's just a question that we'll forwarding and you can add that.

COMMISSIONER BISHOP: Yeah, we'll follow with that. That's the--the second time I've heard that, and I think the-the staffing level that we have right now is adequate unless the initiative because if the initiative increases in terms of the amount of organizations, then we'll need to have a conversation in terms of how much staff we need to administer

those contracts. But currently the staffing level is adequate.

CHAIRPERSON CORNEGY: Great.

CHAIRPERSON FERRERAS-COPELAND: And I guess that's why we follow up because if you're changing administrative services, then they're not adequate is what we're saying.

COMMISSIONER BISHOP: Okay.

CHAIRPERSON FERRERAS-COPELAND: Okay. great. On that note, this concludes our hearing for today. The Finance Committee will resume Executive Budget hearings for Fiscal 2017 tomorrow, Wednesday, May 11th at 11:30 a.m. in this room. Tomorrow, the Finance Committee will hear from the Department of Housing Preservation and Development and the Department of Buildings. As a reminder, the public will be invited to testify on Tuesday, May 24th, the last day of budget hearings at approximately 3:00 p.m. in this room. For any member of the public who wishes to testify, but cannot make it to the hearing, you can email your testimony to the Finance Division at financetestimony@council.nyc.gov and the staff will make it a part of the official record. Thank you. This hearing is now adjourned. [gavel]

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 June 13, 2016