

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE,
EXECUTIVE BUDGET

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May 17, 2010
Start: 10:10am
Recess: 3:25pm

HELD AT: Council Chambers
City Hall

B E F O R E:

DOMENIC RECCHIA, JR.
Chairperson

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Council Member Gale A. Brewer
Council Member Fernando Cabrera
Council Member Margaret S. Chin
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A P P E A R A N C E S

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Council Member James G. Van Bramer
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A P P E A R A N C E S (CONTINUED)

Martha Hirst
Commissioner
Department of Citywide Administrative Services

George Gonzalez
Deputy Executive Director
Board of Elections

Steven Richman
General Counsel
Board of Elections

John Ward
Finance Officer
Board of Elections

Pamela Perkins
Administrative Manager
Board of Elections

Julie Dent
President
New York City Commissioners, Board of Elections

Valerie Vasquez
Director of Communications
Board of Elections

Lilliam Barrios-Paoli
Commissioner
Department for the Aging

John Mattingly
Commissioner
Department of Juvenile Justice and
Administration for Children's Services

Lawrence Bushing
Executive Deputy Commissioner
Division for Youth and Family Justice

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

Jacqueline James

Deputy Commissioner, Administration and Policy

Department of Juvenile Justice

CHAIRPERSON RECCHIA: Welcome to the third day of the City Council's Hearing on the Mayor's Executive Budget for Fiscal Year 2011. My name is Domenic M. Recchia, Jr., and I'm the Chair of the Finance Committee, and I welcome everyone to City Hall this morning to the City Council Chamber. Before I proceed forward, I would like to introduce my colleagues who have joined us here today. To my left we have Julissa Ferreras, Council Member Cabrera, Council Member Brewer, my wonderful co-chair. And this is the first hearing we're doing today, I look forward to working with you, many more good hearings, it's a pleasure to have you here. On Friday, we heard from the Human Rights Commission, CUNY, and the School Construction Authority for the Department of Education. Today, we'll be first be joined by the Committee on Governmental Operations, chaired by my good friend and colleagues Council Member Gale Brewer, to hear from the Department of Citywide Administrative Services and the Board of Elections. We will then be joined by the Committee on Aging, chaired by my colleague, Council Member Jessica Lappin, to hear from the

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2 Department for the Aging. And last we'll be
3 joined by the Committee on Juvenile Justice,
4 chaired by my colleague, Council Member Sara
5 Gonzalez, to hear from the Department of Juvenile
6 Justice and the effects of their recent merger
7 into ACS. In the interests of time, I will now
8 turn the microphone over to the Chair of the
9 Governmental Operations Committee, Gale Brewer.

10 CHAIRPERSON BREWER: Thank you very
11 much, Chair Domenic Recchia, it is great, with
12 great pleasure that we work together. Today, as
13 you indicated, we're going to hear from two
14 agencies, certainly Department of Administrative
15 Services, DCAS headed up by Martha Hirst, and the
16 Board of Elections. And I think what's
17 interesting about DCAS, it provides important
18 governmental services that impact agencies
19 citywide. We'll talk to the Commissioner about
20 ways in which DCAS can assist other agencies in
21 developing implementing cost saving measures,
22 obviously needed in these tough times, and I know
23 she's very interested in personnel and how we can
24 save money as people join the City workforce and
25 certainly the issue of energy and efficiency

savings. Regarding the Board of Elections, we'll ask about the monumental shift this fall from the use of lever voting machines to the use of optical scan machines. Obviously, the new "Help America Vote Act" is very relevant, we have to train staff, train the 30,000 poll workers, and educate the public about the new machines. And the sufficiency of the Board of Elections' current year budget, currently 2010, as well as the future, will be part of our discussion. Not testifying today, because there aren't specific issues, are the 59 community boards. I want to thank the Mayor and certainly the OMB for leaving them with a very small cut and not something that they're greatly concerned about. They are very pleased to be basically baselined and they have indicated as such. The Campaign Finance Board is obviously of great interest to my colleagues and to me; I think mostly to my colleagues, they're very interested in this issue. But they are, they submit their own budget for inclusion without change from the executive budget, so they're not going to be here today. And regarding DORIS, the Department of Records and Information Services,

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2 and the Law Department, little has changed in
3 their budgetary circumstances, and also the Law
4 Department President, Commissioner, has a wedding
5 of his either son or daughter in Australia. So,
6 with all of this background, it's a pleasure to
7 invite Commissioner Hirst to begin your testimony.
8 Thank you very much, Commissioner.

9 MARTHA HIRST: Thank you, Chair
10 Brewer, and good morning to you, Chair Recchia,
11 Chair Brewer, Council Members Cabrera and
12 Ferreras, members of your staff and other members
13 of the Finance and Government Operations
14 Committee, who might join you. I am Martha Hirst,
15 Commissioner of the Department of Citywide
16 Administrative Services. I'm joined by a number
17 of my colleagues from DCAS as you can see,
18 including Michael Maisano [phonetic], who provides
19 the sound, so that you can hear me, and I can hear
20 you, and everyone can hear all of us, to discuss
21 the DCAS budget. I guess I would note, looking at
22 the members of the Committees who are present,
23 that you remind me of the potential United States
24 Supreme Court at the moment in your New York
25 representation, if we just get a Staten Islander

here you'll exceed the Court. As many of you know, DCAS ensures that other City agencies have the critical resources and support they need to provide the best possible services to the public. To assist City agencies, and you noted this, Chair Brewer, DCAS administers civil service and licensing exams, and conducts professional development and employee training programs. Our agency purchases, inspects and distributes supplies and equipment, and assists agencies in the disposal of surplus goods. DCAS also makes energy purchases for City agencies, and leads citywide energy management initiatives to reduce energy consumption and greenhouse gas emissions from City government facilities and operations. In addition, we provide overall facilities management, including maintenance and construction services, for 54 buildings; and we provide security operations for a number of those buildings, as well. We also purchase, sell and lease real property and locate space for City agencies. DCAS is responsible for setting and overseeing citywide equal employment opportunity policies, programs, and training, and addressing

citywide occupational safety and health issues. Finally, we oversee the combined municipal campaign, which played a key role this year in City worker donations to Haiti. The critical citywide blood drive, you might know that City employees are the largest donor population in the New York City region, in terms of blood donations. And we have an exciting partnership with the 100 Year Association, which recognizes the achievements of distinguished civil servants and awards college scholarships to students who are the children of civil servants. DCAS has planned expenditures of \$1.2 billion for FY 2011, of which about \$800 million is allocated for citywide energy expenses. The DCAS expense budget provides for a planned headcount of 1,988 in Fiscal Year 2011. We anticipate that DCAS operations will generate \$86.6 million in revenue next Fiscal Year. As you are of course aware, all City agencies were directed to reduce our City funded budgets. DCAS's budget reduction will primarily be implemented by reductions in our expense budget, as well as through a one-time revenue increase this next fiscal year. That is \$3.1

million in additional State revenue from the Office of Court Administration, for providing cleaning and maintenance services for court facilities and DCAS managed buildings. A program to eliminate the gap for energy conservation projects which shifts funding from City PlaNYC funds to federal ARRA funds, is included in the Executive Budget. As I testified in March, the City applied for and received approval for \$87 million in ARRA funding, through the Energy Efficiency and Conservation Block Grant and the State energy program funding opportunities. DCAS's Division of Energy Management identified \$1.2 million of operations and maintenance projects next fiscal year that are eligible for federal ARRA funding, and thus these projects do not require City PlaNYC appropriations. Another expense budget PEG is a reduction in the energy budget to reflect energy savings resulting from our energy cost reduction program and PlaNYC projects. We are anticipating baselining savings of \$1.1 million beginning this next fiscal year. These savings will only continue to grow as we conduct more building energy audits, and implement

energy efficiency projects in City facilities. Please note that the 2011 heat, light and power budget already reflects \$3.2 million in energy cost reductions from prior financial plan initiatives. This additional \$1.1 million PEG will result in a total of \$4.3 million in energy savings in the upcoming fiscal year. As I mentioned when I testified in March, we propose eliminating the printing of the City Record. Most newspapers are now available and accessible online, and electronically publishing the City Record will increase the ease of circulation and expand our readership. The elimination of this contract will result in a net savings of \$700,000 in expense funds, as the expense budget reduction of \$1.1 million is offset by a loss of \$400,000 in revenue received from current subscribers. The budget includes a half-year savings of \$300,000 starting next fiscal year, because this initiative is contingent upon State legislation, Senate Bill 5952-A, which has not yet passed. The financial plan also contains a baseline reduction totaling \$1.6 million for contractual guard services. The majority of this reduction, \$1.3 million, will be

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2 achieved by decreasing the number of guards at
3 various locations we've identified as facilities
4 with minimal foot traffic or determined to have a
5 very low security risk. The remaining \$300,000 in
6 savings from the reduction in contract guard
7 services will result from the closing of several
8 DCAS managed buildings during overnight hours.

9 Security staff from nearby buildings will be
10 dispatched to those sites should an emergency
11 occur. DCAS is also considering a change of work
12 schedule for custodial and trade staff. Staff who
13 currently work during regular business hours may
14 be requested to change their work schedule to off-
15 peak hours, such as evenings and weekends. We
16 anticipate that this change will lead to increased
17 productivity since custodial and trade staff will
18 have unimpeded access to the workplace during
19 evening and weekend hours, and will not be
20 disruptive of the ongoing work. DCAS projects
21 savings of \$500,000 in overtime once the new work
22 schedules are in effect. We will be working
23 closely, of course, with the Office of Labor
24 Relations and the relevant unions to implement any
25 schedule changes we contemplate. The Executive

Budget contains a debt service savings PEG that is associated with the delay of construction of PlaNYC retrofits funded in the capital budget.

This delay was initially due to additional time needed to boost the scale of the PlaNYC retrofit effort. Now, the projects are moving forward, but because of a number of important steps, such as energy audits, feasibility studies, and procurement activities to determine the most cost effective retrofits, these must precede construction. And so the actual construction will begin at a later date, resulting in debt service savings from FY 2011 through FY 2013. The amount of debt service savings expected this next year is approximately \$2.5 million. DCAS received funding in FY 2011 for 39 interfund agreement, or IFA positions, and \$3.3 million for the continued development of the New York City Automated Personnel System. We're working on a joint effort with FISA to upgrade Peoplesoft, the software behind NYCAPS, to version 9.0, which will enable use of a new technology in NYCAPS that's critical to the deployment of new modules and enhanced functionality. For example, we're developing

Ehire, to automate and streamline the hiring process for non-civil service list hiring. This will enable applicants to apply for positions online, allow hiring managers to screen résumés automatically, and preserve an applicant's personal and background information as the data passes through the system from the time of his or her application to the time of employment. This initial scope will serve as the foundation to later automate the civil service list hiring process in NYCAPS, where an applicant will be able to apply for an exam and in some cases take an exam online, with the information again automatically passing through to the relevant systems for further processing. The agency received \$200,000 in the current fiscal year for the New York City "Cool Roofs" program. This program involves the procurement of roof coating application services, products and supplies, such as rollers and gloves. The coating will be applied on three City owned buildings: the Sun Building right here at Broadway and Chambers Street, the Buildings Department headquarters, as most of you may know it; the Police Department's

40th Precinct in The Bronx; and a homeless services facility in Brownsville. As I reference earlier, DCAS's is expense budget includes the heat, light and power budget for Mayoral agencies and other City offices and institutions, which we commonly refer to as the Energy Budget. Although it does not include heating fuel oil or vehicle gasoline, the FY 2011 heat, light and power budget is \$799.6 million, which is \$45.9 million or six percent more than that funding allocated in FY 2010. The heat, light and power budget adjusts for net rate increases, additional square footage, and expected heating and cooling degree days due to relatively mild seasons during 2010. In addition, the Office of Administrative Trials and Hearings, or OATH, is becoming its own agency in Fiscal 2011. Since the inception of DCAS as a consolidated administrative services agency in 1996, OATH has been an autonomous operational entity, but contained within our budget and administratively supported by us. The Environmental Control Board merged with OATH last year. This expanded agency managing the City's administrative trials and hearings, has now become its own agency. DCAS's

operating budget was decreased by 172 positions and \$26.6 million as a result of the separation from OATH, and our revenue budget now no longer includes OATH's revenue. As I previously mentioned, it is expected that DCAS operations will generate \$86.6 million in revenue in the upcoming fiscal year. DCAS generates most of its revenue through rent collections, the sale of surplus equipment and vehicles, and civil service and license exam fees. Our largest source of revenue is through the Division of Real Estate Services, with projected revenue of \$67.5 million next fiscal year. Most of that revenue derives from commercial rentals of City owned property. DCAS also receives revenue from applicant filing fees for civil service exams, and we anticipate collecting \$3.2 million in exam revenues next year. Some of the important exams we will administer include fire alarm dispatcher, fire protection inspector, police administrative aid, police communications technician, administrative education officer, EMT, EMS paramedic, administrative accountant, health services manager, child and family specialist, call center

representative, administrative engineer, and construction inspector. Another significant revenue source is the sale of surplus goods at public auction, and by competitive seal bids, by the Division of Municipal Supply Services. DMSS has implemented a number of new strategies to increase revenue at its auto auctions. They include setting minimum prices, spreading the sale of similar equipment over multiple auctions to meet demand, and consolidating auctions when the number of vehicles relinquished by agencies is relatively small. And enhancing the auction information that's on our website to include pictures of the more popular equipment available. The revenue plan for the sale of surplus goods is \$6.4 million in FY 2011. I'd like to turn briefly to the DCAS capital budget for next year. Our focus remains on maintaining and preserving buildings, paying particular attention to health and life safety issues, and legal obligations, as well as projects that further energy conservation objectives. And the DCAS portion of the City's capital commitment plan, \$291 million is allocated for DCAS managed facilities for FY 2010 and 2011.

We're undertaking numerous building improvements in our facilities, including the rehabilitation of elevators, fire safety systems, and work associated with Local Law 11 of 1998, in relation to building façades. A \$7.5 million project for elevator rehabilitation at 80 Center Street is currently in the bid process. Fire safety systems at 4951 Chambers Street, which will become a building very important to you in the coming months. And 137 Center Street, also located in Lower Manhattan, will be upgraded for a total of \$3.1 million. Significant façade rehabilitation and restoration projects include \$2.3 million for the Brooklyn Supreme Court, located at 360 Adams Street, and \$2.3 million for the Queens Supreme Court at 88-11 Sutphin Boulevard. Design has been completed for a \$15 million electrical upgrade and a \$7.5 million chiller replacement at The Bronx Family and Criminal Court Building, located on East 161st Street. We're also replacing chillers at the Queens Supreme Court Building and we're scheduled to start a \$3.6 million electrical upgrade at the State Island Supreme Court at 18 Richmond Terrace. We'll also manage various

1 construction projects in the City's leased spaces
2 in 2011. One major initiative that I think you're
3 all familiar with is the consolidation of offices
4 for the Department of Health and Mental Hygiene,
5 at Two Gotham Center in Long Island City. Health
6 is relinquishing 13 different sites to move into
7 the 650,000 square feet of space at Two Gotham
8 Center. Our portion of the project is \$100
9 million. Another noteworthy project is the
10 consolidation of two NYPD traffic enforcement unit
11 offices in the East Fremont section of The Bronx.
12 We've allocated \$3.6 million dollars in capital
13 funds for that project. Finally, we have \$133
14 million set aside for citywide capital energy
15 conservation projects, managed by DCAS this year
16 and next. These funds are allocated to specific
17 projects as they're identified by our division of
18 energy management, and approved by our interagency
19 energy conservation steering committee. The
20 majority of these projects will involve lighting
21 upgrades, occupancy sensor installations, high
22 efficiency motor installations for mechanical and
23 plumbing systems, building envelope upgrades, and
24 building controls. I thank you for this
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2 opportunity to briefly testify about our budget
3 and I'm happy to take any questions you might
4 have.

5 CHAIRPERSON RECCHIA: Thank you
6 very much, Commissioner. Before we move forward
7 to questioning, I'd like to recognize some members
8 who have joined us: Council Member Inez Dickens,
9 Council Member Jimmy Van Bramer, and Council
10 Member Martin Dilan. Welcome. At this time I'll
11 turn it over to my co-chair, Gale Brewer.

12 CHAIRPERSON BREWER: Thank you.
13 I'll start, but I hope Council Member Recchia will
14 chime in.

15 CHAIRPERSON RECCHIA: I have a lot,
16 I have a lot--

17 CHAIRPERSON BREWER: The OATH
18 issue, I know that it has been separated, you
19 mentioned 172 positions and certainly some
20 savings. Are there additional savings that you
21 could comment on, beyond which you talked about in
22 your budget? In other words you're saving, you're
23 moving out positions, are they staying in the same
24 location? Is there any change--

25 MARTHA HIRST: Yes, they are at the

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2 moment staying in the same location. The
3 consolidation of those two entities, however, we
4 do expect to result in real increases in
5 efficiency in the operations of both ECB and OATH.
6 So, I can't comment more specifically on their
7 operation. They are separating out from ours, and
8 so it is a reduction in our headcount and dollars.

9 CHAIRPERSON BREWER: Okay. You
10 talked a little bit about the City Record. What
11 do you, do you really think that the State
12 Legislature is going to support an online version?
13 And what's the timing of that?

14 MARTHA HIRST: The timing is the
15 question I'm not able to answer. I do think they
16 will support it. I think it's clearly something
17 that will benefit New Yorkers, that many, many
18 more people will have ready access to the City
19 Record, whether at home or in a public library, or
20 in a community board office, or one of your
21 offices, or one of ours. We think it maximizes
22 the efficiency and takes a million dollars a year
23 to put into other programs that you and the mayor
24 agree are significant to New Yorkers.

25 CHAIRPERSON BREWER: Okay, so, the

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2 idea would be that there would be online and
3 therefore it would be open, wouldn't be subscribed
4 to. So you save money on the printing, and lose
5 money on the subscriptions, is that the idea?

6 MARTHA HIRST: Exactly. Yes.

7 CHAIRPERSON BREWER: Okay. You
8 talked about closing some buildings, and I
9 remember from the material, I think it's 52
10 Chambers and two others. I work all night, often,
11 at 250 Broadway. Do others do that in these
12 buildings? And what happens if somebody wanted to
13 do that? 'Cause that is quite common with hard
14 City, the--

15 MARTHA HIRST: Hardworking.

16 CHAIRPERSON BREWER: --hardworking
17 City public officials.

18 MARTHA HIRST: It is common. And
19 one of the things we're doing before we proceed is
20 polling the tenants in the buildings that we're
21 talking about. And you're right, 52 Chambers was
22 one of them; 31 Chambers, which houses the
23 Department of Cultural Affairs, the Sheriff, and
24 DORIS; two Lafayette Street, where Department for
25 the Aging is housed, and some other offices; and

210 Joralemon Street in Brooklyn, which is a very busy, the Brooklyn Municipal Building, but which at the end of the day is really quite quiet. So, the most important thing to know is those are the four buildings we've preliminarily identified. We are working with the tenants in those buildings to assure that a 9:00 or 10:00 p.m. closing routinely would not evidence any hardship for those people. If there are special circumstances, as sometimes happens, people are working around the clock on a special project, we'll obviously work together with agency personnel on that. But routinely, in our survey of these buildings, we find that if we were to close them at 9:00, or in some instances 10:00 p.m., and not open them again till 6:00 in the morning, we would be fine.

CHAIRPERSON BREWER: And what about weekends? 'Cause I work weekends all the time at 250 Broadway.

MARTHA HIRST: Some, well, again, these buildings would not be open on weekends, but if there were circumstances in which the tenant agencies needed them to be open, we would work with them very easily.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: The question is routinely do they need to be open 24/7? And these are buildings that we've determined do not.

CHAIRPERSON BREWER: Okay. And 52 Chambers is DOE, is that--?

MARTHA HIRST: Yes, 52 Chambers is Department of Education.

CHAIRPERSON BREWER: 'Cause I think you're going to have a problem with all of that, but keep us updated.

MARTHA HIRST: Happy to.

CHAIRPERSON BREWER: I mean, people at DOE work very late and they're often there on the weekends. But I don't, I don't see it, but you let us know.

MARTHA HIRST: I will.

CHAIRPERSON BREWER: The other issue is, when you talk about your auctions and making hopefully more money, do you use eBay and other auction? How do you go about using the online?

MARTHA HIRST: We don't do that. We use our own website to advertise, and we did do

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2 some work looking at the possibilities for that.
3 Our auto auctions in our experience, people like
4 to come and quite literally kick the tires. And
5 so, it is a very regionally based auction. And
6 one of the ways that it is a very, very efficient
7 operation is the way we schedule and sequence the,
8 the equipment, and the fact that people can come
9 there, buy a vehicle, we have a schedule for them
10 moving the vehicles out of the site. It is an
11 incredibly efficient, efficient operation. And
12 what we've done on our website is simply make more
13 information about each auction available so that
14 people can actually see pictures of the equipment
15 and upset price information about what they have
16 to do when they go there. But in our experience,
17 and we've talked to a lot of the national
18 companies that do this on a much bigger scale, the
19 idea of using eBay would be more attractive if we
20 had multiple locations, including out of New York
21 City. Then you've got kind of a national or more
22 regional than just the tri-state area, accessing
23 your, your auction, whereas typically here, these
24 are very local folks.

25 CHAIRPERSON BREWER: I know this is

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2 kind of out of your testimony, but there are other
3 New York City memorabilia that people are always
4 interested in, like these curtains when they go.
5 People actually want to purchase these god awful
6 curtains. I've received requests.

7 MARTHA HIRST: Wow.

8 CHAIRPERSON BREWER: So, but yes, I
9 know, but they do. So how, are there other
10 creative ways in which the City sells portions of
11 anything else? Or is it just cars?

12 MARTHA HIRST: Oh, oh no, that's,
13 that's surplus sort of salvage equipment. But for
14 this kind of thing, if someone really wanted to
15 buy--

16 CHAIRPERSON BREWER: They do, they
17 want the curtains.

18 MARTHA HIRST: Well, we, we have
19 done, had experience through our City Store of
20 working to sell memorabilia, we sold, before the
21 demolitions of both stadia, some of the old
22 seating from the Shea Stadium.

23 CHAIRPERSON BREWER: Okay. I don't
24 want to--

25 MARTHA HIRST: You can still

remember, we sold through City Store.

CHAIRPERSON BREWER: I don't want to talk about it a lot, but I'm just saying there's more creativity, would be something to think about, for that aspect.

MARTHA HIRST: Okay.

CHAIRPERSON BREWER: The energy issues, can you talk a little bit more about the building retrofit projects? You've mentioned that in passing.

MARTHA HIRST: Sure. I want to be sure everybody understands the three phases we go through. It involves some legislation that some of you worked hard to enact. First, we do benchmarking, as we required under a local law that you enacted, that for buildings over 10,000 square feet we were obligated to benchmark them. And that means inputting into a database all the utility data, the square footage, the building use, other information, so we start knowing what each building looks like, in terms of its energy. And we needed to get that benchmarking done by May 1, and we were able to accomplish that. That's step one. Step two, then, is an energy audit.

That's where we survey and analyze the building to identify what the opportunities are to do better in the audit, in the retrofitting. So that we can identify all the kinds of projects that are potential energy conservation measures for the particular building. And some may involve new systems, and some maybe involve ONM, and all sorts of things. We've done 36 audits to-date. And we have recommended energy conservation measures and designer construction on those 36, and we have another hundred audits that are currently underway, or in the pipeline. And we expect routinely to do 80 or 100 a year. So we've benchmarked the buildings, we know what they look like, we're going forward with energy audits, so we can identify what's, what are suitable energy projects for any given building. And then we move to the retrofits, where we actually may do more in-depth feasibility studies first, to assess if we think a building can handle a particular kind of energy conservation project, such as upgrades and lighting, heating and cooling systems, installation of pipes and walls and windows, installations of buildings controls, and we move

forward with those. Since 2008, we've completed 84 retrofits, and we have 140 of them in the pipeline. So this is moving forward, as you know, we geared up PlaNYC, we started a little bit slowly, and now we're really moving ahead, no pun intended, full steam ahead. The completed projects, along, though, of the retrofits we've already done, they're saving the City, as I noted in my testimony, \$3.1 million a year. And we think they've reduced greenhouse gas emissions by over 14,000 metric tons, because as you know, we measure those emissions each year. So, we've got a number of retrofit projects in the pipeline, we start with design and construction of the measures. We release an RFP that's coming up for the future turnkey retrofit services for smaller buildings. And something we're very excited about, we've begun working very, very closely with DDC, to implement efficiency measures in all their capital projects. We would sometimes find out a little bit after the fact that they were either moving with an energy efficient project or, or not quite to the extent that we would recommend. So now we've partnered up with DDC, David Birney and

I are working really closely on that, and moving forward.

CHAIRPERSON BREWER: How much did the ones that you've done, the 84, and what's projected for the 140? In other words, obviously you're saving, but what's the cost?

MARTHA HIRST: The cost of the 104, Susan, Colin was here, would you know? Yeah, I'm not sure.

CHAIRPERSON BREWER: 140.

MARTHA HIRST: It's, it's going to be a lot.

CHAIRPERSON BREWER: The 140, how much was the 84? Obviously you get the savings, but what was the cost of the retro?

MARTHA HIRST: I'll be glad to follow up with you to give you the specifics on the 84 projects.

CHAIRPERSON BREWER: You want to go--[pause]

CHAIRPERSON RECCHIA: Yeah, if you could just, we'll send you a letter requesting, you know, 'cause you say how much we're saving, but how much did it cost to, to do the savings?

MARTHA HIRST: Sure. I mean, you're--

CHAIRPERSON RECCHIA: That's something that's very, very important. And because of the January Preliminary Plan, and the Executive Plan, they reduced the baseline for heat, light and power.

MARTHA HIRST: Right.

CHAIRPERSON RECCHIA: Is that because of these savings?

MARTHA HIRST: No.

CHAIRPERSON RECCHIA: Why is that?

MARTHA HIRST: It's actually not. The reduction in the baseline is associated with the overall--first we budget in an estimated way of what we expect our energy costs to be in a coming fiscal year. And then a variety of things happen. Almost the least of which is energy savings, not that it's not significant, but in terms of dollars, rates go up and rates go down, electricity rates, gas rates--

CHAIRPERSON RECCHIA: I've never seen electricity rates go down. [laughs]

MARTHA HIRST: [laughs] But they

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2 do, they adjust through the year. We anticipate a
3 certain number of cold and hot degree days, so we
4 anticipate spending a certain amount of money, and
5 we may not need to do that. So, so, largely the
6 analysis showed that we could reduce the baseline
7 of the energy budget in the, in the coming years.
8 This year, and then in the out years, not quite as
9 much, but it's a significant decrease this year.
10 And energy savings accounts for, you know, several
11 million dollars of it, but as you noted, it's a
12 very substantial amount in the baseline.

13 CHAIRPERSON RECCHIA: Yeah.

14 MARTHA HIRST: And then next year
15 as you notice, the budget goes up against what we
16 said it would this coming year, because rate
17 increases, largely because of rate increases. So
18 it's a, it's a big dollar amount, and it
19 represents lots of purchasing power on the part of
20 the City. So when there is any change in capacity
21 or, as I said, rate increases or decreases, we
22 factor them all in and get an estimated number,
23 and then see what happens. Largely in terms of
24 the weather, frankly.

25 CHAIRPERSON RECCHIA: Just want you

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2 to know, we've just been joined by Council Member
3 Jim Oddo and Council Member Jackson, now we have a
4 full, you know.

5 MARTHA HIRST: Council Member.

6 CHAIRPERSON RECCHIA: She was
7 saying before, we needed somebody from Staten
8 Island.

9 MARTHA HIRST: Like the Supreme
10 Court, was my comment, so--

11 CHAIRPERSON RECCHIA: [laughs]

12 MARTHA HIRST: Chair Recchia, I do
13 want to make one point. The energy projects that
14 we engage in, a part of our analysis, and the
15 reason I talked about in the budget that we have
16 some debt, debt service savings because we more
17 slowly were gearing up the construction project.
18 One of the most important things is that we're
19 being smart about our projects, and that means
20 that they have payback that is significant. So,
21 if a project is going to pay back to the City, in
22 ten years or less we think it's a worthwhile
23 financial investment.

24 CHAIRPERSON RECCHIA: We agree with
25 you, that's why we want to know those numbers--

MARTHA HIRST: Yes, happy to provide them.

CHAIRPERSON RECCHIA: --before, so we could actually know exactly what we're dealing with.

MARTHA HIRST: Okay.

CHAIRPERSON RECCHIA: There are some other Council Members that have questions, and I will, and we'll come back to myself and Gale Brewer. Mr. Cabrera.

COUNCIL MEMBER CABRERA: Thank you for, thank you to both of the Chairs, thank you, Commissioner for coming. I just have one question, in light of the fact that 80 percent of all emissions are coming from buildings in New York City. I'm just curious to know as to whether solar power, wind or natural gas, do you, do you see those are ways that we could save, have substantial savings?

MARTHA HIRST: Oh, yes, we have some solar projects going on already. We have some solar thermal installations on a number of firehouses. We're going to be installing some solar photovoltaic panels as well. And we're

1
2 about to issue an RFP. We issued one originally
3 for solar power that didn't do very well, and we
4 went back and looked at the lessons we'd learned
5 and we've revised it, and we're about to issue
6 another RFP for solar power on some of our
7 rooftops. So, we have some exciting pilot work
8 going on on solar already.

9 COUNCIL MEMBER CABRERA:

10 Commissioner, please share with us when do you
11 foresee that we'll be able to see, if I may, a
12 critical mass change in terms of the use of solar
13 power. We have pilot programs right now, but when
14 will we begin to see that it's going to make a
15 substantial savings in the city by the use of
16 these alternative sources?

17 MARTHA HIRST: I'm not able to
18 answer your question, and that's primarily because
19 the cost of solar is very, very significant. It
20 is much more expensive, typically. That isn't to
21 say we don't start to try it. The other challenge
22 is, in this highly built, very dense City, you
23 need short buildings that have access to some
24 light. You know, there are a lot of challenges to
25 this built environment. So, I'm not able to tell

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2 you when we'll find it, or if in fact we'll even
3 find it to be so cost effective as to become a
4 substantial part of our, of our energy program.
5 But we want to try everything we can, and we are
6 actively engaged in it. And however much it can
7 be, if it's effective, even in a narrow portion of
8 our portfolio, we're going to want be using it.

9 COUNCIL MEMBER CABRERA: Thank you
10 so much.

11 CHAIRPERSON RECCHIA: The budget
12 for Office of Administrative Trials and Hearings,
13 OATH, is being removed from DCAS, right?

14 MARTHA HIRST: Yes, yep.

15 CHAIRPERSON RECCHIA: But the
16 Environmental Control Board hearings are being on
17 the, you're still controlling that?

18 MARTHA HIRST: No, no, we never
19 did. ECB was part of the Department of
20 Environmental Protection. And yet it does largely
21 administrative hearings--

22 CHAIRPERSON RECCHIA: Hearings,
23 right.

24 MARTHA HIRST: --as you know well.

25 CHAIRPERSON RECCHIA: I know well.

MARTHA HIRST: So what happened was, ECB and OATH are merging, so ECB came out of DEP, and OATH has come out of DCAS, and they have merged to combine into one administrative trials and hearings agency.

CHAIRPERSON RECCHIA: Okay.

MARTHA HIRST: So there is the efficiency, you get people doing like work together--

CHAIRPERSON RECCHIA: Together.

MARTHA HIRST: --and being administered that way. And it's substantial enough an agency now, you know, both OATH and the Board of Standards and Appeals were pretty modest in themselves, and therefore were part of our budgeting and administrative work. But now, OATH is significant enough an agency with the combination of ECB, that it needs its own, it's its own entity.

CHAIRPERSON RECCHIA: Okay. And you took that into account, the amount of money that you'll be losing from that?

MARTHA HIRST: Yes. It really always has showed up in our budget on paper, but

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2 in fact the revenue was generated through OATH,
3 and the heads were at OATH, and we simply
4 facilitated their--

5 CHAIRPERSON RECCHIA: So that
6 revenue now is going to this new--

7 MARTHA HIRST: Yes.

8 CHAIRPERSON RECCHIA: --agency.

9 MARTHA HIRST: Right.

10 CHAIRPERSON RECCHIA: And it's not-

11 -

12 MARTHA HIRST: It's backed out of
13 our revenue numbers.

14 CHAIRPERSON RECCHIA: And it's,
15 that's what I wanted to know.

16 MARTHA HIRST: Right, yes it is.

17 CHAIRPERSON RECCHIA: Okay. Gale
18 Brewer.

19 CHAIRPERSON BREWER: The other
20 issue, just small things, but when DOH moves out,
21 what happens to their space? Their current space.

22 MARTHA HIRST: It's a very good
23 question. It's not small, they have a number of
24 locations, as I said, 13, some of which are City
25 owned--

CHAIRPERSON BREWER: And I think I've been in all of them.

MARTHA HIRST: You probably have. And some of them are in lease space.

CHAIRPERSON BREWER: Yes.

MARTHA HIRST: So in some instances, we'll cancel leases; and in the City owned space, we actually are funded for some projects to backfill those spaces. They include at 253 Broadway, Two Lafayette Street, a couple other buildings.

CHAIRPERSON BREWER: Fourth.

MARTHA HIRST: 346, yep, where we can backfill them with other City agency staff. So we're looking forward to that. As you might guess, some of those spaces are going to need some work, but we're working on the planning process now, to identify good candidates.

CHAIRPERSON BREWER: And how much do you save on the lease space? Or do you have to break leases and so you don't save?

MARTHA HIRST: No we do save. When we cancel leases that we other would have City agency in, we absolutely save. And with respect

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to the specific Health Department locations--

CHAIRPERSON BREWER: Could you get us a number as to how much you save?

MARTHA HIRST: --I'll be glad, absolutely.

CHAIRPERSON BREWER: And then you're absolutely sure that you need to, with City owned buildings, can you move in people or agencies that would normally be leased? Or are those just only going to be filled with agencies that need to expand?

MARTHA HIRST: No, likely will be in this time, agencies that would come out of lease space.

CHAIRPERSON BREWER: 'Cause I think if you talk to the public, the public would want to hear that, they'd want to hear that we're moving from leased space into City owned space, and not that we're just expanding City employees.

MARTHA HIRST: No, that's right, that is, that is our game plan, we have also consolidated space guidelines, as you know, so our hope is that when we're building out space for agencies, it's that much more efficient. In some

cases, it's also aligning staffs that work together that have been in disparate locations, but--

CHAIRPERSON BREWER: And could you--

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MARTHA HIRST: --it's not largely an expansion program, it's primarily consolidations.

CHAIRPERSON BREWER: Could you help us be specific in follow up as to who's moving where?

MARTHA HIRST: When we develop those plans, I'll be happy to share them with you, sure.

CHAIRPERSON BREWER: Okay. City vehicles. When we were in Israel with the City Council, we met with a company that is focused on electric cars, and much of Tel Aviv is certainly going, soon going to be electric cars. Obviously, fleets are a good place to focus on this, we have a different model than Tel Aviv, we live in apartments and not homes, harder to plug in. But could you be specific as to what the fleet, it looks like, will look like, and how it can be both

environmentally friendly and of course energy efficient and save money.

MARTHA HIRST: Yes, I can. With respect to electric vehicles that you just mentioned, we are working on that all the time. We currently have, I think you'll be glad to know, 347 electric vehicles in the City and gas and electric hybrids are over 3,000.

CHAIRPERSON BREWER: And what's the total?

MARTHA HIRST: The total City fleet is 25,000 roughly.

CHAIRPERSON BREWER: Mmhm.

MARTHA HIRST: So, about 14 percent are gasoline electric hybrids, and almost two percent are electric vehicles, and they're primarily in the Parks Department and DEP. We are working all the time on this, we have a huge fleet initiative underway that's multiagency and very, very exciting. And we've done great work on our light duty fleet, I think you'll be delighted to hear these numbers. When we started talking about this in FY'02, two percent of our City fleet were hybrid vehicles, that is the light duty fleet.

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2 And in 2005, Fiscal 2005, five percent of our
3 total fleet was hybrid vehicles, again light duty.
4 This Fiscal Year, FY 2009, I should say, 12
5 percent of the total fleet is hybrid vehicles, so
6 we are working very hard on this in two ways. We
7 are working, again, with this interagency group,
8 to identify what we call "right sizing" each
9 agency's fleet. That is ensuring that each agency
10 has the numbers of vehicles it needs to do its
11 job, but not too many; and then within categories
12 of vehicles, identifying the, you know, maximum,
13 most sustainable, most energy efficient vehicles
14 that are available to us in that category of
15 vehicle. So, as you might guess, the lion's share
16 of our success is in the light duty category, but
17 you'll learn more, I don't know if you'll be able
18 to participate in the hearing, or if it's already
19 happened, at the Sanitation Department, for
20 example--

21 CHAIRPERSON BREWER: Not yet.

22 MARTHA HIRST: --they have a lot of
23 exciting projects going on, assessing changes in
24 technology for their collection trucks. And I
25 think you'll be really interested to learn about

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that.

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CHAIRPERSON BREWER: So, what's this, obviously energy effic--is there a savings, that you have a long way to go up 25,000; but is there a savings in what you've done so far? And what do you project for the future?

MARTHA HIRST: There are savings as to air quality.

CHAIRPERSON BREWER: Right.

MARTHA HIRST: There aren't necessarily dollar savings as to the procurement of the vehicles.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: But I'll be glad to get you a citywide number as to the emissions savings that we are estimating.

CHAIRPERSON BREWER: Okay. And we need the total of 25,000 in the future, that many vehicles? 'Cause do you include all vehicles? Are you responsible for the whole City fleet?

MARTHA HIRST: Well, we count them all, we're not responsible, we at DCAS are not responsible for the whole City fleet. We're actually responsible for, you know, just about ten

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percent of it.

CHAIRPERSON BREWER: That's what I thought.

MARTHA HIRST: But, yeah, and the lion's share, no surprise, police and sanitation, DOT, Parks--

CHAIRPERSON BREWER: Are not you.

MARTHA HIRST: --fire, not us.

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: But we have a, we really do have a wonderful, wonderful working group across all the agencies, and the fleet folks at agencies, so policy people and fleet people working together on a weekly basis, and there's a lot of exciting work going on in terms of the nature of the fleet and the fueling of the fleet, and the maintenance of the fleet. So, some very, very exciting work going forward, which we'll be reporting to you on, in the coming months.

CHAIRPERSON RECCHIA: Yeah, Commissioner, you talked about energy audits. Didn't you finish those May 1st?

MARTHA HIRST: We finished the benchmarking May 1st.

CHAIRPERSON RECCHIA: The
benchmarking.

MARTHA HIRST: The benchmarking was
just assessing the status of all of our buildings
under 10,000 square feet.

CHAIRPERSON RECCHIA: And what did
you--

MARTHA HIRST: What they look like.
And shortly, under your Local Law, the Local Law
that you, some of you championed--

CHAIRPERSON RECCHIA: Right, 86.

MARTHA HIRST: By next May, we're
supposed to have the data that we put together
online, and we're going to try to do it faster,
but--

CHAIRPERSON RECCHIA: Once you get
that data, could you, I'd appreciate if you,
before you release it to the public, if you get in
touch with us, because we would like to meet with
you first, to go over it, to make sure that we
understand it, as the City Council.

MARTHA HIRST: Sure.

CHAIRPERSON RECCHIA: Okay.
Alright.

CHAIRPERSON BREWER: [off mic]

Regarding--I'm sorry.

CHAIRPERSON RECCHIA: Well, I'd like to just recognize Council Member Darlene Mealy from Brooklyn.

CHAIRPERSON BREWER: The heat, light and power budget, I know Council Member Recchia may know this, but how does, obviously there's an issue regarding City buildings and obviously the CIGS are of great concern to all of us. The cultural institutional groups, the museums and so on.

MARTHA HIRST: Right.

CHAIRPERSON BREWER: Do you have anything to do with their power or light, or is that just Cultural Affairs?

MARTHA HIRST: No, we pay their bills.

CHAIRPERSON BREWER: That's what I thought.

MARTHA HIRST: And we work very closely with them--

CHAIRPERSON BREWER: How are you helping them to both save money, so that they can

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2 provide what they need to, and at the same time,
3 be energy efficient? What are we doing
4 specifically to be of assistance?

5 MARTHA HIRST: We're doing a whole
6 lot of specific projects with the culturals. We
7 do pay their bills, they are part of the process
8 of being able to apply for the PlaNYC funds and
9 some of the ARRA funding is going to projects in
10 the culturals. And for energy purposes, for want
11 of a better description, for our purposes, they
12 are like any other mayoral entity. So they are
13 right in the mix, and there are a number of
14 projects going on at the Museum of Natural
15 History, at some of the botanical gardens, at a
16 couple other institutions. Some heating systems,
17 some lighting projects, some operations and
18 maintenance issues, some boiler issues, a whole
19 array of projects.

20 CHAIRPERSON BREWER: So if they
21 save money on power and heat, power, light and
22 heat, can they use that funding for other
23 projects? The savings?

24 MARTHA HIRST: Well, there's the
25 [laughs]

CHAIRPERSON BREWER: I know the answer, but I want to hear it from you.

MARTHA HIRST: Right. Well, I can't speak to that, because of course they're not paying their bills.

CHAIRPERSON BREWER: Right.

MARTHA HIRST: They're not paying their energy, so that's one of our challenges--

CHAIRPERSON BREWER: So it just goes back into your savings, not into theirs.

MARTHA HIRST: It goes back into the City's general fund, not into my savings, either. But it is an issue of concern to us, and that is how do we incentivize all the agencies to maximize the efficiency of energy consumption, when the savings are realized in the City fund, not specifically to the agency. You know, agencies would wish to get those savings, and the flipside is of course when the rates go up, they're not paying, we're paying. But we all are one City, of course, and so we're trying to figure out ways to align incentives that agencies and their staffs are challenged to do as well as they possibly can, and together with OMB and us, we're

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2 talking about how e might spearhead more
3 initiatives that would make it exciting. And
4 agencies find it worth their while to go ahead and
5 do this other than--

6 CHAIRPERSON BREWER: When you say,
7 when you agencies in this case, are you talking
8 about the cultural or DCAS? In other--

9 MARTHA HIRST: Well, I'm talking
10 about all the agencies for whom we pay energy
11 bills. So all the mayoral agencies, cultural,
12 anybody for whom we pay the energy bills. We need
13 them to do the work, to increase the energy
14 efficiency, right. Even with projects that we
15 fund--

16 CHAIRPERSON BREWER: But it has to
17 be in their interest, would be helpful, and then
18 they could get--

19 MARTHA HIRST: It has to be in
20 their interest.

21 CHAIRPERSON BREWER: So--

22 MARTHA HIRST: Beyond, and I guess
23 some would argue, beyond just the interest it is
24 for all of us to have energy efficient facilities
25 in the City, and overall clean up the quality of

our air, and ultimately save money for general purposes. But specifically, you know, if you were to--

CHAIRPERSON BREWER: I care about the cultural. I don't care about the other ones. [laughter]

CHAIRPERSON RECCHIA: You know, you know, Commissioner, we put a proposal together to Commissioner Kate Levin, about helping the cultural institutions. Okay? And if their, if their energy bill, let's say, is a million dollars, let's say they were able to bring it down to \$800,000.

MARTHA HIRST: Yes.

CHAIRPERSON RECCHIA: We have a savings of \$200,000.

MARTHA HIRST: Yes.

CHAIRPERSON RECCHIA: So, we should kick back \$100,000 to the cultural group, and give \$100,000 back to the City fund. Because then that would give the cultural group an incentive, okay, to save energy and they'll be getting something for it. Right now, there's no incentive for them to cut down on energy. Because the energy is not

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2 being considered in their budget. Okay? And the
3 energy budget only hurts the cultural
4 institutions. Okay? So, we made this proposal,
5 and it goes on deaf ear. So when you say we're
6 looking at ways, there are ways to make this work.
7 There are ways to reward those institutions that
8 are going to go out of their way to save energy.
9 So, how can we move forward to making something
10 happen with the cultural institutions because they
11 are getting cut drastically in this budget, I'm
12 sure you saw the articles in this weekend's New
13 York Times. And because when they get their
14 budget, they get their PEG based on the heat,
15 light and energy, and their operating. So,
16 altogether, they're getting hit on a PEG which is
17 very, very large. I know, but this is a
18 conversation that I would love to have with you,
19 and with Commissioner Kate Levin at the same
20 table, so we could all be there and see what we
21 could do, because I do believe that there is a way
22 to make this work that would benefit everybody.

23 MARTHA HIRST: I agree that it's
24 worth further conversation among all of us, it's a
25 very important challenge we face. As I say, our

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2 challenge, we pay the bills; when the bills go up,
3 agencies aren't charged the increase, we pay those
4 bills. So on the downside, we want to try to
5 figure out ways of incentivizing agencies to do
6 the right thing, and maybe there's further
7 discussion to be had. I'm happy to keep talking
8 about it.

9 CHAIRPERSON BREWER: Council Member
10 Recchia's our champion of this issue, and so right
11 after the budget, I'm sure that he and I and
12 others can meet with you, with the Commissioner of
13 DCA, and make this happen?

14 MARTHA HIRST: Happy to talk to you
15 about it.

16 CHAIRPERSON BREWER: Okay, we hope
17 it actually happens. The Civil Service Exam, I
18 know you're trying to do more online. I'd like to
19 hear a little bit more about that, and how you
20 think it's both a savings and perhaps easier for
21 the applicants, which is also a goal. I think
22 there's also a concern about what percentage on
23 how you were trying to get more people of color to
24 apply, more women in nontraditional roles, and
25 just generally how you are promoting equal access

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2 for civil service. I know that jobs may not be
3 plentiful right now, but we hope for the future.

4 MARTHA HIRST: I agree, we hope for
5 the future. And while jobs may not be plentiful,
6 you know, we, every single day encourage New
7 Yorkers to apply for civil service exams. Those
8 jobs may not be available immediately, but when
9 they are available, again of course, there are
10 spectacular careers to be had in public service.
11 And we're pretty excited about the projects we
12 have underway, automating the personnel services
13 of the City. We do have an online application
14 that we're working on. There are some folks who
15 can now apply online to take exams. We now have
16 one computerized testing center, which we've
17 talked about here at Two Lafayette Street.

18 CHAIRPERSON BREWER: Well--

19 MARTHA HIRST: And we have a
20 center--

21 CHAIRPERSON BREWER: We will do a
22 field visit, we appreciate that, and thank you for
23 the letter to that effect. Go ahead.

24 MARTHA HIRST: Yes, and then in
25 Brooklyn, we have a second center that will open

1 later in the month, we think, perhaps June 1st, if
2 not sooner, for, to further allow people to go and
3 take their exams online. So that's the most
4 significant thing is that you get to automate this
5 whole process. The other thing that happens is
6 that candidates now who will be applying, will
7 fill out information to take an exam, and that
8 will start the information flow about them, as
9 potential City--say, someone takes an exam, passes
10 an exam, gets a City job, starts a career in City
11 service. The data that first populated the first
12 fields of their application, will be the data
13 that's input into the City system and essentially
14 will start with their application, and go to their
15 retirement. So, we're building the database to
16 enable that, and we're building all the
17 applications. I made reference to the upgrade of
18 Peoplesoft, which is going to enable us to do even
19 more modules in our automated personnel system, or
20 NYCAPS. We have, I'd be glad to share with you
21 the statistics. The statistics on the access to
22 civil service exams across the diversity of our
23 City are terrific. They are just great. It is,
24 it is an application process that is available to
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absolutely everyone, and we make it available to high school guidance counselors as well, so young people who may be thinking about careers in civil service at whatever level, involving whatever skills, can, can learn about it. So that already is underway, and it's a pretty robust process. We're working on increasing the modules in the automated personnel system, and you also know we have a plan that spun out of the Long Beach decision, which will enable us to make sure that we have the right titles available for City workers that reflect the skills that people need in any given job, and that maximize the flexibility for hiring to be sure we've got the right people on our staff going forward.

CHAIRPERSON BREWER: Okay.

Commercial rent. I know that the City owns the land under the Grand Hyatt, that's one--

MARTHA HIRST: Yes.

CHAIRPERSON BREWER: --ongoing revenue. It makes more sense, I assume, to continue to own it and get revenue than to ever sell it? Is that a correct statement?

MARTHA HIRST: We think so. I

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2 mean, we could do, you know, an analysis, net
3 present value, etc., and calculate what a one shot
4 sale would be. Obviously, not in this market,
5 necessarily, but over the long term, in
6 discussions with OMB, we've certainly always
7 thought that a substantial, steady revenue stream
8 to the City each year, is what's beneficial to all
9 of us as we plan our City budget.

10 CHAIRPERSON BREWER: Okay.

11 MARTHA HIRST: And that's the Grand
12 Hyatt, the Marriott Marquis, a couple other such,
13 such commercial lots.

14 CHAIRPERSON BREWER: And do we get
15 more money, what, I don't know, maybe you
16 mentioned this, we get more money every, what's
17 the lease.

18 MARTHA HIRST: We tend to. The
19 Grand Hyatt, it's a function of their income, and
20 so while they had very substantial occupancy this
21 year, for example, which was good, the occupancy
22 was at a less per night charge, so they would fill
23 the rooms. So the revenue wasn't as substantial
24 this past year as it was the prior year, but
25 things are looking up.

CHAIRPERSON BREWER: How do you monitor that?

MARTHA HIRST: We get audited reports from the, we square up each year, and on a quarterly basis, I think, Laurie, we get audited documents from the--

CHAIRPERSON BREWER: Okay.

MARTHA HIRST: --the--

CHAIRPERSON BREWER: Now is there City owned--

MARTHA HIRST: --leases.

CHAIRPERSON BREWER: Is there any City owned rental space that's vacant. Obviously, you have some commercials. Are there any vacancies right now?

MARTHA HIRST: No, not really, and we've actually got very few leases in the whole scheme of the, the City's real property. It's a very modest percentage that are, that are leases. Maybe a couple short term occupancies. I know in my neighborhood, which is out in Brooklyn and Bay Ridge, I walk by a municipal parking garage building, and one of the seven retail spaces was recently vacated and is available. So we're

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working on that. But it's like that.

CHAIRPERSON BREWER: Laurie will
rent it soon.

MARTHA HIRST: She'll rent it soon.

CHAIRPERSON BREWER: Okay. Talking
about that, what about my store?

MARTHA HIRST: Your store? Some
news on your store, we're working DOT and we hope
to have a little branch--

CHAIRPERSON BREWER: Where?

MARTHA HIRST: --at Whitehall
Street, at South Ferry, where there's a lot of
foot traffic.

CHAIRPERSON BREWER: I'm, I'm not
so interest--but go ahead, keep going.

MARTHA HIRST: I know, but it's--

CHAIRPERSON BREWER: I want it
right here.

MARTHA HIRST: I know, and I
thought of you yesterday, walking by--

CHAIRPERSON BREWER: I'm sure--

MARTHA HIRST: --the Blimpie's,
right across the street, has gone out of business
there, on Park Row, and we would be so excited to

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2 be there, and that's a building that is not
3 interested to rent to us because of, I guess, all
4 you have to go through in terms of filing
5 disclosures. So if the building management
6 company isn't too interested, but that would be
7 the great location. In any event, our store in
8 our building is doing very nicely. The store at
9 the City Clerk's office, where people go for
10 domestic partnerships and marriages--

11 CHAIRPERSON BREWER: We know.

12 MARTHA HIRST: --is doing very
13 nicely. And then we have this exciting prospect
14 at Whitehall, South Ferry.

15 CHAIRPERSON BREWER: Mm, okay.

16 MARTHA HIRST: Not exactly music to
17 your ears, but--

18 CHAIRPERSON BREWER: No.

19 MARTHA HIRST: --to our ears it's
20 music.

21 CHAIRPERSON BREWER: I want it, I
22 know, Broadway is where I want it.

23 MARTHA HIRST: I know.

24 CHAIRPERSON BREWER: Finally, the
25 courts, I know that you indicated some increase in

revenue, could be more specific about the, how much the court maintenance costs are covered by the State and how you see that for the future.

MARTHA HIRST: The court, the court funding, I did mention, I think--

CHAIRPERSON BREWER: You did.

MARTHA HIRST: --\$3.1 million.

CHAIRPERSON BREWER: Yes, you did.

MARTHA HIRST: Which is actually funding that we had set aside for some work that we were going to anticipate needing to do for the courts that we didn't need to do. They fund 100 percent of our cleaning costs, in their buildings, and 25 percent of the maintenance costs in their buildings. And like us, this year we expect that they're going to have fewer dollars going forward to make available for maintenance or for special projects. That said, however, we have very substantial capital programs because of course we've got fire safety, life safety, ongoing building maintenance issues in their buildings, so I noted a number of fire safety and elevator projects in them. Luckily, we work, I mean, OCA in some respects is like a city agency to us, in

1
2 this regard, and we work very, very closely with
3 Judge Pfau and her team, to try to make sure that
4 we're maintaining those buildings as appropriately
5 as we can, given the constraints of our
6 environment. And so far it's working pretty well.

7 CHAIRPERSON BREWER: All right,
8 well thank you very much. I know that we will be
9 hearing from you regarding the issues that we
10 asked, and we hope--

11 MARTHA HIRST: Yes.

12 CHAIRPERSON BREWER: --I think the
13 energy is something that's extremely of great
14 interest to us on all fronts. And I would love to
15 see the CIGS be able to be a partner in savings
16 for a whole series of reasons. Thank you very
17 much.

18 MARTHA HIRST: I understand that
19 point and happy to talk to you further about
20 energy.

21 CHAIRPERSON BREWER: Thank you very
22 much.

23 MARTHA HIRST: Thank you.

24 CHAIRPERSON RECCHIA: Okay, does
25 anyone have any more questions for DCAS? Okay.

CHAIRPERSON BREWER: You're lucky.

CHAIRPERSON RECCHIA: Without no further questions, want to thank you, Commissioner, and we're going to move on with our executive hearing. Next will be the Board of Elections. [break in audio] Now we'll begin, resume our Executive Budget Hearings, we'll now hear from Acting Executive Director George Gonzalez from the Board of Elections. Thank you, Commissioner. [long pause] Could everyone calmly find their seats so we can move forward with our hearings on the Board of Elections. [background noise] This is the New York City Council Fiscal Year 2011 Executive Budget Hearing, on the Board of Elections. We welcome you. And--[off mic] Do you have anything more to say? [on mic] Okay, whoever like to testify first, we'd love to hear from you. If you could just tell us who's with you this morning. I know all of you, but just for the record. And before anyone speaks, just make sure you identify yourself. Go ahead. Begin. Excuse me, just press the button.

GEORGE GONZALEZ: I'm sorry.

CHAIRPERSON RECCHIA: And push the

microphone close to you.

GEORGE GONZALEZ: Okay, can you hear me now?

CHAIRPERSON RECCHIA: Yeah, perfect.

GEORGE GONZALEZ: Very good.

CHAIRPERSON RECCHIA: Okay.

GEORGE GONZALEZ: Chair Brewer and Recchia, and Members of the New York City Council's Committee on Finance and Government, Governmental Operations, thank you for inviting the Board of Elections of the City of New York to testify on the proposed executive budgets for the Board of Elections in the City of New York for Fiscal Year 2011. For the record, my name is George Gonzalez, and I am the Deputy Executive Director of the Board. Joining me today is the Commissioner from the Borough of Brooklyn, President Julie Dent, in addition to our Administrative Manager Pamela Perkins, our general Counsel Steven H. Richman, and our Finance Officer John Ward, joining me at this table. We meet today as the City faces the most serious crisis for election administration system in our

lifetime. Beginning with September's primary election, and all subsequent elections conducted here in the City of New York, we will use the new poll site optical scanning system, the DS 200 and the automark ballot marking device, manufactured by Election Systems and Software. In prior testimony before your Committees, the City Board outlined the challenges that the introduction of a new voting system imposes, but the underlying truth bears repeating. The way we conduct elections, including almost every system, task and procedure, is being modified, or in many instances changed entirely, as we deploy the new voting system for the first time. While this will have been a challenge under any circumstance, this has been and continues to be made considerably worse due to a lack of adequate funding for the Board's operations and obligations. At a time when everyone clearly anticipated historic changes, and when the Board's obligations were increased significantly by a federal court order, its budget was reduced by more than \$3 million in the current fiscal year, which ends on June 30th. Even after the recently adopted budget modification, the

Board estimates that it will close Fiscal Year 2010 on June 30th with a deficit of approximately \$10 million in personal service. It should be noted that this situation has been created as a result of the continued chronic underfunding of the legally mandated expenses of the Board.

Unlike many other agencies, virtually all of the Board's duties, responsibilities and activities are prescribed by federal, state and local law. The Board does not have the discretion to delay or cancel an election based on municipal budget shortfalls. On March 23, 2010, the Board submitted to the Director of the City's Office of Management and Budget, a detailed summary of these tasks and responsibilities, which I have included as an attachment to this statement. This year, we'll conduct the entire electoral process for all statewide offices and every member of Congress, the State Senate and the State Assembly, as well as many judicial and party positions. To meet these challenges, the Board has successfully conducted an intensive effort to plan for the effective implementation of the new voting system. In addition to acquiring the new equipment and

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2 learning its technology, the Board has focused its
3 efforts on enhanced and expanded poll worker
4 training in an unprecedented public information
5 education campaign. This integrated,
6 comprehensive implementation plan has been the
7 subject of numerous reviews and revisions
8 following discussions with the City's Office of
9 Management and Budget, as well as it's City
10 Council Committees, as well as many civic and
11 community groups, to make a modest, less costly
12 endeavor, yet retaining its effectiveness.

13 However, without minimally adequate financial and
14 human resources, the effective implementation of
15 the plan is in serious jeopardy, and as such puts
16 the voting rights of the 4.4 million voters in the
17 City of New York at great risk. In order to
18 fulfill its constitutional and statutory mission,
19 the budget allocation for the Board cannot be
20 reduced. In fact, to meet our obligations in this
21 new environment, the City of New York must provide
22 significant additional resources. The Executive
23 Budget does not reflect these facts. For the
24 Fiscal Year ending next month, the total cost of
25 the Board's operations will be \$110 million. The

Mayor's proposed executive budget for the Fiscal Year beginning July 1, would, if enacted, provide us with only \$88 million to operate, \$22 million less than the current year. The chart which follows this written statement summarizes the inadequate funding set forth in the Executive Budget. The Board projects that the proposed appropriation for personal service, including current fulltime staff, overtime, and the necessary seasonal employees, is at least \$9.5 million less than what we anticipate spending. The Executive Budget contains the chronic, continues the chronic underfunding of permanent staff. The Board knows that it has been authorized 351 fulltime positions. The Executive Budget seeks to only fund 319. Further, given the electoral calendar, the Board has been able to successfully meet its legal obligations through a combination of a high level of overtime and the addition of a significant number of seasonal, temporary employees. The only other way for the board to meet its statutory responsibilities, and thus reduce the amount spent on overtime, and seasonal temporary employees, would be an increase

in its permanent staff. For the Fiscal Year beginning July 1, the Board has requested 102 new positions, eight are supervisory positions, 71 are for clerical and office support functions, and 23 are voting system technicians that will be as assigned to our voting machine facilities. This was based on an analysis of the current staff allocation and their assignments, which was conducted by the chief and deputy chief clerks at each of the borough offices and our key executive office unit heads. Please note that most of these positions will be assigned to borough facility, while a few will be located at the Board's executive office. Each of these new positions are required to enable the Board to comply with the new mandates and responsibilities imposed on the Board by HAVA, and related legislation, and will allow the Board to continue to effectively discharge its other preexisting legal obligations. There is no funding for these new positions in the Executive Budget. Finally, by letter dated May 4, 2010, the Internal Revenue Service advised the New York City Law Department that poll workers can no longer be considered independent contractors, but

are deemed to be employees under the Internal Revenue Code. The fiscal implications of this determination, along with procedures for implementation of the Board's more than 36,000 poll workers, are being assessed at this time. One unknown consequence of this ruling, the willingness of persons to act as poll workers, cannot be predicted. The executive budget also reduces the Board's more than--I'm sorry, the Executive Budget also reduces the Board's other than personal service allocation by more than \$12 million. In our review of the Executive Budget, the key areas of OTPS underfunding or cuts are one: inadequate funding in the range of \$2.2 to \$2.5 million for the cost of transporting the new voting systems to and from poll sites for both the primary and general elections; two, inadequate funding of approximately \$700,000 for the day-to-day operations of the Board; three, failure to fund the Board's required five percent match, approximately \$200,000, for the State's public education and poll worker training grant; four, an across the board, unspecified reduction in the Board's OTPS budget of just over \$8.8 million. If

the Executive Budget is enacted into law, then the Commissions will have to determine which components of the scaled down, HAVA/new voting system implementation plan will have to be reduced or eliminated so that the Board, in accordance with the provisions of Article III and IV of the Election Law, functions within the budget approved by the City of New York. The conduct of fair, honest and open elections is a fundamental right in our democracy, and the cuts made by the City to the Board's budget in Fiscal Year 2010, and the further reductions proposed in the Mayor's Executive Budget for Fiscal Year 2011, at this critical time has put our democracy in peril. The most pressing concern for the Board is our ability to successfully manage the most dramatic transition in the history of elections administration in the City of New York. If the Board was to conduct in the manner that it has refined over the years, there will be no need for additional support or assistance. Clearly, this is not the case. In fact, the proposed \$22 million cut in the Board's budget must be restored. The additional \$3.4 million should be

provided for the additional fulltime staff decisions. The City of New York has to appropriate for the operations of the Board of the Elections \$113 million for Fiscal Year 2011, to ensure that these dramatic implementations are done seamlessly. If the funding is not provided as a result of the city's actions during the next month, then the Commissioners of Elections will be placed in an untenable position of either fulfilling their legal obligations despite the lack of adequate funding, or deciding collectively that the City's failure to adequately fund elections vitiates their legal obligations, thereby disenfranchising voters in the City of New York. Protecting the rights of voters of this City is paramount. It's an understatement at best when I state that we need your support and assistance if we are to succeed. I thank you again for your time and for allowing me to come before you on behalf of the Board of Elections in the City of New York. As always, my colleagues and I are available to answer any questions that you may have.

CHAIRPERSON RECCHIA: Thank you.

Anybody else want to make a statement? Julie?

You ready for some questions?

GEORGE GONZALEZ: Yes, sir.

CHAIRPERSON RECCHIA: Okay. So, it's very interesting to hear what you have to say, and--'cause when we talk to OMB, you know, they basically feel that there's no major, you know, PEG, and that you have enough money. Of course they put back a lot of money in the Executive Budget, you know, really no great change and, you know. But the, you know, what you don't talk about is a \$4 million being added to the baseline as a new need for additional ballot printing costs. That showed up in the Executive Budget. So with that in mind, you say that you're still going to be short. Did you take that into account or no?

STEVEN RICHMAN: Yes, Mr. Chairman, the Execu--the preliminary budget had a cut of about \$49 million, it's now down to \$22 million. But the fact is, is that without all those resources--

CHAIRPERSON RECCHIA: Press the mic, it's not--

STEVEN RICHMAN: It is on.

CHAIRPERSON RECCHIA: Identify yourself.

STEVEN RICHMAN: Steven Richman, the Board's General Counsel. The Executive Budget did restore some moneys, we went from a cut of \$49 million projected in the preliminary budget to a cut of \$22 million. That still leaves us with inadequate funding to meet all the legal responsibilities that have to be done this year.

CHAIRPERSON RECCHIA: And that \$22 million, that includes the cost for printing? You know, ballot printing costs.

STEVEN RICHMAN: As we outlined in the chart, it shows the shortfall is a little, \$9.5 million in personal service, and \$12.5 million in OTPS. So even including that additional moneys, we're still short, for example, in the area of trucking, to deliver the equipment to and from the poll sites. The, you know, again, there are specific outlines in the submission we made to OMB as well, outlining what's needed.

CHAIRPERSON RECCHIA: And why is the cost for the trucking going up this year so

much?

STEVEN RICHMAN: Because the number of pieces of equipment being delivered to each poll site has increased. Instead of delivering one 800 pound lever machine, we will now be delivering to every poll site, at least two poll site scanners, a ballot marking device, dozens of privacy booths, dozens of supply carts to take the place of what used to be the back of machines, as well as the tables and chairs for the poll sites.

CHAIRPERSON RECCHIA: So what I'm hearing--

STEVEN RICHMAN: And the, and the type of truck used to deliver the scanners have to be a different type than used for the lever machines. They are a more delicate, if you will, pieces of equipment than the 800 pound behemoths.

CHAIRPERSON RECCHIA: And the machines that, let's say, for one electric district, you had one machine. Do you need more than one machine now?

STEVEN RICHMAN: Commissioner, in order to ensure that every voter has the opportunity to vote, every poll site will have at

1
2 least two scanners. So even with one election
3 district, and there's a formula based on the
4 number of registered voters, increasing. So if
5 you had a typical six or eight ED poll site,
6 depending on the number of voters, you'll get two,
7 three or four scanners, as well.

8 CHAIRPERSON RECCHIA: Okay. And
9 we--after personal services, you still are short
10 \$12 million?

11 STEVEN RICHMAN: Mhm, yes.

12 CHAIRPERSON RECCHIA: Okay. And
13 now, in 2010, are you going to have a deficit?

14 STEVEN RICHMAN: We are projecting
15 to close the Fiscal Year with a \$10 million
16 personal service deficit on June 30th.

17 CHAIRPERSON RECCHIA: On June 30th.
18 And--and what does OMB say when you tell them?
19 What's your conversation with OMB? State your
20 name for the record.

21 JOHN WARD: John Ward, Finance
22 Officer, Board of Elections. There is a pending
23 MN right now in personal--

24 CHAIRPERSON RECCHIA: A pending
25 what?

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2 JOHN WARD: There's a pending MN in
3 personal services of approximately \$8.7 million.
4 There was also an MN for OTPS to pay for the
5 runoff. The runoff was approved, that MN, but the
6 MN for personal services was not. So, we're still
7 showing that \$8.7 as money that OMB felt a few
8 months ago, for the January Plan, would be money
9 we needed and in a conversation I had with OMB,
10 they think maybe another million might be needed.
11 And that, that would take care of us, but again,
12 the MN has not been approved, so we have to look
13 at it as like we don't have the money.

14 CHAIRPERSON RECCHIA: Alright, so
15 basically the money is there, but OMB has to
16 release it, they haven't released the MN.

17 JOHN WARD: I'm not sure, it's a
18 pending MN, and I'm not sure what the - -

19 CHAIRPERSON RECCHIA: And what's,
20 what's the problem with it? Why won't they--?

21 JOHN WARD: I believe I was
22 informed that the OTPS MNs were approved and the
23 PS were not. I'm not--

24 CHAIRPERSON RECCHIA: Yeah, why
25 wasn't the PS approved?

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2 JOHN WARD: I don't believe the
3 Council did it at that time. I'm not privy to
4 the, to the underlying theory at the time. I'm
5 just hoping it gets approved at the, the adoption
6 of this budget.

7 CHAIRPERSON RECCHIA: Okay.
8 Alright. Steve, you want to add anything?

9 STEVEN RICHMAN: No, no, I think
10 legally at this point, we're showing on our books
11 that we have eight and change deficit in PS, and
12 we anticipate over the next six weeks, eight
13 weeks, it'll go up by about a million dollars.
14 And again, we've incurred those costs. And again,
15 may I remind the Council that none of the special
16 elections conducted this calendar year have been
17 funded, none of the costs associated with the
18 runoff was originally funded by the Council or the
19 Mayor, that was--the OTP change was added in the
20 modification Mr. Ward talked about. But we still
21 ran into additional costs to do an additional full
22 citywide election, plus the four runoffs we
23 conducted, four specials we've conducted in this
24 calendar year.

25 [pause, background noise]

CHAIRPERSON RECCHIA: After November, we did a mod of \$20 million. Are you saying that that wasn't sufficient money? After November we did a mod of \$20 million.

JOHN WARD: We were not funded for the runoff election. And we also were not funded for part of our PS budget, so--

CHAIRPERSON RECCHIA: So you're saying that this--

JOHN WARD: So two MNs were put in, one for \$13.5m and that was for OTPS; and one for \$8.7, that was for PS. They approved the, the \$13.5, which was very helpful and really helped us out. But the, the \$8.7, there was no action.

CHAIRPERSON RECCHIA: Yeah, so, but we did a mod for \$20 million, should've just - - so this \$8.7 is there and OMB is just not releasing it. So there seems to be some--

JOHN WARD: Right.

CHAIRPERSON RECCHIA: --issue. Yeah. You know, we have to figure this out. And I think the big issue is with OMB, not with the Council, 'cause before this Council had to approve it. This Council did approve it. So there's a

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2 new, so before you come before this Council and
3 say we didn't approve it, I take offense to that.
4 This Council did approve \$20 million and it's OMB
5 that's not releasing the other money. So I think
6 before you come and say, "We didn't release the
7 money," or "We didn't put the money," I think
8 that should be corrected. So I just want to make
9 the correct, the record straight that the money is
10 there, but OMB does not want to release the money.
11 So the issue is now is why. And we will discuss
12 that with Mark Page. Ms. Brewer?

13 CHAIRPERSON BREWER: I'm going to
14 call another--Council Member Dickens?

15 COUNCIL MEMBER DICKENS: Thank you
16 so much, Chairs. And good afternoon, thank you
17 for coming down for this hearing. In deci--in
18 doing your calculations for the deficit that
19 you'll be operating under, I have a question about
20 the poll workers. Because last year, there was
21 some question if the poll workers would get paid.
22 And they were very concerned. This year, poll
23 workers are going to again be concerned--they got
24 paid. But there was some concern, because we're
25 still operating under a deficit, the poll workers

1
2 are going to be concerned this year. Now, in
3 doing your calculations, and because you've
4 changed policy, if I'm correct, that this year
5 your standby list is going to be even greater.
6 And are your standbys paid regardless of whether
7 they're assigned or not, is that the continuing
8 policy?

9 PAMELA PERKINS: Council Member,
10 they're paid, because we usually utilize--

11 CHAIRPERSON BREWER: Identify
12 yourself.

13 PAMELA PERKINS: I'm sorry, I'm
14 Pamela Perkins, Administrative Manager. The
15 standbys, the history of our standbys is that
16 they've always been utilized. Even if there may
17 be a few that we don't get to assign, they're
18 allowed to work in the office, or they are
19 released, but they're only, they're paid up until
20 the time that they are released.

21 COUNCIL MEMBER DICKENS: Now these
22 are, the standbys are made up people who would be
23 going out into the, that sign up to work from off
24 the computer or whatever.

25 PAMELA PERKINS: Right, they're the

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2 people--

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COUNCIL MEMBER DICKENS: And so there's work in the office for them to do, that they know what to do?

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PAMELA PERKINS: There's sometimes they help answer phones, they help put the packages together, that has to get to the site. And then most, many times they're released and they'll get paid up until the time that they're released, so if they start at 5:30, they work up until let's say 12:00 noon, they're, they're paid up until 12:00 noon.

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COUNCIL MEMBER DICKENS: Oh, so, then a standby is not necessarily paid for the full day.

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PAMELA PERKINS: No. That is correct.

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COUNCIL MEMBER DICKENS: And they understand that.

21

PAMELA PERKINS: Yes.

22

23

24

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COUNCIL MEMBER DICKENS: Alright, because I had some concerns as to this year whether the standby list would be greater because of the new policy that poll workers cannot be

assigned on the day of election, they, which was allowed previously, which would keep down, would reduce the standby list.

PAMELA PERKINS: That policy--

STEVEN RICHMAN: Council Member, I'm not aware of what policy--

PAMELA PERKINS: That policy has not been - -

STEVEN RICHMAN: The election law, this is Steve Richman, the election law still provides that if the Board cannot fill all the assigned positions at the poll site, the Board of Inspectors for that election district can appoint the first qualified voter registered in the proper party in that degree, and that still happens.

Because as you indicated, in most cases we do not have enough standbys to cover all the vacancies.

We're anticipating needing 36,000 poll workers to staff the polls both in September and November.

So, yes, we are looking to expand the number of standbys, also with a concern that some of the existing poll workers may choose not to work after they see the new technology. We don't think it's that difficult, but some may have some concerns

about operating the new systems.

COUNCIL MEMBER DICKENS: Now because last week I thought I was told that if poll workers hadn't been assigned during the period that assignments are done by the district leaders that then they, it could not be done as frequently done on the day of election. And I want clarity on that, because I thought, my concern was it would cost us extra because the standby list would have to be so much larger.

PAMELA PERKINS: Well, I'm not sure what information was given. I know that the Commissioners has approved the application, they approved the poll worker strategy, which states that we're requiring all the poll workers to attend class. However, like Mr. Richman's adequately stated, is that the election law provides that if we run out for some reason, and we, the borough office have no standbys, then I think even the inspector has the right to appoint the first voter that they can find to fill the vacancy. That's a part of election law. I think-

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COUNCIL MEMBER DICKENS: Well,

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2 we're not really getting clarify on my question,
3 so I'll ask it afterwards, because I don't want to
4 belabor, to take longer, but that was my concern,
5 that it would expand the standby list and really
6 cost more, increase the budget, or the deficit, in
7 this case, because it would be so large. But
8 you've also clarified that the standbys are not
9 paid for the full day.

10 PAMELA PERKINS: That is correct.

11 COUNCIL MEMBER DICKENS: Now, in,
12 in your numbers is the, is it going to be an
13 additional course or change in the course of the
14 printing of the absentee ballots, the special
15 ballots, the military ballots, because of the new
16 machines that will be used, is there any
17 additional cost to that?

18 STEVEN RICHMAN: Council Member,
19 the absentee ballot will not change, the absentee
20 and the military ballot will still be the old
21 form, will be the old form of the ballot--will be
22 the old standard form we've been using for the
23 last ten years of the scannable paper ballots.
24 The form of the affidavit ballot and the emergency
25 ballot at the poll site may change. There is

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2 legislation that's being introduced in Albany as
3 we speak today, to clarify what the format should
4 be of those ballots. But the fact is, is that the
5 major increase in cost is the fact that now every
6 voter will be voting on paper ballots. And as a
7 result, each is entitled to at least if they
8 request it, three ballots without, if they have a
9 problem with the ballots, without even a court
10 order, so the Board anticipates a tremendous
11 increase in the cost, because in lieu of a lever
12 machine strip, which service six, seven or 800
13 voters, each of those voters will now have to get
14 their own paper ballot.

15 COUNCIL MEMBER DICKENS: All right,
16 well that, that's a, you know, that's concern,
17 because it means that we're going to have
18 problems, and that means that the poll workers are
19 going to be concerned as to whether they will get
20 paid. And the additional cost because the class
21 should be longer, should be expanded.

22 STEVEN RICHMAN: Councilman,
23 that's--Councilman, that's part of the plan. Two
24 things, one, using paper ballots, we now have to
25 do quarterly testing of all the machines, as well

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2 as if our public information program goes forward
3 with the extensive program of our community based
4 demonstrations, we're going to have to print
5 several hundred thousand ballots to be used during
6 the demonstrations, as well, so people can
7 practice with them. The other factor, you hit on
8 like we talked about, the expanded class si--
9 expanded class duration and smaller class size.
10 Our program provides for hands-on intensive
11 training from the poll workers, in a much more,
12 much smaller class size. We would, do not
13 envision the 80 to 100 people serving as poll
14 workers getting a lecture size, but some actual,
15 smaller class size of 25 to 30 people getting the
16 instruction, and then having hands on training of
17 no more than two or three inspectors and poll
18 workers to each device, so that they can actually
19 role play and mock, do a mock election, so they
20 have a better idea of what's going to happen on
21 election day.

22 COUNCIL MEMBER DICKENS: All right,
23 thank you.

24 CHAIRPERSON BREWER: Council Member
25 Mealy.

STEVEN RICHMAN: Madam Chair?

Could we acknowledge the presence of one other Commissioner? Commissioner Michael Ryan of Staten Island has joined us, as well.

CHAIRPERSON RECCHIA: We welcome Michael Ryan, he's the newest Commissioner. Congratulations.

COUNCIL MEMBER MEALY: Yes, congratulations. And hello, everyone. Could you just explain, you said internal revenue just advised the Board of, the New York City Law Department that the workers, poll workers can no longer be considered independent contractors. What are you really saying? That now they're, poll workers have to be working for Board of Election? Is that a, that's a mandate they say now?

JULIE DENT: Good morning, my name is Commissioner Julie Dent, President of the New York City Commissioners of the Board of Elections. Thank you, Commissioner Ryan, for joining us. Basically, and to all the City Council people on the dais, basically what was said to us by the Internal Revenue Service is that now the poll

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2 workers would have to pay taxes like any other
3 person that's working. In the past, they didn't,
4 they were independent people that would come and
5 work for us. It started with a case that was
6 brought before the courts with a poll worker who
7 wanted taxes taken out so they can claim that they
8 actually worked. So therefore, it was implemented
9 that all poll workers, as it relates to the number
10 of hours they work, would have to pay taxes like
11 any other person that works, would have to pay
12 taxes.

13 COUNCIL MEMBER MEALY: So, with
14 poll workers, sometime I know some people go
15 through this training, and then do not show up
16 that day. How would you still--?

17 STEVEN RICHMAN: Again, the
18 difference would be is now, instead of getting a
19 1099 for 'em at the end of the year, let's say
20 they worked the two events last year, and they did
21 training, the bonus, so they would've gotten \$200
22 a day for each day worked, together with \$25 for
23 training and \$75 for a bonus, and they would've
24 gotten a 1099 form for \$500 and change. Under the
25 new ruling, they're going to have to be treated as

an employee. They'll get a W-2 form.

COUNCIL MEMBER MEALY: Mm.

STEVEN RICHMAN: Withholding won't kick in until they reach over \$1,200, but the fact is, is there are also other obligations. We will now have to obtain, for each poll worker, proof of citizenship or the right to work. The immigration, the I-9 form has to be filed, now for each of those 36,000 poll workers. And so, we would have to provide that as well. So there's an administrative component that we're still not sure of. Our current Finance staff that handles the payroll for the 351 permanent staff, and the several hundred temporary employees, numbers three. If we're going to 36,000, there's going to be some costs involved and some staff needed, just to process them.

COUNCIL MEMBER MEALY: Wow. I guess we'll talk furthermore about that.
[laughter] Thank you so much.

CHAIRPERSON BREWER: Council Member Jackson.

COUNCIL MEMBER JACKSON: Thank you, Madam Chair. Good morning.

PANEL: Good morning.

COUNCIL MEMBER JACKSON: Well, let me, I'm sorry if I was, I left out, when you began I had to go over to Zoning to vote and so I had to run across the street, and I ran back over here. Concerning this executive budget, with respects to running your operations, and I remember year after year after year, you coming here and telling us basically because of the reductions that have been proposed, that you're having a very difficult time in implementing all of the elections as required by law. So my question to you is this: Considering this executive budget, will you be able to carry out all of the functions of the Department, the Board of Elections, in a manner that is satisfactory to you as administrators and commissioners, and satisfactory to the voters of New York City? And that's a very simple question, but I know you can answer with a yes or no, but I would like to hear a little explanation one way or the other.

GEORGE GONZALEZ: Thank you, Council Member. So in answer your question, if we do not get the money that we need to implement

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2 this new system in September 2010, this election
3 really is in serious jeopardy, because I mean, the
4 money that we're asking for here, is for a whole,
5 is actually like the baseline, it's not like the
6 gold package, for lack of a better word. It's a
7 baseline of what we need to, to responsibly carry
8 out our legal mandates. So, if we're short
9 somewhere in our budget, like I, I said it in my
10 testimony, that the Commissioners will then have
11 to make a decision as to which aspect of the
12 election law they would need to violate in order
13 to make sure that we put on this election. So we
14 need everything that we possibly can, to ensure
15 that this gets implemented successfully, and the
16 4.4 million voters of the City of New York have a
17 chance to properly cast that ballot with minimal
18 issues.

19 COUNCIL MEMBER JACKSON: But wait a
20 minute, I'm, what I'm hearing is that you're
21 saying this is not the platinum or gold or silver
22 or bronze, this is like basement level that you
23 need to carry out--

24 GEORGE GONZALEZ: This is the 99,
25 the 99 cent store version, where you're, you get

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2 what you need to make sure that you do the job
3 that you're here to do.

4 COUNCIL MEMBER JACKSON: Now, what
5 I, what I heard from you, and all of these people
6 sitting here today, is that if you don't get that
7 minimum amount that you feel you need, that you
8 may have to look at what sections of the law that
9 you will not carry out, and in essence which the
10 wording is, what sections of the law that you
11 would have to violate in order to not carry out
12 the mandate.

13 STEVEN RICHMAN: Mr. Chairman, I
14 think the--okay.

15 COUNCIL MEMBER JACKSON: And, wait,
16 wait, let me, let me say something. My
17 understanding, as far as this election year, the
18 Governor is up for reelection, there's a
19 governor's race, there's a Lieutenant Governor's
20 race, there's an attorney general race, there is a
21 State Comptroller's race, there are 62 state
22 senators up for reelection or election, there are
23 150 members of the State Assembly, and there are
24 what, state committees.

25 GEORGE GONZALEZ: - - Congress.

COUNCIL MEMBER JACKSON: And Congress.

GEORGE GONZALEZ: I think two U.S. Senate seats.

COUNCIL MEMBER JACKSON: And both U.S. Senators. So, you're telling me that you may not have to, you may--if you go alone to try to mandate and carry out your mandate, many people, in my opinion, based on what you said, either you're going to violate certain sections of the law, because you don't have the resources to carry them out, or you're not going to be doing it satisfactory, and people are going to be complaining, and blaming it on you.

GEORGE GONZALEZ: That is correct.

COUNCIL MEMBER JACKSON: Is that what I'm hearing?

GEORGE GONZALEZ: That's exactly what you heard, yes, sir.

STEVEN RICHMAN: Councilman Jackson, as we outlined in the transportation budget, we now have enough to move the mach--the equipment for one election. So either we do the primary or the general, we're short between \$2.2

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2 or \$2.5. With respect to the public education
3 campaign, you hit it on the head, we went from the
4 platinum special, the \$15 million plan, down the
5 \$6 million plan. If that goes, then the first
6 time the voters may actually see the new system is
7 when they show up to vote. That doesn't bode well
8 for the voters, that doesn't well, bode well for
9 the Board. If we can conduct the six-hour class
10 that Council Member Dickens, that with the
11 Commissioners approved, and to pay the poll works
12 to spend the six hours and learn it, the first
13 time they may see the equipment may be the
14 election day, too, which clearly is not in the
15 interest of the voters, and which in some respects
16 may violate the Voting Rights Act.

17 COUNCIL MEMBER JACKSON: Well, not
18 in the interest? If that was done, if that was an
19 employee of mine, you know, you would either blame
20 them for being either incompetent or misconduct,
21 for not carrying out the law. And so, I don't
22 think that any of you are incompetent, and I'm
23 sure that you're not willingly violating the law,
24 so I just hope that, considering what you're
25 saying, and what we're saying, and especially when

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2 you, when you add up all these individuals,
3 officers, that are going to be up for election,
4 that we, along with the Mayor's Office, and his
5 representatives are here, make sure that we give
6 you what you minimally need. We're not talking
7 about silver, or gold, or platinum, we're talking
8 about tin, or aluminum, not--aluminum is more
9 expensive than tin, right? [laughter] So
10 whatever the lowest level of, in order to perform
11 the duties and responsibilities. So, I look
12 forward to working with you as Commissioners and
13 staff, along with my colleagues and the Mayor's
14 Office in ensuring that this election is, election
15 cycle will go smoothly.

16 PANEL: Thank you.

17 COUNCIL MEMBER JACKSON: Thank you.
18 Thank you, Ms., Madam Chair.

19 CHAIRPERSON BREWER: Thank you.
20 Something sort of mildly budget related, and then
21 I have some budget questions. But a lot of
22 community groups and others have been asking me,
23 how they can work on the machines to be able to
24 prime the voters. And I was just wondering, do
25 you have some program so that block associations,

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2 etc., clubs, can in fact teach voters how to use
3 the new machines?

4 JULIE DENT: Yes, beginning
5 Wednesday, we're going out into the communities,
6 starting with community boards, and other
7 community based organizations. Bringing the
8 machines to the community and training the people
9 actually how to operate the DS 200. Have you--we
10 have a website. The public organizations can get
11 in contact with Valerie Vasquez, she's sitting in
12 the front, she's our communications person. And
13 they can actually request for the machines to be
14 brought out into the community, so the public,
15 your constituents, would have the opportunity to
16 actually work the machines before election day.
17 But we all know that education is the key. If
18 people are not trained properly, how to work those
19 machines, even ourselves, everything is at the
20 infancy stage, and these are new machines that's
21 being implemented with the primary and the regular
22 elections for November. If you don't train
23 people, and people have the confidence of how to
24 use those machines on election day, things will
25 not go smoothly as they should.

CHAIRPERSON BREWER: But--

JULIE DENT: With the proper education, I feel confident that the voters will know how to use the machines, and vote. It's as easy as one-two-three, if they get the proper training.

CHAIRPERSON BREWER: Okay.

JULIE DENT: Two, they play Lotto to actually take the ballot and see who they would like to vote for, and just darken in that oval. And when they finish, just feed it into the actual DS 200. It's up to us to give the voters the proper training and we cannot disenfranchise any voter.

CHAIRPERSON BREWER: That's why I was asking about that issue. So, you're saying to me, first of all, I hope that you will share that this program exists with elected officials, community boards, people like me with a email of 30,000 and so on. Is that, just so you know, if you could make sure that we know about it, that would be helpful, 'cause--

JULIE DENT: [off mic] And we have some--[on mic] We have sent mailing out to our

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2 elected officials, especially our Council.

3 CHAIRPERSON BREWER: Okay.

4 JULIE DENT: 'Cause you have been
5 very supportive of us. However, we're asking you
6 also, to, if you can send a mailing out, since the
7 Board of Election budget is suffering right now.

8 CHAIRPERSON BREWER: We know how
9 to--

10 JULIE DENT: You could get--

11 CHAIRPERSON BREWER: We know how to
12 use email and get it out.

13 JULIE DENT: Oh, I know you do, and
14 we would love for you to help us in any way that
15 you can . Thank you.

16 CHAIRPERSON BREWER: Okay.

17 GEORGE GONZALEZ: Councilman, I
18 just want to add, this is, one of the programs
19 that the President of the Board had just spoke
20 about, this is one of the issues that, that we
21 were just talking about. We can only do this up
22 to June 30th. What happens July 1st is unknown
23 because we don't know what our budgetary funding
24 is going to be. So if this, if our budget doesn't
25 get funded fully or shortly, anyway, this may be

one of the programs that we may have to cut out in order for us to implement this new voting system in September.

CHAIRPERSON BREWER: Okay. Now, do you have some contract with Burson-Marsteller? How much? And what's it for? And when?

STEVEN RICHMAN: We have an approved contract for approximately \$6.5 million, which has been for years one and two of the implementation. We've had the contract for several years because you know implementation has been delayed. The funding again, we have, anticipate \$3.5 million for the fiscal year beginning July 1, if it gets funded, and that would be the purpose of designing the informational materials, putting together the new website for the Board, helping us in terms of securing both paid and public service advertisement time, as well as preparing the mailer, which is included in our budget request, so we would do a second mailer to all 4.4 million voters with a well written, well presented instructional guide as to how to use the new equipment.

CHAIRPERSON BREWER: And so, you're saying is that the balance of the \$3.5 has already been spent, is that what--It's a little hard to follow?

STEVEN RICHMAN: Yeah, we--

CHAIRPERSON BREWER: 'Cause I must say, I don't, I just, you know, it's good to have Burson-Marsteller. I think some of us could probably write the literature as well as anybody else. But a million dollars apiece, whatever, I mean, with all due respect in fiscal times, sometimes you have to do some of these things in-house. I'm just saying, it's a lot of money.

STEVEN RICHMAN: Again, the money that has been spent on the development work and the others is going to be paying off, if we have the money to do that. The--

CHAIRPERSON BREWER: So the balance of \$3.5 has already been spent for what? I'm sorry.

STEVEN RICHMAN: Well part of it has been spent--part of it has been spent on some of the equipment. For example, beginning on Wednesday, we will have five vans loaded with the

DS 200 to be moved around. The - -

CHAIRPERSON BREWER: So that's from, from the Burson-Marsteller contract?

STEVEN RICHMAN: That's from the Burs--yes.

CHAIRPERSON BREWER: So, they, they provided the vans?

STEVEN RICHMAN: They are leasing the vans.

CHAIRPERSON BREWER: They are leasing the vans. Okay, and what else are they doing for the three, for the balance of the \$3.5? They're leasing the vans--

STEVEN RICHMAN: We're going to ask our Director of Public Information--

CHAIRPERSON BREWER: Can somebody answer that question.

STEVEN RICHMAN: --to share.

VALERIE VASQUEZ: Hi, my name is Valerie Vasquez, Director of Communications.

CHAIRPERSON RECCHIA: Just state your name for the record.

VALERIE VASQUEZ: Valerie Vasquez, Director of Communications. The entire, Burson-

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2 Marsteller will be there, they will design our
3 overall campaign concept, that includes paid, paid
4 media. They procure the trucks, they outfitted
5 the trucks, as well, so that they're consistent
6 with the overall campaign theme. They redesigned
7 our website, they are producing a PSA. They have
8 incorporated a public, a public speaking training
9 for our staff when they go out and train, and
10 conduct these demonstrations. They also will
11 design our direct mail, the one newsletter that we
12 plan on sending to all registered voters,
13 informing them of the new poll site voting system.
14 In addition to that, they have helped us with
15 media buy, securing ad space at a reduced cost
16 because of their contacts within, within that
17 jurisdiction. That really encompasses their, our
18 overall campaign.

19 CHAIRPERSON BREWER: Okay. Can you
20 give us, the Committee, a breakdown of what has
21 been transpired so far? And what you hope in the
22 \$3.5 in the future.

23 VALERIE VASQUEZ: Sure.

24 CHAIRPERSON BREWER: I understand
25 that, I mean, you know, we're all trying to do, as

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2 they say, more with less, so that would mean that
3 I would've gone to DOIT, for the website. Just as
4 an example. You know, trying to cut down, maybe
5 there are some coordination issues that they could
6 be working on. But something to think about for
7 the future.

8 VALERIE VASQUEZ: Okay, we can
9 definitely send that to you.

10 CHAIRPERSON BREWER: Okay. Second
11 issue is there are people now who are working on
12 the old machines, 'cause they are, done a
13 yeoperson's job of keeping them up to date. So,
14 where do those skills go? In other words, I
15 assume you have people who have, I don't know how,
16 kept those great machines going, the lever
17 machines. So where will they be working? Are
18 they--'cause you mentioned that you have to hire
19 more people in order to be able to run the
20 election.

21 PAMELA PERKINS: The, the current
22 voting machine technicians are the technicians
23 that kept and maintained the shoot machines and
24 those are the same staff members that will be
25 responsible for setting up and loading and

checking and doing all the testing on the current scanners that we have purchased.

CHAIRPERSON BREWER: So do they need retraining? Who's doing the retraining? Is that the company or you?

PAMELA PERKINS: They're being trained by the ES&S, the vendor. The contact vendor.

CHAIRPERSON BREWER: So there's no, there's no cost to the City, per se, is that part of the HAVA grant or is that in addition?

PAMELA PERKINS: We're paying for their training out of the federal funding--

CHAIRPERSON BREWER: Okay.

PAMELA PERKINS: --that we're getting from the federal government.

CHAIRPERSON BREWER: Does the federal funding do anything else, in addition to purchasing the machines, training of those obviously needed technicians. Does it do anything else that's sort of like PS, what, you know, could be looked at as part of the HAVA grant?

PAMELA PERKINS: The federal funding--

CHAIRPERSON BREWER: In other words, how far can you stretch it, that's what I'm trying to find out.

PAMELA PERKINS: We've purchased, also, the ED supply cart out of the federal funding, that's the, the supply cart that's going to be stacking the supplies, the book, the poll list books and all of the election materials that you need at a poll site because we don't have the big machines any more. We're paying for the privacy booths that will be utilized on election day. We bought five, 17,000 privacy booths. There's some other ancillary equipment that we are required to get to make sure the machine is outfitted properly. We're--and we're paying for election day support, as well.

CHAIRPERSON BREWER: What does election day support mean? I'm sorry.

PAMELA PERKINS: Election day support is, we're going to have, in addition to our VMTs, our voting machine technicians out in the field, in case there is a breakdown or a problem with a scanner, we're also going to have, tech support from the vendor. They'll be working

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2 with our staff to make sure.

3 CHAIRPERSON BREWER: Do we know how
4 many? Or is it a dollar figure or number of
5 people or still to be worked out?

6 PAMELA PERKINS: Our--we have the
7 figures, I don't have them on the top of my head,
8 but we can get you the figures. I know we've
9 looked at having one tech support for every, every
10 ten EDs--ever ten EDs.

11 CHAIRPERSON BREWER: And so is that
12 something that's in the contact that you could
13 share with the Committee, that part of the--

14 PAMELA PERKINS: Yeah, there's a
15 price related to it, yes, we can do that.

16 CHAIRPERSON BREWER: Alright, and
17 so could you share that with the Committee? And
18 then let us know how many people will be involved.
19 I'm trying to think of ways, just creatively, I'm
20 sure you've done this, 'cause if you don't end up
21 with getting all of the money you need, how can
22 you save some funding? My other question, and
23 then I will stop, 'cause I know time is of the
24 essence. I think we have 4.3 million registered
25 voters in the City of New York. Is that correct,

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am I right about that number?

GEORGE GONZALEZ: It's up to 4.4 million, as of April 1st.

CHAIRPERSON BREWER: 4.4. Okay.
And then, when I do a mailing, I get a lot back. Dead wood, I guess they're called, some dead, some alive, I don't know. So my question is, do you do cleaning of this list? What's the law on that? I take my bags and my boxes and I send them right to Tim Gay, I actually hand deliver them myself. So I don't know what happens after that. Do others do that? 'Cause you have a large mailing cost, when Burson-Marsteller, at great cost, does your design. But who cleans this list and what's the law on that? And doesn't it cost you a lot to send out people, to whom people are dead.

STEVEN RICHMAN: Madam Chair, the only way we act in terms of a returned mail is if the United States Postal Service notifies us of a change of address or an undeliverable. The voter is then placed, if it's undeliverable, in inactive status. Meaning that they remain on the rolls but they don't appear on the poll list book, as a result of the change.

CHAIRPERSON BREWER: But they get a mailing.

STEVEN RICHMAN: The notice requires that, and notices go out for each year, the annual information notice, to all voters, active and inactive, because if you're inactive, you can show up at your proper poll site, vote by affidavit and be reactivated.

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: In addition, there, the other way is the Board acts is when a voter writes to them, and so the writing signed by the voter, to change that. And up until a year-and-a-half ago, we also processed based on lists provided by the Department of Health for people who died. There is a current ongoing dispute with the State over that process of list maintenance, using the statewide voter registration lists. So for the last 14 months or so, we have not processed those.

CHAIRPERSON BREWER: Oh, god, so you're mailing to--in other words, when I take my boxes and boxes and boxes to the Manhattan office, all of which have been returned by the Post

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Office, what happens to all of that information?

STEVEN RICHMAN: Again, if it's not directly notified by the postal service, we cannot act on it - -

CHAIRPERSON BREWER: But the Post Office has said, "This is returned."

STEVEN RICHMAN: In a mailing sent by the Board.

CHAIRPERSON BREWER: Right.

STEVEN RICHMAN: So when we get the information notice returned, we then take action upon its receipt.

CHAIRPERSON BREWER: Can you translate? I'm sorry, I don't understand.

STEVEN RICHMAN: When the Board, when the Board sends a mailing out and it is returned to the Board, then and only then can we act. If any other party provides us with a, information other than the voter themselves, we have no legal right to any action.

CHAIRPERSON BREWER: Okay, so, with--I would assume, though, that when you do a mailing, the same come back as what I got. So you're saying that all of that has been cleaned

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up. Because--

STEVEN RICHMAN: They are placed in inactive status.

CHAIRPERSON BREWER: Okay. So--

STEVEN RICHMAN: It depends which list you ask for. If you ask for only the actives, you may get the actives; if you ask for inactives--

CHAIRPERSON BREWER: Okay.

STEVEN RICHMAN: --all registered voters, you'll get them both.

CHAIRPERSON BREWER: So what's the timing on figuring out a way of cleaning up that list? 'Cause I think other counties have started trying to clean up the list; obviously, they don't have the same numbers that you do.

STEVEN RICHMAN: If you're in inactive status, and you do not vote in two successive federal elections, then and only then you are purged.

CHAIRPERSON BREWER: Okay. And if it says "deceased," every, all my constituents write back, "This person is dead," "This person is dead," do they do that to you, also? And can you

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2 act on that?

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STEVEN RICHMAN: You can either act on a copy of a death certificate issued by an official body, or a writing signed by the next of kin. Just writing "deceased" on a card is not enough. We need a signature and a relationship for them to--

CHAIRPERSON BREWER: Okay, so I--

STEVEN RICHMAN: --notify us.

CHAIRPERSON BREWER: --I think

that's a further discussion we can have on that.

Just a final question is, when you have special

elections, again to save money, this is obviously

not for the primary and not for the general, but

can you combine election districts or figure out a

way of saving money that way?

STEVEN RICHMAN: We have done. For

example, electing your colleague in the 43rd

Council District in Brooklyn, the Brooklyn

Commissioners and staff combined the election

districts. We do not close a poll site, so if

there's one ED at a poll site, that poll site will

remain open. But if you have several EDs for a

special election, you can combine up to 2,000

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2 voters into a combined ED, and the Brooklyn Office
3 did that for the 43rd Council District.

4 CHAIRPERSON BREWER: Okay. How,
5 how many ballots do you think you're going to
6 need. Obviously, paper is expensive, but we are
7 very supportive of the optical. But how many
8 ballots do you think you're actually going to need
9 for the primary and for the general, or for each?

10 STEVEN RICHMAN: For the primary,
11 for the general, for the testing and the public
12 demonstrations, 22 million ballots this year.

13 CHAIRPERSON BREWER: Okay, and
14 what, what is that based on?

15 STEVEN RICHMAN: It is based on a
16 projection of, for the general election at this
17 point, 125 percent of the registered voters. And
18 for the primary elections, it's now based on the
19 worst case scenario that each party primary will
20 be conducted within the City.

21 CHAIRPERSON BREWER: Okay, and if
22 you had less than that, in terms of the paper, I
23 know, pick ten percent, 15 percent, would that be
24 possible? 'Cause you save a lot of money.

25 STEVEN RICHMAN: We will only order

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2 ballots where there is an election. So, if
3 there's no primary in a given party, then those
4 people will not get, we will not order for that
5 party primary. But it appears, for example, that
6 the two largest parties, the Democratic and
7 Republican Parties, will have statewide primaries,
8 so we'll be opening up everything and funding a
9 large number for those, for the primary.

10 CHAIRPERSON BREWER: Okay, in the
11 pa--all right. Thank you very much. I'll have
12 more questions, but we'll put them in writing.
13 Thank you.

14 JULIE DENT: Thank you.

15 CHAIRPERSON RECCHIA: I just want
16 to sum up and just, 'cause the hour is getting
17 late and we have to move on with the Aging
18 portion. We're going to fight extremely hard to
19 get your funding that you're going to need for the
20 next election. But, every Commissioner that's
21 been coming before the City Council, we are asking
22 them, and putting, telling them, that you have to
23 find a way, 'cause there are some Commissioners
24 that are coming forward and that are finding ways
25 to not outsource jobs, but to do it in-house, to

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2 save money. So next year, when you come before
3 this Council, we're going to ask you that
4 question: What are you doing in-house to save
5 money? Because with advanced technology, we
6 believe and we feel strongly that you could be
7 saving money by doing certain jobs in-house and
8 not outsourcing. And I think Ms. Brewer spoke
9 about a few of them. So, I just want you to know,
10 we're going to go out there and fight for your
11 money, but you have to start being creative,
12 because every Commissioner is coming before us
13 with ideas on ways that they're not outsourcing,
14 saving money on these big contracts, and doing
15 things in-house which are going to save money.
16 And there has to be ways that you could do that in
17 the Board of Elections. So, we're going to fight
18 to get you the funding that you need, and without
19 any further questions, we thank you all for coming
20 today.

21 STEVEN RICHMAN: Thank you.

22 CHAIRPERSON BREWER: Thank you.

23 CHAIRPERSON RECCHIA: Thank you.

24 We will--the next hearing we will resume our
25 executive budget hearing with the Department of

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2 Aging. And we have been joined by the Committee
3 on Aging. [pause, background noise] We will take
4 a two minute break before we begin the next
5 hearing. [pause] We would ask the Commissioner
6 of DIFTA to please take a seat up here. How you
7 doin'? No.

8 [long pause]

9 MALE VOICE: Ladies and gentleman,
10 may I have your attention please? Let me have
11 your attention, please. Before we start, make
12 sure any cell phones are set to vibration. You're
13 not allowed to use the cell phone in the chambers.
14 If you have any cell phones, please set them to
15 vibration. Any other electronic devices, please
16 turn the audio off. Once again, cell phones on
17 vibrate. Thank you.

18 [long pause, background noise]

19 CHAIRPERSON RECCHIA: Good
20 afternoon, and welcome to the New York City
21 Council Chamber. My name is Domenic M. Recchia,
22 Jr., I'm the Chair of the New York City Finance
23 Committee, and I welcome everyone to the City
24 Council Chamber. And we're here today to continue
25 with the New York City Fiscal Year 2011 Executive

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2 Budget Hearings. Right now is the Executive
3 Budget Hearing on Department of Aging, and we
4 welcome everyone. I would like to welcome my
5 colleagues who have joined us today: Inez
6 Dickens, Leroy Comrie, Diana Reyna, Mr. Cabrera
7 from The Bronx, Councilman Cabrera from The Bronx,
8 Darlene Mealy from Brooklyn, Debbie Rose from
9 Staten Island, Maria Arroyo from The Bronx, Mr.
10 Woo from Queens, Brewer, Councilwoman Brewer from
11 Manhattan, and Julissa Ferreras from Queens. And
12 we also have to my left my co-chair for today's
13 hearing, Jessica Lappin, who does a great job as
14 the Chair of the Aging Committee, and at this time
15 I turn it over to Jessica Lappin.

16 CHAIRPERSON LAPPIN: Well, thank
17 you, Mr. Chair. Good afternoon, everybody, I'm
18 Jessica Lappin. And today, we're going to hear
19 from the Department for the Aging about their FY
20 2011 budget. And the Committee very much looks
21 forward to hearing from DIFTA about several
22 critical issues, including the closure of 50
23 senior centers and the reorganization of the
24 homecare program. In addition to these cuts, the
25 impact of the Governor's proposal to cut \$25

million in Title 20 funding, as well as the loss of federal stimulus funding, further jeopardizes the already fragile network of senior centers and services in our City. Senior centers support our City's most vulnerable seniors, and none of who are here today in this room are strangers to those centers. They're not just a place to receive a hot meal, but they are second homes for those who are, would otherwise be isolated and lonely. And Commissioner, I want to commend you--hello, nice to see you this morning; or, now this afternoon--on trying to find creative ways to seek your PEG target for 2011. And I also very much appreciate your efforts to meet with me, with members of the Committee and really your generous offer to meet one-on-one with each and every member of the Council who wants to talk to you about centers in their districts and questions that they have. That's--you have been honest and forthright and accessible and really open to us, and we are very grateful and appreciative for that. So, I look forward to hearing from you and your staff today. I wanted to thank in advance the Aging Committee staff, Shauneequa Owusu, who's the Analyst for the

Committee, and Kris Sartori, who is the Counsel to the Committee, and Paki Sangupta, who is the Finance Analyst, they all work very, very hard, each and every day on these issues, and I wanted to thank them, and welcome you, Commissioner, and turn it over to you.

LILLIAM BARRIOS-PAOLI: Thank you.

Good morning, Chairwoman Lappin and Chairman Recchia, and Members of the Aging and Finance Committees. I am Lilliam Barrios-Paoli, the Commissioner of the New York City Department for the Aging. Here with me today is Angeles Pai, Deputy Commissioner for Planning and Fiscal Operations; and Mara Rhodes, Assistant Commissioner for the Bureau of Community Services. Thank you for the opportunity to testify before you today on the Department of the Aging's Fiscal, Fiscal Year 2011 Executive Budget. The Fiscal Year 2011 Executive Budget is projected at \$226.6 million in baseline funding, and includes allocations of \$87 million to support senior centers, \$28 million for home delivered meals, \$22 million for case management, and \$16 million for home care for, home care for homebound seniors who

are not eligible for Medicaid. In addition, the Fiscal Year 2011 preliminary budget allocates \$4 million for caregiver support services. I have met with, with many of you over the past two weeks to discuss DIFTA's budget for 2011. So you're aware that DIFTA's facing a very difficult year due to shortfalls in funding from two distinct areas. I testified at a preliminary budget hearing that the Senate has moved to change the way in which the City can utilize Title 20 funding, which is a social services block grant. As a result of this change, the City stood to lose up to \$25 million in funding traditionally used for senior centers, or nearly a third of DIFTA's senior center budget. The State Senate has recommended restoring 100 percent of the Title 20 discretionary funds and the Assembly has recommended 75 percent restoration, within respective budget resolutions. As of today, however, DIFTA still is unsure about the status of the Title 20 funds, but expects to lose somewhere between \$6 and \$12 million if the funds are restored at 75 percent. I would like to recognize extraordinary support of the administration, the

Council and the advocates in helping us fight for a return of Title 20 funding to sustain senior centers. Second, as you know, our partners in the State government still yet have to pass the budget for the, for Fiscal Year 2011, which seriously hampers DIFTA's ability to plan responsibly for the coming fiscal year. While the status of the Aid and Incentive to Municipalities, AIM funding for the State remains unclear, the City does expect significant reductions. In response to the State's Executive Budget recommendations that AIM funding to the City be reduced by \$1.3 billion, the City has been forced to adopt a contingency budget of last resort, to meet its legally mandated budget deadline of June 30, 2010. As part of the contingency plan, DIFTA's required to reduce City tax levy expenses by \$4.2 million. Given the size of the required cost cuts, and because DIFTA's budget for senior centers is much larger than the respective budgets of the agency's other programs, the Department looked to absorb the \$4.2 million PEG in its senior center portfolio. If DIFTA were to look to home delivered meals or case management services to

absorb the required reductions, the cuts would likely destabilize two programs with relatively small budgets that serve the agency's most vulnerable constituents. Instead, DIFTA's beginning and orderly closure of 50 senior centers. To identify those centers that will close, DIFTA adhered to strict criteria that are as follows: centers serving fewer than 30 meals every day; part time and satellite centers; and centers with consistently and persistent poor VENDEX ratings and other chronic issues. By focusing on centers that fit the three criterias, DIFTA sought to disrupt the fewest number of seniors possible. The 50 centers provide only about five percent of the meals served in the senior center network. The average cost of the meals in the centers is approximately \$16 to \$17, while the average meal cost across the center network is about \$7. In short, these are very expensive programs that serve few people. Even in the face of the closures, DIFTA will maintain its support for the same number of meals within the senior center network. DIFTA's setting aside funding to ensure that seniors and the impacted

centers will be transported to other nearby sites and receive the meals there. To be sure, the decision to close centers is a very painful one for the Department and comes in the, in response to the worst budget climate the City has weathered in decades. DIFTA is sensitive to the fact that each of the 50 centers represents a special place for the older adults who attend them, and DIFTA will work hard to ensure a smooth transition for all those affected. Please also be aware that if DIFTA did not close, did not take these actions, we would be forced to implement an across the board cut to all senior centers of between ten to 25 percent. Such a move would destabilize much of the network and result in closures of many more senior centers. The City Council is an integral partner in the operation of the senior center network, and DIFTA values its partnership immensely. From the perspective of the senior center network, the Council's funding is discretionary only in name. The Council's financial support comprises a major component of many senior centers' operating budgets. Senior centers use Council designated funding to defray

1 the cost of meals, rent, utilities and
2 transportation. Many centers could not sustain
3 their programs without the Council's important
4 contributions. I urge the Council to consider
5 this as it moves forward in negotiations of the
6 Fiscal Year '11 adopted budget. As always, thank
7 you for your critical support and I look forward
8 to answering your questions.
9

10 CHAIRPERSON RECCHIA: All right,
11 thank you, Commissioner, we'll start off with the
12 Chair of the Committee, Jessica Lappin.

13 CHAIRPERSON LAPPIN: Thank you.
14 So, I have a question about, first about the Title
15 20 cut. Do you mind--so, because we don't know how
16 much it's going to be restored. And so I
17 understand your assumption at this point of 75
18 percent. If it were restored at 100 percent, my
19 understanding is there would still be a cut of \$6
20 or \$7 million. And can you, can you explain why
21 that is, and if that's not correct, could you
22 correct me?

23 LILLIAM BARRIOS-PAOLI: Yes, the
24 way that the Title 20 cuts were effected--
25 essentially what the budget office in Albany did

1 was to say that 40 percent of the Title 20
2 funding, which for the City means \$25 million, now
3 had to be used in a mandated, in mandated, for
4 mandated services, no longer discretionary. So,
5 they, the State, would save \$18 million by doing
6 this. In the, in effect, what is happening is
7 that the State, the Senate, the Senate and the
8 Assembly would be buying those \$18 million, but
9 there's still a difference between the \$18 million
10 and the \$25, that we would be losing. So, it all
11 depends at the end of the day what is the
12 interpretation that would be given in terms of,
13 it's a 25 percent, 75 percent of what? Of the
14 eight, of the 25, of the \$25 million, or of the,
15 of the total funding? So, we're having a struggle
16 in terms of, if they restore 100 percent, are they
17 restoring just \$18 million or the full \$25?

18 CHAIRPERSON LAPPIN: Is that
19 because the City has traditionally given \$7
20 million in a match?

21 LILLIAM BARRIOS-PAOLI: No, no,
22 essentially, not to us, the \$25 million were
23 strictly Title 20 moneys. There was a
24 contribution given to HRA for domestic violence
25

1 and adult protective services, which amounted, I
2 believe, to \$11 million, and in essence by making
3 this funding stream totally mandated, the State
4 would save \$18 million and, oh, and the City would
5 save \$11 million. At least that's the theory.
6 The \$11 million, not, because they're not part of
7 our traditional funding stream, I have no idea how
8 they intend to use. So I can't assume that they
9 would be automatically coming to us, although
10 that's something that could potentially happen.
11 And that's why it's difficult to gage. So we
12 could, if it's restored at 100 percent, and it's
13 only \$18 million that the State restores
14 potentially, depending on OMB's interpretation, we
15 could have not cuts, or we could have a cut of \$6
16 million. It all depends.

18 CHAIRPERSON LAPPIN: And when the
19 Senate restored it at 100 percent, did they
20 restore \$18 million or \$25?

21 LILLIAM BARRIOS-PAOLI: \$18
22 million.

23 CHAIRPERSON LAPPIN: Okay. And
24 when the Assembly restored 75 percent, they
25 restored 75 percent of \$18 million.

LILLIAM BARRIOS-PAOLI: That's correct.

CHAIRPERSON LAPPIN: Okay. And in terms of the \$4.2 million cut, that's also what we're assuming, based on a reduction in State aid, but we don't know for sure.

LILLIAM BARRIOS-PAOLI: That's correct.

CHAIRPERSON LAPPIN: What would we need to restore if we wanted to restore the 50 senior centers?

LILLIAM BARRIOS-PAOLI: The 50, the total funding for the six, the, for the, for the 50 senior centers is \$6.5 million.

CHAIRPERSON LAPPIN: Okay. I wanted to ask you about sort of one subset of the centers, because I think you laid out very clearly what the criteria was. And I wanted to hone in a little bit on the third, which is centers with persistently poor VENDEX ratings, or other issues, because those are centers that could be, or in some cases, are serving a larger number of people. And so, I guess specifically as it relates to your capital program, the funding that is being rolled

1
2 over from the previous plan, and then the \$26.5
3 million that's in the May 2010 capital commitment
4 plan, what are your intentions and could some of
5 that money be used to fix some of these centers
6 that have problems?

7 LILLIAM BARRIOS-PAOLI: Yeah, there
8 are a couple of things. One is that, you know, in
9 the capital plan, the minimum expenditure for a
10 center has to be \$500,000, so that limits some of
11 the repairs that centers can have. You know, they
12 have to exceed that amount of money, and it's more
13 complicated, the criteria. But, but the physical
14 planned issues of the centers is only one part of
15 the problem. Most of the centers had consistently
16 fiscal issues, you know, fiscal management issues,
17 issues around meeting payroll, issues around just
18 food temperatures, around the quality of food
19 produced, I mean, there wasn't one, only one thing
20 that was wrong in these centers, there was a
21 combination of a number of things that were not,
22 that were not, that produced bad outcome for the
23 seniors in our judgment, plan being one of them.
24 In many instances, the issues around the plan had
25 been corrected many a time, and they were of such

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2 a nature that they just recurred again. Many of
3 them had issues because of what they're located,
4 particularly those that are located in NYCHA
5 facilities, the issue around sewage backup has
6 been corrected in many instances five and six
7 times, and it keep occurring, just because of the
8 structural nature of the building, and where the
9 different things are located, you know, the sewage
10 and the pumps and all of that. So, sometimes a
11 program, the problem is just not fixable. It can
12 be ameliorated but not totally fixed. But a lot
13 of the issues had to do with just the management
14 of the program.

15 CHAIRPERSON LAPPIN: Well, you
16 know, in the smaller centers, where maybe there
17 are other locations nearby, sort of understand the
18 plan, you know, what's the plan for, you know,
19 Council Member Cabrera's district where there are
20 a couple that would be closed that both serve
21 quite a large number of people. I mean, is there
22 another place nearby that could take over a
23 hundred seniors? I mean, how does it work in
24 those--?

25 LILLIAM BARRIOS-PAOLI: Yes, in

1 most, you know, not every district, but many
2 districts have multiple senior centers that can
3 absorb, you know, and we'll work closely with the
4 Councilman and explain to him what our plan is.
5 You know, if I did not have to result, if I didn't
6 have to engage in an exercise that would result in
7 net savings for the City because my budget was
8 reduced, we could find solutions for all these
9 centers. And, you know, fix them in some other
10 way. Remember that this, the exercise was not one
11 of trying to, you know, we're not closing these
12 centers because there's no way of fixing them.
13 We're closing these centers because we had to save
14 money. So, so it's, you know, I could give you
15 any number of alternatives for possibilities if I
16 didn't, if I didn't have just fewer dollars in my
17 budget, and that are not being able to support a
18 system.

19
20 CHAIRPERSON LAPPIN: I'm sure our
21 colleagues have a lot of questions about
22 individual centers, so I'm not going to go there.
23 But I did want to ask because I think a lot of our
24 discussion, my, I guess, my guess, is that we'll
25 have a lot of discussion about the centers this

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2 morning. But there are quite a few programs that
3 are not baselined in the budget that you rely on
4 the Council for. And so I wanted to give you a
5 chance to just mention a few of those that are
6 your, sort of top priority in terms of the
7 Council, so that we're looking in the Committee at
8 the entire picture, and not just this one piece.

9 LILLIAM BARRIOS-PAOLI: Yes. Thank
10 you for giving me the opportunity. Last year, the
11 Council restored about \$33 million in
12 discretionary funds. The most important
13 restoration, or one of the most important
14 restorations, was the, the money that the Council
15 put in, about \$4.5 million to sort of help the
16 budget of those organizations that used to serve
17 home delivered meals, and did not get a contract
18 for home delivered meals. And there was, in that
19 instance, many of the centers lost somewhere
20 between 25 to 75 percent of their budget. There
21 was another \$5 million that addressed a PEG that,
22 that had taken place in prior years, and we had
23 used money, some of the surplus money, to help
24 that PEG, which restored \$5 million. There's \$4.5
25 million in food; there's about \$1.9 million in,

for rent, space; \$2.5 million in transportation; there's a million dollars in home, in City Meals on Wheels, which is a private group that matches that million dollars with many other million dollars, and they provide food for the seniors on weekends and holidays, which DIFTA does not do. And then there's a, finally, the Borough Presidents' money, which was \$6.1 million. And please consider that the bud--the Borough Presidents essentially do a very similar kind of funding that you do, they restore money to the centers. So, most centers have a component of Borough Presidents money that is part of the, their operating capital. All of those funding streams that I mentioned are an integral part of the operating budget of all those centers, and were you to change the nature of any of those funding lines, there would be a real cut to the senior centers. Other than that, then, there were program, distinct programs that you restored, like the social adult daycare program, which was restored to \$2 million; the elder abuse program, \$849,000; intergenerational, \$850,000; information and referral, \$1.5 million; healthy aging, \$1.1

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2 million; and the NORC program, \$1 million. But
3 all of the funding that the, that goes distinctly
4 to the senior centers, I would urge you to please
5 consider how seriously that would impact the
6 senior centers that you're trying to save, before
7 you change the nature of that funding.

8 CHAIRPERSON LAPPIN: And when it
9 comes to, you know, there's a small percentage of
10 the seniors in the City who use these centers, and
11 the ones that do are very poor and really rely
12 upon them. But, beyond just the people who go
13 every day, I think they're really part of the
14 fabric of our neighborhoods, and they also employ
15 a lot of people. So, do we have any sense of both
16 how many provider agencies might go out of
17 business as a result of these closings? And also
18 how many jobs we're talking about?

19 LILLIAM BARRIOS-PAOLI: We don't
20 believe there'll be more than two agencies who
21 would go out of business, because they, they have
22 one or two centers that they con--that, you know,
23 that the agency itself only has a small contract
24 with DIFTA, and that's the nature of it. So, we
25 only think there are two agencies that are in that

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2 situation. Most of the centers that are being
3 closed are part of larger agencies that have
4 larger contracts with us, and so we are talking to
5 them and see how many people would be absorbed.
6 We don't have the number yet. Remember, this, the
7 centers were notified last week of the closures,
8 so they've all began to plan, just begun to plan,
9 so we will have a more accurate count for you. We
10 anticipate that a lot of them would be absorbed
11 into the larger agencies.

12 CHAIRPERSON LAPPIN: I know we have
13 a lot of questions from colleagues, but I just
14 wanted to ask about your--where are my--here we
15 go, a couple of quick questions about your
16 homecare cuts. It's our understanding there are
17 about 700 seniors that are currently on the
18 waitlist for DIFTA homecare. Well, so how will
19 the budget impact those folks who are on the list?

20 LILLIAM BARRIOS-PAOLI: Let me just
21 quickly say that traditionally, homecare has had a
22 waitlist of about that number, so it's not that
23 different from what it's been in the last many
24 years. It--we will have, intake will remain
25 closed, as long as we exceed the number of hours

1 that we're funded for. What we're doing in the
2 meantime is that we're referring seniors in the
3 waitlist to be assessed whether, for whether or
4 not they're eligible for Medicaid homecare, so
5 that they can receive the, the service
6 immediately. We are, as you know, we're going
7 through a whole reassessment of everyone in the
8 caseload, to ascertain whether or not they're
9 eligible for HRA homecare. And the reason for
10 that is that our caseload, the clients in our
11 caseload do not look at, you know, at, when you
12 look at the, the demographics of it, don't look
13 that different from the demographics of the HRA
14 homecare caseload by age, by disability, and by,
15 by income as well. The--I, you know, I think
16 that, that part of the, the reason why so many of
17 the seniors in the caseload may be eligible for
18 Medicaid is that when you enter the system at a
19 point in time, you may not have deteriorated
20 enough to be in need of, you know, meet the
21 medical criteria used by HRA, but with time you do
22 get there. So, many of them need to be reassessed
23 just for that reason. The other reason is because
24 many seniors are very hesitant to, to disclose
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2 their income, and many of the case management
3 agencies have not pressed them. So we want to
4 ascertain whether or not by income they're
5 eligible. We're trying to be as careful as
6 possible, in terms of not putting financial
7 burdens on seniors that cannot afford it, we're
8 using a criteria much higher than, than the
9 Medicaid threshold. So, that when they're
10 eligible with a surplus that they have to pay
11 every month, we want to make sure that they're not
12 impoverished. We're using something called the
13 Elder--lord have mercy, what is it, the--it's
14 called the Elder Economic Security Standard Index,
15 which has just been developed, and essentially it
16 takes into account all of the real expenses that a
17 senior has, factors in the surplus that Medicaid
18 would charge them, and tells us whether they can
19 really afford to contin--you know, to, to maintain
20 the, the life that they're living now, by paying
21 that excess income. In some instances, they will;
22 in some instances they won't. If we ascertain
23 that they can't, we'll keep them on - - homecare.
24 We just want to make sure that they're receiving
25 the right number of hours, they're not putting

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2 themselves in danger by, by being in the wrong
3 service, and also, but if they're eligible for HRA
4 homecare, we want to make sure that they receive
5 that.

6 CHAIRPERSON LAPPIN: Are you
7 getting, do you have a sense of what percentage of
8 folks are eligible for either HRA or Medicaid at
9 this point?

10 LILLIAM BARRIOS-PAOLI: You know,
11 it's, we have only gone through about a thousand
12 of our clients, and about, of those, about 130
13 have been Medicaid eligible straight, without the
14 surplus. I think, you know, it's fair to say
15 that's going to be probably 30-35 percent. You
16 know, we made an assumption about 20 percent of
17 the caseload when we, when we started this
18 exercise. So we'll see how far we get with that.
19 I think that, you know, let me just say this--the,
20 because it's not a medically driven service, the
21 number of hours is authorized by case managers,
22 supervised by social worker, and there's not,
23 there's really no objective criteria to do so.
24 So, because human judgment is what it is, a person
25 can be judged by two different case managers and

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2 one can get four hours, and then the next case
3 manager can look at the same set of circumstances
4 and give you twelve hours. So, it's not a sort of
5 well honed kind of system. And we're looking for
6 ways of creating more objective criteria, I'm
7 talking to different organizations that do
8 homecare, to see if we could get a sort of third
9 party validation, just to make sure that nobody
10 is, that we're doing something that does, that
11 gets the clients the best service possible, and
12 doesn't endanger anybody, in any way, shape or
13 form. So, it's a work in progress, and I think
14 that that's the patience we all have to have
15 around that.

16 CHAIRPERSON LAPPIN: Okay, thank
17 you. I notice that we've been joined by Council
18 Member David Greenfield, and Council Member Jimmy
19 Vacca, and Council Member Oliver Koppell, and
20 Council Member Al Vann. And who's behind me? Oh,
21 Council Member Lew Fidler and Council Member Tish
22 James. And I wanted to turn it over to
23 Councilwoman Inez Dickens.

24 COUNCIL MEMBER DICKENS: Thank you
25 so much, Madam Chair, and thank you, Commissioner.

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2 And I want to echo what my Chair of Aging did say,
3 that you have been very receptive, because the
4 very next day after the announcement was made, you
5 did come to my office, so that we could discuss
6 it. But having said that, and to acknowledge that
7 you, you know, very concerned about these cuts, of
8 the 50 centers that are proposed to be cut, 16 are
9 in Manhattan alone, and 13 are in northern
10 Manhattan. Which is 81 percent. Seven in my
11 district alone, four in Melissa Mark-Viverito's
12 district, and two in Council Member Jackson's
13 district. That's 13 alone. So, even though
14 you've been very kind, I'm very upset. Because I
15 feel that we're balancing the budget, or
16 attempting to balance the budget, on the backs of
17 our most neediest citizens, and those that have
18 worked so hard, and are very deserving to have as
19 many resources available to them as we possibly
20 can provide. Now, in your testimony on page two,
21 you said that DIFTA will provide transportation to
22 other centers. And I notice that you have three
23 criteria that was used in determining which
24 centers would be closed. But as part of that, did
25 you determine or include in that geographic

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2 locations of the senior citizen centers, as well
3 as community needs, versus the resources
4 available? And also, at what cost is that
5 additional transportation going to be? And what
6 is the net savings because I'm assuming there will
7 be a net savings, otherwise you wouldn't do it.

8 LILLIAM BARRIOS-PAOLI: Yeah, let
9 me, let me--let me try to answer your questions,
10 and if I forget anything just please remind me.
11 The--when we looked at the closures, we tried to
12 use the criteria that I outlined before. But we
13 also looked to see if we would cause, if there was
14 unique things that would, you know, tell us that
15 that would be not a good idea. So, for example,
16 in Roosevelt Island they have a center that serves
17 fewer than 30 meals, but it's the only center.
18 So, we left it open. The same thing in City
19 Island. We looked at programs that were serving,
20 that were very isolated, and we didn't close that.
21 So the centers that we did decide to close, that
22 met the criteria, were in reasonable proximity to
23 other centers. No, none of the centers that we're
24 closing is less than, it's no more than a mile
25 from the, the closest center. So we're not

1 closing any center that is further than a mile
2 from the closest center to where to go. I do
3 understand however that sometimes that mile has a
4 major thoroughfare in the middle, which makes it
5 very difficult for an elderly person to go there,
6 and that's why the transportation became, you
7 know, was part of what we wanted to factor in.
8 The cuts that we're making is for, is \$6 million,
9 and the savings, the net savings, is \$4.3 million.
10 So, the, the difference between the \$4.3 and the
11 \$6 is what we're using to maintain the food in
12 the--you know, the food money so we can fund the
13 others, you know, the centers that remain for the
14 additional seniors that will be attending, and for
15 the transportation that will be needed.

17 COUNCIL MEMBER DICKENS: Now, are
18 you going to provide home delivered meals for
19 those seniors? Because many of our centers that
20 are being closed, when I look down the list, are
21 in senior buildings, and/or in NYCHA developments.

22 LILLIAM BARRIOS-PAOLI: Yes.

23 COUNCIL MEMBER DICKENS: And many
24 of the seniors may not be able to, to even get on
25 that transportation that you're offering for free.

Will home delivered meals be done for those? And is that factored into your, your cost--

LILLIAM BARRIOS-PAOLI: Yes.

COUNCIL MEMBER DICKENS: --versus your savings?

LILLIAM BARRIOS-PAOLI: The seniors need a home delivered meal, there's, there's no, there should not be any problem, we have at this point in time we have excess capacity in our home delivered meal system. So, there should be no problem for them to solicit that, if they meet the criteria. Most seniors that go to senior centers, because they're ambulatory, and they don't, they're not homebound, don't meet the criteria for home delivered meals, but you know, we would thoroughly evaluate them. And if that is, if they meet the criteria, that would not be a problem.

COUNCIL MEMBER DICKENS: Well, see, sometimes, because of the inequity in the funding, the criteria might need to be adjusted. And the reason I say that is because a senior may be able to get on the elevator with some, their neighbors' assistance, frequently, and go downstairs to the first floor. But now we're asking them to get on

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2 a bus and go a mile that may or may not be there,
3 and may not be available to return them, as well
4 as how long is that going to last. I mean, I know
5 that this is what we're saying is going to be done
6 today. I'm concerned about tomorrow and the next
7 day and the next day, that, that there'll be some
8 additional cuts and PEGs and etc., and then that
9 service is no longer going to be available. So,
10 in saying that, I'd like, you know, I want to know
11 is that criteria being adjusted, because seniors
12 sometimes can make it downstairs with the help of
13 a neighbor, but they can't on that bus to go a
14 mile.

15 LILLIAM BARRIOS-PAOLI: In that
16 case, the person probably would qualify. I don't
17 think that that would be a problem to, you know,
18 for them to qualify, because they probably cannot
19 cook for themselves either. And, you know, there
20 are a few other things. So, in that case, I don't
21 think that would be a problem, and we would assess
22 them. In terms of the transportation, I mean, we
23 intend to have them, it's in place for this year,
24 for the whole year. For the next, you know, the
25 next fiscal year the budget is going to be

1 allocated for that. Beyond that, we'll have to,
2 you know, for the year after that, we would have
3 to then evaluate and see the need. But if there is
4 a need, we will, we will continue to do that.

5 COUNCIL MEMBER DICKENS:

6 Commissioner, what would my seniors have to do?
7 Is it going to be incumbent upon the center that's
8 closing, for that staff that's going to be
9 unemployed, to, to assess or to get applications
10 available? Or is DIFTA going to send staff in to
11 assist with that?

12 LILLIAM BARRIOS-PAOLI: Yes. Yes.

13 COUNCIL MEMBER DICKENS: To each of
14 the closed 50 centers, you're going to--

15 LILLIAM BARRIOS-PAOLI: Yes.

16 COUNCIL MEMBER DICKENS: --send
17 staff that will begin to talk and have a
18 discussion to assess each senior that's attending.

19 LILLIAM BARRIOS-PAOLI: Our intent
20 is to send DIFTA staff to each one of the centers
21 that we'll be closing and figure out a plan for
22 everybody that is attending that center, yes.

23 COUNCIL MEMBER DICKENS: Alright.

24 And, but I, what I didn't hear was, what, what did
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2 you tell me, and maybe you said it and I apologize
3 if I didn't catch it. At what cost is it going to
4 be for this transportation and what is the net
5 savings? I didn't hear that.

6 LILLIAM BARRIOS-PAOLI: Yes, the
7 total cut is \$6 million. The total savings is
8 \$4.2 million. The difference between the \$4.2 and
9 the \$6 million is for the food and the
10 transportation. The food is factored by a per
11 capita, every senior, that's the way we figure the
12 reimbursement in the system anyway. So, there's a
13 certain amount of money that we spend for food per
14 senior, so that we'll be allocating to the other
15 seniors, and then transportation is the rest of
16 the - -

17 COUNCIL MEMBER DICKENS: And that's
18 going to, that's including the additional home
19 delivered meals that may come about as a result
20 of--

21 LILLIAM BARRIOS-PAOLI: No.

22 COUNCIL MEMBER DICKENS: --of
23 what's changing the criteria.

24 LILLIAM BARRIOS-PAOLI: No, home
25 delivered meals is a separate budget.

COUNCIL MEMBER DICKENS: Mhm.

LILLIAM BARRIOS-PAOLI: And that budget is not being cut at all. And there is capacity to absorb, even if every senior that is currently in the center, let's say the full 1,600 seniors wanted to receive, receive a home delivered meal, there's enough capacity in the system as it is today, to absorb them.

COUNCIL MEMBER DICKENS: And if several of the sites, closed centers, are united, what, how long is, do you propose, or you really don't know, may be the honest answer, will their transportation be available? Do we have enough vans or whatever's going to be used, to accommodate for those 50 sites throughout the City. And are they going to return my seniors back to one central location? Are they going to go from door-to-door? What is going to be the case?

LILLIAM BARRIOS-PAOLI: I think it's going to depend. Let me, one thing I'll - - the money will be for a year in next year's budget, and if the, if it's continued to be needed we'll, we'll make sure it's there for the year

1
2 after that. Yes, the seniors will be, in some
3 cases the seniors will be picked up from a central
4 location, then taken back to that central
5 location; in some instance--and there'll be more
6 than one, one pickup. In some instances,
7 depending on the senior, we may have to do door-
8 to-door, depending on how handicapped they are or
9 not, or you know, their mobility issues. I think
10 we have to sort of make those judgments center by
11 center. Some centers have a really much elderly
12 population that's less able to, to move around.
13 Some centers have very vital seniors that drive
14 themselves and, and go to multiple centers all the
15 time. So it depends on, by center, what the
16 population is.

17 COUNCIL MEMBER DICKENS: Now, one
18 last question, because of this pickup that we're
19 discussing, and I appreciate your thoughts on
20 that. That, our seniors use the centers, not just
21 for eating, but they use it for networking. They
22 use it as a tool to play cards, to interact with
23 other people; in some instances, there's
24 intergenerational programs that pairs them with
25 younger people, in order to keep their minds

1
2 active. It also is used as a tool because
3 sometimes when someone doesn't see another senior
4 for a day or two, they'll go and knock on their
5 door, or have the executive director to make a
6 call to ensure that they're all right. Also, at
7 times, the center sees that a senior is not
8 feeling well, when the senior does not acknowledge
9 it or not even realize it, and the center becomes
10 the tool, the mechanism, that will see that there
11 is a health problem, and that either family is
12 notified or they will get the additional
13 assistance. So, with you providing the
14 transportation, does that means that my seniors
15 will be taken to another site, eat, and then they
16 have to leave? Or is, or are you going to provide
17 transportation say every half hour until 4:00
18 o'clock?

19 LILLIAM BARRIOS-PAOLI: Probably
20 not every half hour. Probably more, more like,
21 you know, two or three different runs. No, our
22 expectation is that they will go and participate
23 in the programming of the center, not just on the
24 lunch, you know, the lunch activities, so our
25 expectation, because they're not very large

1
2 numbers, and they'll be going to different senior
3 centers, is that they will become an integral part
4 of the new center. At least that's the
5 expectation.

6 COUNCIL MEMBER DICKENS: All right,
7 so thank you - -

8 CHAIRPERSON RECCHIA: Okay, thank
9 you Council Member.

10 COUNCIL MEMBER DICKENS: I
11 apologize--excuse me, Chairman. I'm concerned and
12 I'm' taking, I am taking liberties because so many
13 of my centers are being - -

14 CHAIRPERSON RECCHIA: We, and
15 that's why we gave you more time than other
16 council members had.

17 COUNCIL MEMBER DICKENS: So, and I
18 appreciate that, and I thank my Chairs for
19 allowing me, because I'm not a member of either
20 one of these Committees, and I did acknowledge
21 that the Commissioner had been very kind to come
22 to my office to have this discussion with me,
23 because of my concern. And I apologize, I'm going
24 to have to leave because I, I'd like to stay here
25 to hear the entire testimony, and questions of

1
2 other of my colleagues, but I have another
3 Committee. But I did want to be put on the record
4 of my concern, my objection to 81 percent of the
5 centers in Northern Manhattan being closed. I
6 just, I find that unconscionable, although I
7 understand the budget. Thank you.

8 CHAIRPERSON RECCHIA: Thank you,
9 Council Member. We appreciate it. We will work
10 hard to help you and to see that it is evenly--the
11 pain is evenly felt across the City.

12 COUNCIL MEMBER DICKENS: Well, it's
13 not evenly, but I acknowledge my Chair of Aging--

14 CHAIRPERSON RECCHIA: I know it's
15 now, but we will try to--

16 COUNCIL MEMBER DICKENS: --Jessica
17 Lappin, who is working very diligently with me.

18 CHAIRPERSON RECCHIA: Right.

19 COUNCIL MEMBER DICKENS: As well as
20 the Speaker and the Commissioner, to try to lessen
21 the impact.

22 CHAIRPERSON RECCHIA: Right.
23 Thank--we want to recognize Margaret Chin, and
24 would like to call on Council Member Cabrera.

25 COUNCIL MEMBER CABRERA: Thank you

1
2 so much, of both of the Chairs, and Commissioner.
3 Commissioner, your great reputation precedes you.
4 It's a great opportunity to speak with you at this
5 moment. I, I want to follow up with the same line
6 of questioning that were just given by my fellow
7 member here. In regards to, and let me be more
8 specific, I'm curious to know, and if you could
9 explain to us, why most of the centers that are
10 slated to be closed, are located in minority and
11 low socioeconomic communities. [applause]

12 LILLIAM BARRIOS-PAOLI: So, with
13 all due respect, I'm not sure that's totally
14 correct. But let me try to explain this. I was
15 told that because of a very difficult budget, I
16 had to cut my budget down, and I had to decide on
17 some criteria that had the least impact on as few
18 seniors as possible. I have centers that are
19 funded from \$50,000 to \$700,000. I have centers
20 that serve three meals, I have centers that 380
21 meals. So I have any gamut of centers and they're
22 located in every community in the City. In order
23 to have the least impact, I thought, I had to
24 close the centers that served the fewest seniors.
25 I could have closed ten of the centers that served

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2 380 seniors, but then I would have had a huge
3 impact on a very large number of seniors, on the
4 best, arguably the best functioning part of the
5 system. The centers that serve fewer than 30
6 meals are centers that, although important to the
7 people who go there, because of the funding that
8 they have, which is very small, do not have enough
9 resources to do much more than serve a meal. They
10 provide a meal, and that's, all of that happens in
11 that center. Other centers that are better funded
12 provide all kinds of other activities for the
13 seniors. So, I don't want to close anything. If
14 I had a choice, I would be happy not to close
15 anything. But I didn't have that choice.

16 COUNCIL MEMBER CABRERA: I agree
17 with you, Commissioner, and I'm--

18 LILLIAM BARRIOS-PAOLI: So, you
19 know, so given the choice, I wanted to impact the
20 fewest number of centers, fewest number of seniors
21 possible. I am closing 17 percent of the centers;
22 I'm only impacting five percent of the meals.
23 Meals in those centers cost \$17, almost three
24 times the price of a meal in a larger center. I,
25 you know, that's the best criteria I could come

1
2 with. Is it great? Is it the best? It's the
3 best I could do. Anybody in this room has a
4 better idea, share it with me, and I'll do it your
5 way.

6 COUNCIL MEMBER CABRERA: I have a
7 better idea, Commissioner. In my, let me just
8 share my frustration is not towards you, it's
9 really toward the Administration that you
10 represent. I see, I see that there are moneys
11 that are being allocated in the City to pay
12 projects that really will not make a daily
13 difference in the lives of the people who we're
14 supposed to represent. I mean, look at the amount
15 of people that I hear this afternoon that are
16 very, very concerned. I haven't been into a
17 Finance Hearing where we have seen so many people
18 come in concerned. And so, what I, what I'm
19 trying to communicate is that we're talking only
20 about a few million dollars, just a few million
21 dollars. And I know that, upon you has been
22 trusted an impossible situation, but really this
23 comes down to the Administration, and the Mayor
24 needs to change his approach. And his approach is
25 one in which, I'm going to echo what has been

said, that the trying to balance the budget on the back of seniors. Including my 102 year old grandmothers. And, and I'm just really frustrated. Look, my district, I only have five senior centers; two are set to close, one of those supports a third one, so that one is not even listed here, and I'm going to end up with two that are supposed to service 150,000 people. And I just don't see how, through all this transportation accommodations, which we all know, they know better than anybody else, are not going to really work as smoothly as we would like to. And so, I, I'm looking forward to meeting with you. I don't want to be as parochial as here. I am concerned, the seven centers in just one area, one council member district, 80, what was it, 81 perc--81 percent in Manhattan. So we know that in Manhattan, where I began to say it's happening, in The Bronx, the same thing. And if I'm sure if I go around with the other Council Members, that we find that really the cuts are mainly taken in minority, in lower socioeconomic communities. Thank you so much, I know we have many more that would like to ask questions.

LILLIAM BARRIOS-PAOLI: Just, can I just say something for the record?

COUNCIL MEMBER CABRERA: Please, please.

LILLIAM BARRIOS-PAOLI: 37 percent of the centers that are being closed affect--I'm sorry. [pause] Yes, in the 50 centers that are closing, 37 percent affect white communities, 25 percent Latino communities, 24 percent African-American communities, and 13 percent Asian communities. So the majority of the centers being closed affect the white community, not the minority community.

COUNCIL MEMBER CABRERA: If I just, I, if I just add that minorities, I just heard Latinos, African-American and Asian. If you add 'em up--

LILLIAM BARRIOS-PAOLI: Correct, but no, no group is being disproportionately affected. No group is being disproportionately affected in the, in the count.

COUNCIL MEMBER CABRERA: My, my--

LILLIAM BARRIOS-PAOLI: Look, I'm not trying to justify--

COUNCIL MEMBER CABRERA: I know
you're not, Commissioner.

LILLIAM BARRIOS-PAOLI: --you know,
the closing of the centers. I'm saying to you, if
I had to take a cut, I did it in the best way I
could figure.

COUNCIL MEMBER CABRERA: I made an
observation at the beginning, my observation was a
minority community. I did not select, did not
identify one specific one, I just made one
observation, which is actually, you just confirmed
as a fact. And something that, again, I don't
believe you should have been placed in this
position, Commissioner, I feel for you. I'm just,
there should be absolutely no budget cuts when it
comes to seniors citizens. Thank you so much.
[applause]

CHAIRPERSON LAPPIN: Council Member
Comrie.

COUNCIL MEMBER COMRIE: Thank you.
Thank you, Madam Chair. Good afternoon,
Commissioner. We are--understanding you're in a
difficult place in a difficult time, and the
Council wants to be helpful because clearly

1 supporting our senior community, supporting the
2 people that paved the way for us to be here, is
3 critically important. What I needed to know from
4 you is a little parochial, I'm sorry. But there
5 are a couple of center closings that it would
6 happen, would render communities without senior
7 services for a quite a large area, and I'm not
8 convinced that the seniors are going to take the
9 bus to get to another center. As you already
10 know, and, and my district, a center has been
11 closed for other than, for reasons that need to be
12 corrected quickly, and the seniors are not taking
13 the bus to get to the other senior location. So,
14 what I need to know is, what are the--what, what
15 can we do, or what can--You mentioned about \$30
16 million in restorations that you'd like to see to
17 on the budget. But in other, what can we do to,
18 to ensure that those restorations can be enacted?
19 And also how many of those senior centers,
20 especially the ones that are within a one mile
21 radius of a, of the closest center, as we would
22 have in Queens, some of the centers that are
23 projected to be closed, there's not another senior
24 center for at least a mile radius. And what can
25

we do to at least work on getting those centers back on the restoration list?

LILLIAM BARRIOS-PAOLI: [off mic] I am not sure. He has 200--[pause] I, my, are we talking about the two Juspoa [phonetic] centers?

COUNCIL MEMBER CABRERA: Yes.

LILLIAM BARRIOS-PAOLI: Or--okay.

COUNCIL MEMBER COMRIE: I wasn't going to mention names, but I figured--

LILLIAM BARRIOS-PAOLI: It's just that--

COUNCIL MEMBER COMRIE: I figured your staff would figure it out.

LILLIAM BARRIOS-PAOLI: It's just that there's several things in your districts--

COUNCIL MEMBER COMRIE: Right.

LILLIAM BARRIOS-PAOLI: --and I'm sorry if I didn't, I didn't, wasn't sure what we were talking about.

COUNCIL MEMBER COMRIE: Right, well, I mean, I, you know--

LILLIAM BARRIOS-PAOLI: I apologize.

COUNCIL MEMBER COMRIE: If you want

me to be specific, the Alpha Phi Alpha Center closing, which needs to be restored--

LILLIAM BARRIOS-PAOLI: But the Alpha Phi Alpha Center is a different thing altogether--

COUNCIL MEMBER COMRIE: Right.

LILLIAM BARRIOS-PAOLI: --and we are working very closely with your office and other offices to make sure that that does get restored. That's a very vital center. But those were issues that had nothing to do with what we're doing here today.

COUNCIL MEMBER COMRIE: Right.

LILLIAM BARRIOS-PAOLI: That's a large center, well attended--

COUNCIL MEMBER COMRIE: But that, that combined with the Juspoa - - Center--

LILLIAM BARRIOS-PAOLI: Our hope, our hope is that Alpha Phi Alpha will be, you know, operational again very soon. The, the two other centers that we were talking, the Juspoa Centers are very small centers, not well attended, and with number of physical plant issues. I will gladly sit down with you and go through the plans

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2 for those centers. We're working closely with
3 the, with the parent organization. I think many
4 cen--in those districts, many people drive to
5 those centers, many seniors drive to the centers.
6 So, the transportation is less of a problem. In
7 our experience, in that area, is that a lot of,
8 the majority of the seniors drive, or are driven
9 to the Center. So, so I think we could figure out
10 the transportation, it's not as serious in other
11 areas.

12 COUNCIL MEMBER COMRIE: But the,
13 the issue with Powell Center, specifically, is
14 that they're, if we can't get Alpha Phi Alpha back
15 online by June, which I hope we can get it on, get
16 it back online by June, and with the, the Powell
17 Center, then we would have no effective center
18 that covered--

19 LILLIAM BARRIOS-PAOLI: We are
20 hopeful that we can have Alpha Phi Alpha by June.

21 COUNCIL MEMBER COMRIE: Okay.
22 Well, I'm glad to hear that. But I still would
23 like to see what we could to maintain the Powell
24 Center. And how we could drive more people there,
25 as well.

LILLIAM BARRIOS-PAOLI: Okay.

COUNCIL MEMBER COMRIE: So, and just, in general, the other issue in Queens is what are we going to do to make sure that there are no center closings that impact the communities within a one mile radius? 'Cause there are other centers that are looking to be shut down, that there would be no impact and no availability for people within a mile. And I know you don't have that answer today, but if you could get back to us as a delegation, and we could work on that for you. I think we'd be more than happy to do that.

LILLIAM BARRIOS-PAOLI: I'll gladly get in touch with your office.

COUNCIL MEMBER COMRIE: Thank you. Thank you, Mr., Madam Chair, Mr. Chair.

CHAIRPERSON RECCHIA: Thank you, Leroy Comrie. Council Member Darlene Mealy, then Gale Brewer.

CHAIRPERSON LAPPIN: Sorry.

COUNCIL MEMBER MEALY: Thank you, Chair, I really had to go to another meeting. But I have just a statement. We are, we will be judged the way we treat our seniors, and our

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2 youth. And think about how our seniors have been
3 the backbone of this society and this country, and
4 now we're closing bases where they conjugate to
5 communicate with each other. Some have senior
6 dances, some of our programs, in our senior
7 center, we have luncheons that we feed 'em, even
8 though they do not have meal programs. But I just
9 hope that we could find a better way instead of
10 closing our senior centers. And just to let you
11 know, I'm blessed that none of my senior centers
12 will be closing in my district, but I hope we can
13 find a better way. It's more just a statement,
14 and thank you. [applause]

15 CHAIRPERSON RECCHIA: Thank you,
16 Council Member Mealy, and I want to recognize
17 Council Member Karen Koslowitz from Queens, and
18 Gale Brewer. Council Member Brewer, and then next
19 will be Council Member Debbie Rose.

20 COUNCIL MEMBER BREWER: Thank you,
21 Chairs, and Commissioner you're beloved. I'm
22 sorry about these cuts, but you're fabulous. The
23 issue of SCRE [phonetic] which isn't so much a
24 budget issue, but it's something that I'm
25 concerned about, and I think what happens is over

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2 the years the seniors really loved working with
3 your staff at DIFTA, and now it's at Department of
4 Finance, and chair, the Chair of the Budget
5 Committee and I grilled the Finance Commissioner
6 the other day, he did admit that it's not, hasn't
7 been going well, hopefully will go well, with the
8 SCRE applications. He said he hopes to catch up
9 with the backlog at the end of June, but meanwhile
10 I have 50 seniors that I have, whom I have brought
11 to his attention. Who are not getting their SCRE,
12 and Council Member Lappin had several with very
13 specific stories. So my question is, How are you
14 handling, or your staff handling, referring
15 seniors who are having SCRE issues to finance?
16 And how is that, how is that going?

17 LILLIAM BARRIOS-PAOLI: You know,
18 there are two things. One is that we continue to
19 do that through the senior centers and through
20 case management where appropriate, I have kept, as
21 you know, the Department of Finance did not take
22 any of the DIFTA staff into Finance. They decided
23 they did not want that. We kept, because I did
24 not want to do layoffs, I absorbed the, I absorbed
25 into the organi--into DIFTA, all of those, all of

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2 that staff. But we have kept a presence in terms
3 of a, like a customer services group, if you will,
4 that people walk into or make calls, and they help
5 the seniors to navigate the SCRE system. We told
6 Finance that we would continue to do that for as
7 long as needed. I, and we're working closely with
8 them. I had suggested to the Department of
9 Finance that, you know, even if you have a
10 backlog, if you could send letters to landlords
11 and seniors, just reassuring them that the money
12 will get there, then I think people would be, you
13 know, would feel much better. And I think they've
14 moved to do that. So we will work closely with
15 Finance in supporting them as much as possible,
16 and certainly support the seniors as much as
17 possible. We have done any number of
18 troubleshootings for the seniors with the
19 Department of Finance, just to make sure that
20 there's not any kind of unintended consequence
21 like an eviction or the loss of a home. So we're
22 really working closely with the seniors and
23 Finance.

24 COUNCIL MEMBER BREWER: Okay, thank
25 you. The federal money, I know you received some

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2 for different needs, obviously employment being
3 one of them. So I'm just wondering what will
4 happen when the stimulus money ends and how you're
5 handling some of the employment dollars.

6 LILLIAM BARRIOS-PAOLI: The
7 stimulus money will be all used up by the end of
8 June this year. And that increased our capacity
9 to serve many more seniors, but we've had Title V
10 funding to provide senior employment for a number
11 of years, and that we will continue to do. And
12 it's a very well used program, many, many seniors
13 that are either returning to the workforce or
14 coming into the workforce for the first time out
15 of need, honestly. It's a, you know, we, we work
16 closely with them, they're wonderful, you know,
17 they work in senior centers, they work in the
18 Department, they work in other not-for-profits,
19 and many of them get private employment.

20 COUNCIL MEMBER BREWER: Okay. The
21 NORC program, obviously, I will certainly support
22 the restoration of the million dollars, as well as
23 other issues here. Any hope out of all this is
24 probably heresy to even bring this up, but is
25 there any hope for grants or other kinds of

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2 creative ways of creating other NORCs, either
3 horizontal, horizontal, vertical or any other way,
4 shape or form?

5 LILLIAM BARRIOS-PAOLI: Well, as
6 you know, I'm a real fan of NORC's, and I think
7 it's a really important service and probably the
8 one way we can reach many, many seniors in the
9 place that they live. I can't honestly tell you
10 that I know that we can do more. I think that
11 there is a growth, there's a huge growth in terms
12 of aging-in-place initiatives, done on a voluntary
13 basis by many communities, and we would like to be
14 more of a support to those. We are talking to
15 funders, private funders, in terms of providing
16 more support activities for NORCs. It is
17 something that as we, as people age in place in
18 New York City and there's an increasing number of
19 seniors doing that, it makes total sense to
20 provide services where they live, as opposed for
21 them having to go places to get the services.

22 COUNCIL MEMBER BREWER: Okay, then
23 finally, a new need is bedbugs. Everybody thought
24 I was crazy three years ago when I talked about
25 bedbugs. So my question is, when I talk to the

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2 senior centers and people who are working in the
3 senior community, it's a challenge for older
4 people 'cause you have to pack up all your stuff
5 in plastic bags, and then you have to move it and
6 it goes on and on and on. So one of the problems
7 is how do you, how do we get some funding to help
8 the individuals who go into people's homes to help
9 them prepare to get rid of the bedbugs?

10 LILLIAM BARRIOS-PAOLI: Actually,
11 no, it's not something we really have been working
12 with. I mean, I know of individual cases.

13 COUNCIL MEMBER BREWER: There are a
14 lot.

15 LILLIAM BARRIOS-PAOLI: Yeah, I
16 think we have to take a good look at it, because I
17 understand, I have a very good friend who's 85
18 years old who just had that happen, and it was a
19 complete trauma in her life.

20 COUNCIL MEMBER BREWER: Okay.

21 LILLIAM BARRIOS-PAOLI: So, so yes,
22 I will - -

23 COUNCIL MEMBER BREWER: I'm just,
24 that is a new need that has to be looked at.
25 Thank you.

CHAIRPERSON RECCHIA: Okay, Council Member, thank you very much. Council Member Debbie Rose and--

COUNCIL MEMBER ROSE: Thank you, Commissioner. I'm glad that you're here. And I have a question about the fact that a good number of the centers that were closed are in NYCHA facilities. On Staten Island, all of the four that are being closed are in NYCHA facilities. And we have, in fact, looked at their meal deliveries and, and seen that they are above the 31 percent, 31 meal criteria. Only the one in Mariner's Harbor seems to have a structural issue, which has already been mitigated, but they're working out of another center. Is there some other reason why a good number of these NYCHA centers were slated for closure? Is it in fact true that NYCHA is requesting rent from, from DIFTA, and that had, that went into the consideration of the closings?

LILLIAM BARRIOS-PAOLI: No, it really didn't, was not. I mean, that's an ongoing conversation. In fact, I'm meeting with the Chairman of NYCHA in the next week to talk about

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2 the impact. 20 of the 50 centers are in NYCHA
3 facilities. Part of it has to do with the fact
4 that, because of the fiscal issues that NYCHA has
5 had through the last few years, their ability to
6 maintain the centers has become very small, and so
7 many of the centers in NYCHA facility have very
8 serious plant issues. And so that's why they're
9 unduly represented there. Many of them have
10 really serious plant issues. The other piece is
11 that also, many, many of the NYCHA programs that
12 are, are small because they were sort of
13 satellites, and they sort of became just meals
14 deliv--you know, meals programs, they didn't have
15 much programming, they just served some meal. So
16 that's, you know, part of why they're, there's 20
17 of them there. I'd be glad, you know, I know we
18 have a meeting coming up, if we factored in the
19 centers that should not have been part of the
20 calculation, I'll happily take a look at it.

21 COUNCIL MEMBER ROSE: Thank you.

22 You know, because one of my centers is in a brand
23 new, multimillion dollar center, so that wasn't,
24 that couldn't have been--and that is the one that
25 also served more than 31 meals.

LILLIAM BARRIOS-PAOLI: Yeah, the--

COUNCIL MEMBER ROSE: Speaking of--

LILLIAM BARRIOS-PAOLI: --the
information that I have is that only one center
served more than 30 meals. But--

COUNCIL MEMBER ROSE: So we can, we
can discuss that.

LILLIAM BARRIOS-PAOLI: Yes, let's
discuss that.

COUNCIL MEMBER ROSE: And you're,
you're relocating them to another NYCHA center.
And were you able to do the work to see if in fact
the other NYCHA center could absorb the, the
number that's going to go in?

LILLIAM BARRIOS-PAOLI: Yes,
according to what we've believe of that center,
and I'm working with program officers that visit
the centers regularly, the answer was yes. If
there's things that you know that we don't--

COUNCIL MEMBER ROSE: Okay.

LILLIAM BARRIOS-PAOLI: --I'll
happily have that conversation with you.

COUNCIL MEMBER ROSE: Okay. And I
just want to, a question about the meal delivery

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2 system. I know that, well I want to ask you, how
3 is the impact of the 50 centers that are closing,
4 what would that have, what would the impact on
5 home delivered meals be. And in Staten Island
6 specifically, we have a provider that provides two
7 meals. Are they still going to be able to deliver
8 two meals?

9 LILLIAM BARRIOS-PAOLI: You know,
10 it shouldn't, the two populations are quite
11 distinct. The people who receive home delivered
12 meals are homebound seniors who have, you know,
13 don't have the ability to cook for themselves, and
14 therefore need somebody to deliver food to them.
15 The, the, generally the people who go to senior
16 centers are more mobile, in better health. So
17 there shouldn't be an overlap between the two.

18 COUNCIL MEMBER ROSE: But what
19 about the seniors that are going to opt not to get
20 on the bus to go the extra mile, and are you going
21 to provide meals to them?

22 LILLIAM BARRIOS-PAOLI: We'll
23 assess, we'll assess how many, how many are, and
24 how many would be eligible for home delivery food,
25 yes.

COUNCIL MEMBER ROSE: Okay, so, will the budgetary constraints affect the provider's ability to provide two meals?

LILLIAM BARRIOS-PAOLI: It should not. It should not. Although, you know, with, Staten Island is in a unique case. I mean, we fund one meal in every borough for every, for the seniors. Staten Island traditionally has served the two meals.

COUNCIL MEMBER ROSE: Right.

LILLIAM BARRIOS-PAOLI: So we've been having ongoing conversations with--it's a wonderful system, in Staten Island, it's volunteer driven, it does two meals, the entire City should be lucky to have something like that. So, it really, our funding should have no impact. We have, I did not, we did not do any cuts in home delivered meals or case management because of the nature of the people who participate in those services tend to be the more frail seniors. But, you know, I know that, you know, there may be specific issues that we may be missing or not. So, I'm looking forward to our meeting so we can be on the same page, and I welcome working with

your staff around the issues.

COUNCIL MEMBER ROSE: Thank you.

And I just want to say, when you meet with the Chairman of NYCHA, would you get that information back to us?

LILLIAM BARRIOS-PAOLI: Yes.

COUNCIL MEMBER ROSE: And to seniors, I would just like to implore you to go out and lobby heavily your state elected officials who are running for office again for restoration of that \$25 million, the Title 20 money, because you might be able to have some impact on the outcome. Thank you. [applause]

CHAIRPERSON RECCHIA: Thank you very much, Council Member Rose. Council Member Jimmy Vacca.

COUNCIL MEMBER VACCA: Thank you, Mr. Chairman, and thank you, Commissioner. I just want to be clear, and I do think that I know the answer, but I want to be clear. There are two versions of the--the Governor proposed taking away the Title 20 money, the Assembly restored 75 percent, the State Senate restored 100 percent. So, if the State Senate's version of the budget is

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2 approved by the Assembly and the Governor, you
3 will not be forced to institute these cuts?

4 LILLIAM BARRIOS-PAOLI: No. I'm
5 sorry to say, no. The, the Senate is restoring
6 \$18 million out of the \$25 because that's the
7 savings that the State would, would have realized.
8 That, so the difference between \$25 and \$18 is a
9 cut that I potentially face. The cut that I'm
10 taking now is based not on the Title 20 moneys,
11 which his still up in the air, but in the cuts
12 that the State aid, the AIMS funding, is doing to
13 the City. That's a \$1.3 billion that was zeroed
14 out by the Governor and has not been restored by
15 anyone yet. Clearly, hopefully, it will not be
16 done in its entirety, but the, the Governor's
17 budget cut other localities by five-ten percent of
18 their AIMS money. They zeroed out the City. So
19 it's a huge cut. And that's because we're 60
20 percent tax levy, we tend to get a bigger cut than
21 other agencies because of the high proportion of
22 tax levy money.

23 COUNCIL MEMBER VACCA: Have we,
24 have you, has your agency and the Mayor's Office
25 made Albany aware of this situation?

LILLIAM BARRIOS-PAOLI: Yes.

COUNCIL MEMBER VACCA: You have people in Albany advocating for your agency from the City.

LILLIAM BARRIOS-PAOLI: Yes. I have, and I had, last Friday I met again with Assemblyman Dinowitz, I've been meeting with Senator Diaz, who are the chairs of the two committees; we've met with the entire New York City delegation in both houses; everybody's cognizant of the issue. I think the problem that they're having in Albany is that they don't quite make up their mind what to cut, and so they're in a huge impasse. And the longer they wait, the longer the agony for the rest of us.

COUNCIL MEMBER VACCA: I appreciate it, and I agree with my colleague, Council Member Rose, this budget in Albany was due April 1st, today is May 17th. And we cannot, in this case, we cannot say that the Mayor acted incorrectly. The Mayor has told the people of the City what we face based on not having a State budget. And it's difficult for the Mayor and the Council to adopt a budget when we don't know what the State budget

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2 is. So, as much as these cuts are terrible, and
3 believe me we don't want cuts in senior centers, I
4 hope that what, what's happening here today
5 resonates there. Because they have to approve a
6 budget sooner or later. I mean, it does look like
7 it's later, it's already late seven weeks anyway.
8 But I'm looking forward to the day where we know
9 where we stand, and Commissioner, you know, we
10 don't want centers cut at all. And we know you
11 don't. And we want to work with you
12 cooperatively.

13 CHAIRPERSON RECCHIA: Thank you
14 Member Council Jimmy Vacca. And I just want you
15 to know that we've been up to Albany, this City
16 Council has been up to Albany, we sent delegations
17 up there. Today, we have people up there lobbying
18 to get the Title 20 restore, and this is a
19 priority to us, and we will work hard with you to
20 get the funding back from the State. At this
21 time, I'd like to call on Council Member Chin.

22 COUNCIL MEMBER CHIN: Thank you,
23 Chairman. Commissioner, I know this is really
24 tough for you, and also I think for us, and
25 especially for some of us who are new Council

Members to come in at this time where we feel so terrible that senior citizen and young people are facing the brunt of it. And we disagree with, I personally disagree with the Mayor, and I think that the core services, like seniors and children, should not be touched. So, we still are advocating that the Mayor [applause] should make a strong stand on this. Because when you look at \$6 million, \$4.2 million that you have to close that gap, I'm sure the Mayor could find that \$4.2 million somewhere else, like the Department of Education [applause] and other ways that is in some of these private contracts. So, [applause] what--and I know that you're trying, you know, to save whatever money to take care of all, all the senior, and that's great. And talking to the advocate, they want more. I mean, some of the centers, I'm blessed that none of the center in my district right now are being closed. But where I hear from them is they over serve. And they're not getting reimbursed for the extra meal that they are serving. And a lot of time they don't hear back from the, the Department of Aging, if they going to get reimbursed or not. I mean,

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2 they, they hear back at the end of the year, "Oh,
3 you're going to get reimbursed." And I think they
4 would appreciate getting the money early on. I
5 guess my question is, on that 1.8 money that you
6 are going to be able to keep, if you give back
7 four-and-a-half, I mean 4.2 to the Mayor, that you
8 can use that to provide meals for the seniors.
9 So, will you be able to reimburse every center
10 that takes in extra seniors because of the closure
11 of the senior center?

12 LILLIAM BARRIOS-PAOLI: Yes. Yes.
13 Yes.

14 COUNCIL MEMBER CHIN: At a full,
15 full reimbursement, not just the percentage
16 reimbursement.

17 LILLIAM BARRIOS-PAOLI: No, no, no,
18 that, that's the intent is to attach to every
19 senior a certain amount of money, which is what we
20 would attach to any other se--so, we created a per
21 capita, per senior, to reimburse the centers,
22 depending on the number of seniors that they
23 absorb. So, the answer is yes, we're trying to
24 preserve the 28,000 meals in the system.

25 COUNCIL MEMBER CHIN: Now, the

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2 other thing, the other question with the budget is
3 that looking forward to next year, I would really
4 want to see, working with you, to baseline full
5 reimbursement, and really get a more accurate
6 number. Because the amount of meal that you're--I
7 mean, that you are budget for, may not be enough
8 at all.

9 LILLIAM BARRIOS-PAOLI: Yeah.

10 COUNCIL MEMBER CHIN: And to really
11 baseline more money for the meal program at our
12 senior centers.

13 LILLIAM BARRIOS-PAOLI: Yeah, see I
14 think, I think the problem the system has is that
15 it has not been RFPd for at least ten years or
16 more. So the number of meals contracted by
17 centers is very dated. So, the population has
18 shifted, the seniors have shifted, and so there
19 are centers that are overserving and there are
20 centers that are underserving. And we need to
21 sort of like get it to the right number, but
22 because we have not had an RFP in so long it's
23 kind of difficult to make it, make it make sense,
24 and that's why you have to reimburse some centers
25 more at the end of the year if they overserved,

1 and you know, the centers that are underserved is
2 kind of is kind of difficult to get them to the
3 point where they accept that they underserved.
4 But that, be that as it may, we have to look at
5 the system again. And sort of, you know, put the
6 money where the services really are. And I think
7 that that's going to be hopefully once we get over
8 this, in the next year, we have to sort of begin
9 to do a whole new procurement just to make sure
10 that that centers are being reimbursed for what
11 they're actually doing. Let me say also that
12 every center is under, under budgeted. There's no
13 such thing as a well budgeted center in my system.
14 Even the best budgeted centers could use more.
15 So, it's a system that has struggled, that
16 struggles. And not to say that there is, there's,
17 you know, there's, there are centers that are much
18 better funded than others, and it's something we
19 should at some point take a look at, as well.

20
21 CHAIRPERSON RECCHIA: Yes.

22 LILLIAM BARRIOS-PAOLI: But--

23 CHAIRPERSON RECCHIA: Thank you
24 very much.

25 COUNCIL MEMBER CHIN: Thank you.

CHAIRPERSON RECCHIA: Council

Member Tish James.

COUNCIL MEMBER JAMES: Thank you.

I agree with Council Member Chin. And when this Mayor of the City of New York continues to dismantle basic, the basic safety net program that so many vulnerable New Yorkers rely upon, then you essentially tear away at the basic fabric of New York City. And so I think this body needs to stand up and draw a line in the sand to protect seniors and to protect vulnerable New Yorkers. I also believe that we cannot put all the blame on Albany. And that the Mayor of the City of New York is making a concerted effort, again, to tear away at the basic safety net of New York City. These are decisions that are made in their, and it's decisions that are made based on the priorities of this Administration. The budget is a political document, and the reality is, is that if you can provide moneys for private contractors in the Department of Education, if you can increase funds for a City time project, if you can provide funds for a stupid arena in Brooklyn for a NBA basketball [applause] then that reflects your

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2 priorities, and not seniors. And so, I'm not
3 putting all the blame in Albany, though certainly
4 some of the blame lies at their doorsteps. But
5 the reality is that if the Mayor can find funds
6 overnight for NYPD, he can find funds for seniors
7 in the City of New York. [applause] Not that the
8 NYPD is not deserving, but there is funds and I
9 know that there is money that is usually hidden
10 away in the case of emergencies. And this is an
11 emergency. [applause] But I also know,
12 Commissioner, that this is a time during this
13 fiscal crisis it presents us an opportunity to
14 examine the historical inequity that the DIFTA,
15 or, and/or previous administrations, have engaged
16 in. And so my question to you is, where do most
17 of the seniors in the City of New York reside
18 based on borough?

19 LILLIAM BARRIOS-PAOLI: Brooklyn,
20 Brooklyn has the largest number of seniors and
21 followed by Queens, and then Manhattan? And then
22 I believe it's, it's Manhattan, Bronx and Staten
23 Island. The Bronx has the poorest seniors, so you
24 know, so there's, there's different need base
25 there. But, but the one thing is that there are

1
2 poor seniors in every single community district of
3 the City.

4 COUNCIL MEMBER JAMES: So, the, the
5 cuts, the closings that you have proposed is not
6 based on equity, it's based on a simple, on a
7 formula that you devised, is that fair to say?

8 LILLIAM BARRIOS-PAOLI: That is
9 correct, it is not based on equity. I basically
10 tried to minimize the impact of the closings by
11 targeting Centers that served the fewest, the
12 fewest seniors.

13 COUNCIL MEMBER JAMES: And I, and I
14 don't question your logic and/or your formula, but
15 at some point in time we need to have a serious
16 discussion with respect to equity, because there
17 are some communities, some boroughs, which receive
18 more funding than others. As someone who
19 represents the great borough of Brooklyn, I do not
20 believe that Brooklyn is treated fairly in this
21 budget, not only with respect to your agency, but
22 all agencies, and that, and it is time that this
23 Administration stop ignoring the needs of
24 residents of the great borough of Brooklyn. My
25 name is not Marty Markowitz. But in the absence

of Marty Markowitz, I wanted to make that statement. My other question, Madam Commissioner, is to what extent can other agencies--Well, let me just ask you this question. How many centers feed seniors, provide less than 20 meals to seniors?

LILLIAM BARRIOS-PAOLI: Less than 20?

COUNCIL MEMBER JAMES: Less than 20. And how many have VENDEX problems?

LILLIAM BARRIOS-PAOLI: There's 33 agencies that serve less than 30 meals.

COUNCIL MEMBER JAMES: Yes.

LILLIAM BARRIOS-PAOLI: And then there is ten that have VENDEX issues, and about seven part time programs.

COUNCIL MEMBER JAMES: So the ten that have VENDEX issues, I don't think anyone can defend that. But I, I don't know how you arrived at this artificial number of 30. Was there some sort of, you just picked it out of the air?

LILLIAM BARRIOS-PAOLI: [laughs]
Frankly, yes.

COUNCIL MEMBER JAMES: Yes, okay.

LILLIAM BARRIOS-PAOLI: The number,

yes, you know, 30 was as good as 50 or as good as 20. I needed to get to a number that would provide, you know, the, would give me a number of senders that was equivalent to X amount of money. So I could, I started at 50, I had, I was able to lower it to 30. You know, and it, it's not indicative of the value of anything other than--

COUNCIL MEMBER JAMES: No, I understand.

LILLIAM BARRIOS-PAOLI: --the money that needed to be saved.

COUNCIL MEMBER JAMES: No, I understand.

LILLIAM BARRIOS-PAOLI: It's not a magical number.

COUNCIL MEMBER JAMES: No, I understand. So, my question to you is, if in fact the state restores Title 20 funds, and if in fact we get an increase in funds from the federal government midyear, is it a possibility that we, that we focus only on those centers that have VENDEX problems, and those centers that serve less than, in my head right now, I'm thinking 20 or less.

LILLIAM BARRIOS-PAOLI: You mean
to, for closure?

COUNCIL MEMBER JAMES: Yes.

LILLIAM BARRIOS-PAOLI: I mean, if
money's--

COUNCIL MEMBER JAMES: Or
consolidation.

LILLIAM BARRIOS-PAOLI: Yes, if
money's were, were restored, I think that then
that's a very different conversation. I think we
would, what I would propose would be to sit down
with each community and say to the community, "How
do you want to invest this money?" I mean, "Where
do you want to put it? Do you want to open a
center? Do you want to make the one or two
centers you have better? Do you--"

COUNCIL MEMBER JAMES: Right.

LILLIAM BARRIOS-PAOLI: What do you
want to do?

COUNCIL MEMBER JAMES: I mean, it's
my understanding that there's one center that only
serves three meals.

LILLIAM BARRIOS-PAOLI: Yes, that's
true.

COUNCIL MEMBER JAMES: And so I don't know how we can defend, this body can defend keeping that open, paying the rent, utilities, when they're only serving three meals. But for me, the number 30 seems rather, I don't know, it's an arbitrary number, and I believe those we should continue to keep open. But I do think that perhaps we should look at those centers that serve less than ten, I went down to ten just now. [laughter] Ten, and/or five, [laughter] if we give money. I don't want to, I don't want to close any. If we can do across the board one percent cut on all senior centers, perhaps we could save those and just look at VENDEX, that would be helpful. But I just think 50 is a significant number, and--

LILLIAM BARRIOS-PAOLI: 30.

COUNCIL MEMBER JAMES: --and I also think that it should be based on equity, and not based on some arbitrary formula. And I thank you for this opportunity. Thank you, Mr. Chair and Madam Chair.

CHAIRPERSON RECCHIA: Thank you, Tish James, thank you for [applause] thank you for

advocating for the great borough of Brooklyn.

Before I call on the next Council Member, I just want to say on all the lists that you're slated to close, all right, are there number of those institutions that serve kosher meals?

LILLIAM BARRIOS-PAOLI: I--I would have to take a look and find, and find out. [off mic] I imagine there are, right? [on mic] I have to say that there must be some. But there, all of the ones that we are, if that is the case, there was another center, also serving kosher meals in reasonable proximity, 'cause we did take that into account. There were two places that we did not cut centers that served fewer meals, because we knew that there was no other kosher provider in close proximity, so I know it's something that we did take into account.

CHAIRPERSON RECCHIA: Okay, so, could you get, 'cause I have the list right in front of me, and I don't want to--but if you could get, send us a letter, we'll follow up with a letter to you.

LILLIAM BARRIOS-PAOLI: Sure.

CHAIRPERSON RECCHIA: Asking you

1
2 for those centers that you are closing that serve
3 kosher meals.

4 LILLIAM BARRIOS-PAOLI: You're
5 welcome to send me a letter, but I have no problem
6 sending it back to you this afternoon, as soon as
7 we take a look at--

8 CHAIRPERSON RECCHIA: Yeah, fine,
9 you know, great, that's even better. Lew Fidler
10 next.

11 COUNCIL MEMBER FIDLER: Thank you,
12 Mr. Chairman. Commissioner, always a pleasure,
13 and I want to thank you for your frankness. It's,
14 your answers, if painful, are always, have always
15 been very truthful, clearly. So, I just want to
16 ask you a really obvious, what I think is an
17 obvious question. But I want to hear the answer.
18 If money were no object, other than perhaps the
19 VENDEX problem centers, would you be closing any
20 of these centers?

21 LILLIAM BARRIOS-PAOLI: I think
22 that there's a number of centers that are, that
23 serve very few seniors, are not well run, that
24 probably should close. But I think that that's a
25 dialogue I had begun to have with providers, and I

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2 certainly would not have done an across the board
3 closure. I think that some providers would have
4 loved to--and it would have made sense to close
5 some very small centers, and take the funding and
6 put it back into other programs that they have.

7 COUNCIL MEMBER FIDLER: So a limit,
8 a limited number of centers that are running
9 inefficiently, would try and find a way to
10 consolidate and make the money go further.

11 LILLIAM BARRIOS-PAOLI: That's--

12 COUNCIL MEMBER FIDLER: And that,
13 that's fair, that's something that government
14 should always be doing with taxpayers' money. I,
15 no one wants to waste it. So I just wanted to be
16 sure that that was your answer, I'm just confident
17 it would be. You know, a number of my colleagues
18 before me have made speeches, and I just want to
19 try a little exercise in democracy here. I just
20 want to know how many people out there think we
21 get more than our fair share back from the money
22 we send to Albany. Raise your hands if you think
23 that? I don't see any hands. So, I, you know, I
24 have to tell you, you know, it probably doesn't
25 behoove us here on this Committee and in this

1 Council, to be pointing fingers. And everyone
2 here that knows me, particularly my colleagues
3 here, know I am not exactly a toady for the
4 Bloomberg Administration. But quite frankly, at
5 this point in the budget process, to put money in
6 that Albany has taken away, when we're deserving,
7 is foolish. At the end of the game, we may have
8 to make decisions to move money around that
9 suggest our priorities, but right now, the one
10 thing that I think everybody in this room ought to
11 be doing and joining with members of this
12 Committee, is calling upon Governor Patterson who
13 hasn't put a dime of this money in the budget.
14 It's our money, it needs to be sent here. We
15 wouldn't be filling this room, we wouldn't be
16 having this Committee meeting, in this fashion, if
17 the Governor of the State of New York hadn't
18 turned his backs on you. And--[applause] So, I'm
19 not, I'm not going to point the finger at my
20 favorite target, Mayor Bloomberg, today, and quite
21 frankly, we'll get to, we'll get to that issue, if
22 and when the end of June comes, and our colleagues
23 in Albany have still not gotten it together, you
24 know, and the Governor has not acquiesced to
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1
2 either the Assembly or the Senate's plan to give
3 us this money. But until then, we all have one
4 job in my view, and that is to let the Governor
5 know how we feel, and that's what I intend to do.
6 [applause]

7 CHAIRPERSON LAPPIN: Council Member
8 Van Bramer.

9 COUNCIL MEMBER VAN BRAMER: Thank
10 you very much, Madam Chair, and Commissioner I was
11 going to say the same thing. I am one of the new
12 Council Members as well, I've been to a bunch of
13 these hearings, but your answers to the questions
14 are refreshingly honest and direct and blunt, and
15 I appreciate that. One of the centers in my
16 district is St. Mary's, in Long Island City. And
17 I wanted to ask about your work in terms of
18 proximity to other centers. So, while obviously
19 we'd, we'd like St. Mary's to stay open, if it
20 were to close, what kind of thought have you given
21 to the nearest centers where those seniors who do
22 go to St. Mary's would have to go and travel to?
23 And I have a couple of questions, but first is
24 that one.

25 LILLIAM BARRIOS-PAOLI: [pause]

Catholic Charities is the sponsor of St. Mary's, CCNS McGuinness is six blocks away. So we felt that the seniors that go to St. Mary's now can go there. St. Mary's has had any number of problems for a very long period of time. The facility itself is pretty horrible. And so we, we feel that the seniors would be better served if they could go to another Catholic Charities organ--you know, center, which is only six blocks away. We will work closely with your office, if you want, and definitely with the sponsor trying to make that happen. It's, it's been a very troubled center for a long time. It's been on VENDEX for a long time, just for any number of issues. Not fiscal, because it's a good sponsor, but you know, any number of plant issues, they have safety violations, all kinds of things. So, they have, I think you've heard the stories, pigeons roosting there, and it's just very unsanitary condition. So, would, but, but, you know, that being said, the seniors are very attached to it. So we will, we will work with the sponsor and with you, if you want us to, in trying to make sure that that is, there's a good transition.

COUNCIL MEMBER VAN BRAMER: Sure.

And, and just to that point, obviously I spent some time there over this past summer, and got to know a bunch of the seniors, some of whom don't live in Long Island City, they come from Astoria and other parts of Queens, because that's where their friends are, and they've become very attached to St. Mary's, which I don't dispute all of the things that you said, it could use help in a lot of different areas. But you know, they're traveling, and I think some of them are even transported, you know, from Astoria to, to St. Mary's. And the center six blocks away, obviously want to make sure that, you know, no one is displaced, you know, permanently, in the transition, should this come to pass.

LILLIAM BARRIOS-PAOLI: Yeah. Will do.

COUNCIL MEMBER VAN BRAMER: So, I, I just want to say I look forward to working with you. I know that, you know, St. Mary's is sort of, you know, had a couple of near death experiences, shall we say, and even before my time, Assemblywoman Nolan and others, you know,

1
2 fought to keep it open. So, I look forward to
3 working with you to make sure that we get
4 everything we can for the seniors in Long Island
5 City. Thank you.

6 CHAIRPERSON RECCHIA: Thank you,
7 Council Member Jimmy Van Bramer. Before we call
8 on our last and final Council Member to ask
9 questions, I would just like to thank all the
10 seniors for coming out here today, I think that's
11 wonderful. [applause] And I hope many of you
12 comeback at our public, at the end of the
13 Executive Budget, on June 7th, the public could
14 testify. We'll be starting at approximately 4:00
15 o'clock that afternoon, and going through the
16 night. And we will be here, and I will stay here,
17 with the Finance members, to listen to what he
18 public has to say about the Executive Budget. And
19 I hope many of you could come back, and we will
20 try to accommodate those seniors that have to get
21 in and get right back out. So I just want you to
22 know that, we appreciate it, and this Council look
23 forward to you testifying at the end of all the
24 hearings. Council Member, our final Council
25 Member on the Aging, after Aging we have Juvenile

Justice, and we'll begin that immediately following Aging. So, Karen Koslowitz, Council Member from Queens.

COUNCIL MEMBER KOSLOWITZ: Thank you, Mr. Chair. Commissioner, I know this pains you almost as much as it pains everybody else. But I have to agree with Council Member James when she said about fair equity. It just seems that the, the budget is not based on people, it's based on figures. And the figures don't reflect the people living in the, in the boroughs. After Brooklyn comes Queens, and Queens has never gotten their fair share in almost anything in the budget, which we're going to fight for. [applause]

CHAIRPERSON RECCHIA: I--[laughs]

COUNCIL MEMBER KOSLOWITZ: However, however, I read in the paper this weekend, and I hope I read wrong, about the kosher meals. It almost sounded that there was going to be somebody to decide who's kosher, kosher, and then someone to decide who's just kosher. [laughter] And that's the way I saw it, and I remember I was sitting having my coffee in the morning, getting ready to go out, and my blood was boiling. It was

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2 just something I couldn't imagine, that there
3 would be someone telling someone about their
4 religion and how, what they should eat, and if
5 they're not that kosher, they should, you know,
6 not eat kosher food. I come from an orthodox
7 house where they did serve kosher foods. I am not
8 kosher, I eat out. However, I know my mother ate
9 out also, but she was strictly kosher in the
10 house, and never took anything from the outside
11 into the house. So, how is this going to be
12 determined?

13 LILLIAM BARRIOS-PAOLI: I, you
14 know, I have no idea what this story, what created
15 this story. I'm very happy you're asking me this.
16 As far as I'm concerned, and this is a message
17 that has been given to all of our providers,
18 eligibility for home delivered meals is done by
19 case management agencies. As far as I--and I will
20 make sure it gets enforced that way--anybody who
21 wants a kosher meal should get a kosher meal.
22 Just by stating the fact that they want a kosher
23 meal. There should be no other test of anything.
24 Just the fact that you want one, you should be
25 able to get one. I have no idea why this was

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2 construed to be that. There have been absolutely
3 no cuts to home delivered meals. There have been
4 absolutely no cuts to kosher meals. There are two
5 providers out of eleven, there are eleven
6 providers that do kosher meals. And that do meals
7 period. But they all have a kosher component.
8 There are two providers that have, that have said
9 that they are, that because kosher meals are more
10 expensive, they have difficulties meeting their
11 budget. I have said to both providers, and they
12 both have different issues, "Come back to us, give
13 me back your contract, I have nine other providers
14 that can make it work." One is because of
15 administrative costs, the other one I have no idea
16 why. But be that as it may, there should be
17 absolutely no issue around meeting the dietary
18 needs of anybody. And it should be enough that a
19 person state that that's the kind of meal they
20 want. Any more than we second guess anybody for
21 Halal food, anybody that--

22 COUNCIL MEMBER KOSLOWITZ: Exactly.

23 LILLIAM BARRIOS-PAOLI: --we,
24 second guess anybody for, you know, low sugar, low
25 sodium, low fat, low anything. I have no idea why

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2 this story was written. It is totally, completely
3 and absolutely not true. I just, I don't know, I
4 mean, at a time when we unfortunately have to cut
5 other things, and other services are being cut,
6 it's mystifying to me that they would make up a
7 story about something that was not cut or modified
8 in any way. I mean, I think it's just, I don't
9 know why they made it up. I have no idea, and
10 I'm, I was just as angry as you are.

11 COUNCIL MEMBER KOSLOWITZ: All
12 right. Thank you. Thank you.

13 CHAIRPERSON LAPPIN: Thank you,
14 Council Member Koslowitz, and thank you for
15 bringing this up. So, before we gavel out, I just
16 wanted to echo the Chair's comments, and thank all
17 of the seniors who came here today for showing us
18 that this is a priority for the City of New York.
19 And I wanted to thank so many of my colleagues,
20 both who are on the Aging and the Finance
21 Committee and who aren't, be here today to ask
22 questions, to participate, and I think to show all
23 of you that it is also a priority for us. And
24 that those of us who are in the City Council care
25 a great deal about our senior citizens, as does

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2 the Commissioner, obviously. You're very
3 committed to what you do, and so is your staff.
4 And we know that. And we look forward to working
5 with you over the next month or so to try and find
6 ways to minimize these impacts on our seniors.
7 Thank you very much.

8 LILLIAM BARRIOS-PAOLI: Thank you.

9 [applause]

10 CHAIRPERSON RECCHIA: We will take
11 a five minute break. The next hearing, and the
12 final hearing of the day, will be Juvenile
13 Justice. [pause] Could everyone kindly find
14 their seats. Do we have the Commissioners here?
15 Thank you, the whole DIFTA team, thank you for
16 coming. Next, Juvenile Justice. Could everyone
17 calmly find their seats? Take conversations
18 outside of the chamber, appreciate it. [long
19 pause, background noise] All right, - - question.
20 Good afternoon, and welcome to the New York City
21 Council Fiscal Year 2011 Executive Budget Hearing
22 on Juvenile Justice. My name is Councilman
23 Domenic M. Recchia, Jr., I am the Chair of the New
24 York City Council Finance Committee, and I welcome
25 you all to the City Council Chamber for this

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2 wonderful hearing. Today, we'll be hearing on
3 Juvenile Justice, and I'm delighted to say that I
4 have as my co-chair, my good friend and colleague
5 from Brooklyn, Sara Gonzalez. Before I turn the
6 microphone over to Sara Gonzalez, I want to
7 recognize all those members that have joined us
8 today. We have Council Member Danny Drummer,
9 Council Member Dan Halloran, Council Member Diana
10 Reyna, Council Member Tish James, Council Member
11 Jimmy Sanders, Council Member Lew Fidler. At this
12 time, I turn the microphone over to my good friend
13 and colleague, Sara Gonzalez, the Chairman of
14 Juvenile Justice.

15 CHAIRPERSON GONZALEZ: Thank you,
16 Chair Recchia. Good afternoon, I'm Council Member
17 Sara Gonzalez, Chair of the Juvenile Justice
18 Committee. And of course joining me today is
19 Council Member Domenic Recchia, Jr., Chair of the
20 Finance Committee. Today is May 17, 2010, and
21 this is the Fiscal 2011 Executive Budget Hearing
22 for the Department of Juvenile Justice. In the
23 Mayor's State of the City address, he outlined the
24 Administration's plans to join the Department of
25 Juvenile Justice, DJJ, and the Administration for

Children's Services, ACS. Upon release of the January plan, the Administration indicated that for the next six months, ACS would work to assess all functions and programs of ACS and DJJ, seeking efficiencies and cost savings wherever possible. It was the Council's understanding that programmatic and budgetary details will be worked out over the several months, and that an analysis then be shared with the City Council and this Committee on how best to move forward. The Executive Plan, however, now proposes to transfer almost all of DJJ's funding into the ACS budget in accordance with the Administration's plan to merge the two agencies. The only funding remaining in DJJ's budget for Year FY'11 would be approximately \$2.8 million in personnel services, sufficient to cover costs associated with the July payroll. To be clear, this transfer of funds and the merger of the two agencies has not yet been approved by the City Council, because this is a policy issue and not a budget issue, we want to make clear that this City Council doesn't consider itself compelled to act on the merger proposal within the budget timeline. The Department has the important

complex responsibility of providing detention, aftercare and preventive services to juveniles, ages seven through 15 in New York City. Youth detained in the Department's facilities include alleged juvenile delinquents, juvenile offenders whose cases are pending adjudication, and juveniles awaiting transfer to State Office of Children and Family Service Facilities. The Department operates three secure detention and 16 non-secure detention facilities located throughout the City that admit over 5,000 youth each year. Together, the Council and Department will continue to work to make sure that the federal and state governments provide the City with enough money to support the Department's most vital programs, including discharge planning, aftercare programs, and alternative to detention. By offering these young people care and resources, the Department of Juvenile Justice provides a vital service that will continue to influence our communities for years to come. Today, and in the weeks ahead, the City Council will be seeking from the Administration its analysis of the proposed merger, including the rationale for its

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2 implementation at the beginning of FY'11. Before
3 we continue, I would also like to thank our
4 Financial Analyst, Ayesha Wright, and Andy
5 Roseman; I would also like to thank Lisette Camilo
6 our Legislative Attorney, and William Hongach, our
7 Policy Analyst, for all the work they do in
8 putting together today's budget hearing. I would
9 like to also acknowledge my colleagues for joining
10 us today. With this brief overview, I will turn
11 the floor over to Commissioner Mattingly. Thank
12 you.

13 JOHN MATTINGLY: Good afternoon,
14 Chair Gonzalez, and Chair Recchia, and members of
15 the Juvenile Justice and Finance Committees. I'm
16 John Mattingly, the Commissioner of the City's
17 Department of Juvenile Justice and the
18 Administration for Children's Services. Joining
19 me today is Lawrence Bushing, the Executive Deputy
20 Commissioner for ACS's new Division of Youth and
21 Family Justice, and Jacqueline James, Deputy
22 Commissioner for DJJ's Administration and Policy.
23 I'd like to thank you for providing us with this
24 opportunity to discuss the Executive Budget for
25 DJJ, and to update you on the integration of DJJ

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2 into Children's Services. I'd like to start with
3 the question of integration. I want to update you
4 on the process that ACS and DJJ have underway to
5 bring the administrative operations and
6 organization of these two agencies together.
7 Through this integration, New York City has the
8 unique opportunity, I think, to build upon our
9 Juvenile Justice reform efforts to date, and to
10 leverage the expertise in both the Juvenile
11 Justice and Child Welfare systems, to strengthen
12 outcomes for court involved youth. Our primary
13 goals in this integration are to maintain public
14 safety while reducing recidivism, and to provide
15 the best care possible for court involved youth
16 while helping them to succeed in their education,
17 personal lives and careers. Since January, DJJ
18 and ACS have been operating as two separate
19 agencies under my management, as we work to bring
20 the administrative and executive functions of the
21 agencies together. I would like to thank Chair
22 Gonzalez as well as Chair Palma of the General
23 Welfare Committee for introducing a bill that will
24 formally merge the two agencies under the City
25 charter. This legislative change is a critical

step in our efforts to integrate the two agencies, and we look forward to seeing it pass. The combined expertise of the Child Welfare and Juvenile Justice agencies will help the City strengthen family focused, permanency planning for young people, and their families, as soon as they enter the Juvenile Justice system. And to develop a focused strategy for every young person to place him or her on the path towards school, work and successful adulthood. Also, the merging of the agencies will help us reduce the use of detention and of expensive, upstate placements at OCFS facilities by developing more family and community based options aimed at achieving better outcomes for youth and families here in the City. After this integration, the operational areas of DJJ, namely the secure and non-secure detention facilities, will function as a separate division within ACS called the Division of Youth and Family Justice. This division will also include ACS's own Juvenile Justice initiative and family assessment program for PINS. Lawrence Bushing, next to me, is the Executive Deputy Commissioner for the Division of Youth and Family Justice, and

he joined Children's Services on March 1st. He is currently overseeing this integration. We also currently have a search underway to hire a new Associate Commissioner for Detention, who will help us to oversee both secure and non-secure detention, and implement the vision of the Division. In addition, we are developing a workgroup made up of staff from throughout the Division to help us to formally shape and define its mission, values and vision. On April 9th, we held the first meeting of our Advisory Board, and that Board is made up of 40 prominent representatives from leading national juvenile justice organizations, from labor, advocates, government agencies, the City Council and the community at large. The Board heard presentation and reviewed statistics on the work of the Division, and offered bold and constructive suggestions on how we can best advance our work. I would like to thank especially Chair Gonzalez for agreeing to participate on the Board, and we look forward to her joining us as we work with the Advisory Board to identify ways to build upon our system reforms. With input from the external

Advisory Board and from the internal workgroup, we are developing a strategic plan to guide us in expanding upon the continuum of services and support available to court involved youth and their families. Through this continuum, we are seeking to reduce the use of detention when possible, provide the best possible care for youth who do come into detention, and expand the availability of aftercare services. We are expanding the uses of our assessment tools as well as New York City's continuum of community based alternatives to detention, and developing new programs as well. We are assisting the programming within detention--I'm sorry--we are assessing the programming within detention to ensure that young people are receiving appropriate educational, mental health and recreational services, and that we are effectively planning with youth to prepare them to leave detention. We anticipate the release of our strategic plan at the end of June, and we expect that implementation of this plan will take place over the following twelve months. As we move forward, we will keep Council and our various stakeholders abreast of

our progress, and we will solicit input at every step along the way. Through the integration, the City is leveraging the child welfare system's continuum for services for young people with special needs. We are also expanding the availability of research driven programs like the models utilized in ACS's Juvenile Justice initiative, where therapy is provided to family members in their home, to strengthen the parent or caretaker's ability to provide structure and guidance for youth, and improve problem solving by the family's members. In addition, we will seek to develop specially trained foster family services for young people who have no family members available to supervise them, so that they can receive treatment in a home environment and develop long term connections with a stable, caring adult. The integration will also help the City to leverage the expertise in both agencies, to begin planning for youth involved with the foster care and juvenile justice systems from the time of their arrest, and throughout their involvement within the City's system. As the Council is aware, there are already significant

overlaps in the population served by both DJJ and Children's Services. Many of the young people served by DJJ and their families have had previous involvement with ACS, either as the subject of an abuse and neglect report, as someone who has stayed in foster care, or because the family has received support services in the past. We are pleased to report that the City will soon have several new, alternative-to-detention programs available to serve court involved youth. New York Foundling and the Center for Court Innovation will launch a 21-day respite program in Staten Island to provide an option other than detention for youth who are experiencing difficulties with their families; to address the behavior leading to court involvement, in order to help them work through issues that would otherwise prevent them from returning home. New York Foundling will also begin a family team conferencing program tentatively called "Way Home" designed to work with youth who, when they enter detention, to link them to a parent or responsible adult, and to facilitate reentry into the community while providing in-home therapeutic services. New York

Foundling, one of our longstanding private agencies serving the foster care system, and ACS, recently met with the Family Court Judges from Manhattan and The Bronx to introduce them to the model and to seek their feedback in implementing it. In our view, these models embody the promise of the merger we're speaking of by working to keep communities and youth safe through strengthening families. In addition, OCFS recently awarded grants to three community providers here in the City, to offer alternative to detention programs in all five boroughs. City stakeholders will work with these programs to integrate their services into the existing citywide alternative-to-detention continuum. [pause] The FY'11 Executive Budget through the Mayor's Financial Plan for Fiscal Year 2011, the City is working to reflect the ACS/DJJ integration in the budget itself. The Executive Budget for Juvenile Justice, excluding fringe benefits, in 2011 is \$123 million, including \$114.5 million in City tax levy. And is proposed to be part of the Children's Services budget next year. The Council will remember that in the January plan we had two PEG initiatives

designed to assist us in aligning the DJJ budget with our goals for the integration of the two agencies. First, we expect to reduce agency spending by more than \$2.8 million in City funds in Fiscal Year 2011 by merging the administrative and executive functions of DJJ into Children's Services. At the Department's preliminary budget meeting on March 9, we explained that the functional review we were conducting of DJJ divisions to identify areas where we could create efficiencies and integrate staff to effectively support the operations of our new agency, and meet our Juvenile Justice goals. We are now working to begin fully integrating the administrative functions of DJJ and will meet our June 30 deadline for that. In addition, we expect to save approximately \$5 million in City funds in the coming years, by reducing the City's use of detention for young people involved with the system. The City will invest \$1.8 million from the savings in the January plan to expand the availability of alternative to detention programs. In the executive budget, we expect to save close to \$3 million in City funds in Fiscal Year '11 by

diverting 40 youth from OCF placements into family focused alternatives and mental health programs.

We also anticipate a City savings of close to \$1 million as a result of the state's plan to right size OCFS residential facilities by eliminating 180 state beds. The City has also made the decision to discontinue the life transitions program, a commission for economic opportunity initiative, designed to connect youth in detention with educational and job prep opportunities, resulting in a reduction of approximately \$300,000 from the DJJ's budget. In Fiscal Year 2010, the Collaborative Family Initiative was fully funded by the Council. Chair Gonzalez has been a critical ally in this program. Throughout its history, CFI has been able to provide continuity of care and ongoing mental health psychiatric and family focused supports to 128 young people with mental health issues, upon returning to the community from detention. This is in the past two years. We recently shared a report developed by the Research and Evaluation Center at John J. with Chair Gonzalez, and look forward to discussing possible options for continuing this program in

the coming Fiscal Year as part of our continuum of services. State budget issues. As New York City moves to integrate the Juvenile Justice system with child welfare practice, it is critical that we find additional ways to maximize our resources. This will enable us to expand the availability of community based services as well as safely and gradually bring down the use of residential placements. While New York City plans to reinvest the savings made available through the City's own reform efforts into our own continuum of care, it is critical that we have the full partnership of the State to realize our vision for New York City's Juvenile Justice System. I'd like to specifically thank Chair Gonzalez and Council Member Lander for introducing a Resolution urging the State to reduce the City's expenses on State operated residential placements. I know that the Council is familiar with recent reports from the U.S. Department of Justice and the Governor's taskforce, which illustrate the challenges of these State operated facilities to achieve the quality of care and rehabilitation that we in the City expect for our young people. We think the

evidence is clear that community based and family based alternatives can produce more positive results for both the youth and the communities when they return, and the communities where they return. While our collaborative efforts with the State Office of Children and Family Services have been successful in reducing the number of youth sent upstate, our expenses have continued to increase because the State has been unable to reduce capacity in these facilities. In effect, although the numbers of youth sent to these expensive and problematic upstate placements have declined, our bills have continued to climb. Our goal is to develop a new method of billing for State placements base on the number of young people actually being served in these facilities. This will enable us to use the savings we should be receiving by having less youth in upstate placements, to increase our investment in evidence based alternatives to placement. In the coming weeks, we expect to have conversations with the State on how we can realize these opportunities for reinvestment. We will keep the Council apprised of our progress on these discussions and

we hope to have your continued support as we work with the State to identify a funding solution that is fair and that helps New York City maximize our resources. In summary, I would like to thank the Council for its leadership in our efforts to bring Juvenile Justice system to the next level. I'd particularly like to thank Chair Gonzalez and the Juvenile Justice Committee for their ongoing commitment to the work of DJJ and the young people we serve. We look forward to your continued support in our efforts to integrate DJJ with Children's Services, including the passage, we hope, of Intro 195, the proposed legislation that will formally merge the agencies. I would also like to take this opportunity to thank all of our stakeholders for their support and partnership during this transition, including especially the staff at DJJ. Working together with our partners across the City and State, we have a unique opportunity, we think, to develop a continuum of service that will help us to meet the goals of our entire Juvenile Justice system, to provide better care and treatment to young people involved, and to keep communities safe by reducing reoffending.

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We'd be happy now to take your questions.

CHAIRPERSON RECCHIA: Thank you, Commissioner. I'm going to ask a question, then I'm going to turn it over to my co-chair, Sara Gonzalez. You know, as you testified that, you know, this legislation was introduced, you know, and a lot of people keep on saying that, you know, it has really nothing to do with the budget, it's two separate issue. I just want to make that very, very clear. We could proceed forward without passing the merger, when we adopt it. The question I have for you is that, in your testimony today, you talk about it, it's an integration, and in the legislation it's a merger. Is there a difference? And why is that?

JOHN MATTINGLY: Not in my mind.

CHAIRPERSON RECCHIA: You're not answering the question.

JOHN MATTINGLY: It's, there's not a difference in my mind--

CHAIRPERSON RECCHIA: Then how come you didn't use the word merger in your testimony today?

JOHN MATTINGLY: I think of them as

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synonyms, perhaps they're not, I don't know.

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JOHN MATTINGLY: Correct.

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CHAIRPERSON RECCHIA: You know, this is, it's a question to, to me, that, you know, it's not being referred to as a merger, an integration, there is a difference. So, I think that is, it's a problem, I'll just tell you right now, it's a problem. And I just want to make you go on the record being very clear. In addition, is there going to be one person who'll be in charge of, you know, you said you're going to have a new division.

CHAIRPERSON RECCHIA: And, and who's going to be head of that new division?

JOHN MATTINGLY: Larry Bushing, right next to me here.

CHAIRPERSON RECCHIA: Okay. All right, I just want you to, you know, know that there's a difference and it's, it's a problem. In addition to that, on page five of your testimony, you said that an alternative to detention, you're starting a new program in Staten Island. Why are you starting this new program, why Staten Island?

LAWRENCE BUSHING: Good afternoon.

CHAIRPERSON RECCHIA: Just identify yourself.

LAWRENCE BUSHING: Sure, my name's Lawrence Bushing, I'm the Executive Deputy Commissioner over the, of the Division for Youth and Family Justice. So, as different alternatives to detention have come online, Staten Island has never been the first before in any of the new alternatives. So this is, this is one that we're trying out on Staten Island first. And the idea is we have kids who come into care who may not present a real significant risk to the community, but who's family tells the court that they simply cannot handle their youth, or the family's not able to provide the necessary care for the youth, and therefore, courts make the decision that there's a significant risk of reoffending or flight from the youth. The idea is to take those kids and create a respite type setting for them, to allow them to remain in the specially trained foster home for 21 days. It's a very small program, it's a pilot program, we only have really three slots at any one time. They turn over fairly quickly. But the idea was to do it in a

place where we could do it and see how it works,
and Staten Island really fit the bill for that.

CHAIRPERSON RECCHIA: Okay. Thank
you very much. Sara Gonzalez, co-chair.

CHAIRPERSON GONZALEZ: Thank you,
Chair. I just want to continue on the question of
Staten Island, and then I'll go on to my
questions. When was this decided about this
respite program in Staten Island? And I know it's
Center for Court Innovation, right, is part of
that?

LAWRENCE BUSHING: Yes, mmhm.

CHAIRPERSON GONZALEZ: How many
people will be able to utilize that?

LAWRENCE BUSHING: Sure. It's the
Center for Court Innovation, in partnership with
New York Foundling. And they sought grant funding
for that. And so, there'll be three slots at any
one time, with a maximum of 21 days in each slot
for each, each youth.

CHAIRPERSON GONZALEZ: Well, these
children will come directly from the court, or--?

LAWRENCE BUSHING: Correct, the
court will have this as an option as an

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alternative to--

CHAIRPERSON GONZALEZ: But it
doesn't matter where the children are from.

LAWRENCE BUSHING: No, the, it's
going to be in use in Staten Island.

CHAIRPERSON GONZALEZ: Is it just
for children in Staten Island, I'm sorry, I'm not--
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LAWRENCE BUSHING: Yes.

CHAIRPERSON GONZALEZ: Only for
Staten Island children.

LAWRENCE BUSHING: Yes.

CHAIRPERSON GONZALEZ: Okay, the
question I have is, was there like a needs
assessment or something to determine that there
was a need for this?

LAWRENCE BUSHING: In conjunction
with the risk assessment instrument--

CHAIRPERSON GONZALEZ: Uh-huh.

LAWRENCE BUSHING: --when you look
at kids who go to detention who are not high risk,
the kids who are mid-risk and low risk, you see
those, that decision making is generally driven by
two factors; one would be the seriousness of the

1 offense. The RAI does not take into account the
2 seriousness of offense when making an assessment
3 of level of risk, so courts often hear about the
4 case or cases before them and make that assessment
5 based on presentations by the attorneys. That's
6 one of the factors that tends to result in kids
7 who are mid- and low risk being in detention. The
8 second is the family functioning that I described
9 to you, where a parent will come into the court
10 and say, "I'm scared for my child, I can't control
11 my child, my child stays out all night, I don't
12 know what my child is doing," and expresses either
13 an unwillingness or an inability to supervise
14 their child. So, this is meant to address that
15 population. There are other cities such as
16 Chicago that has a well established respite
17 program. And so this is our first kind of foray
18 into that area, with the idea being that in many
19 respects, when you take kids who are, who have
20 criminal involvement or Juvenile Justice
21 involvement, and put them together, and you can
22 sometimes create an atmosphere that, in essence,
23 they call it deviant peer contagion, it makes,
24 they learn from the kids who have the most serious
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2 offending. So, the idea here is to keep them with
3 a family who can actually work with them and
4 provide support, and give the family a chance to
5 kind of put systems in place and the court to get
6 systems in place, that will help to address the
7 needs of the child and mitigate any risk
8 associated with their behavior.

9 CHAIRPERSON GONZALEZ: You have
10 number in respect to how this came about? I mean,
11 I know Center for Court Innovation and how they
12 work, 'cause they're out here in Brooklyn as well
13 in Red Hook. But what determine that Staten
14 Island had this need. That's the question. I
15 know about all the crimes that are being committed
16 by children, I understand numbers are high. We
17 have over 5,000 children that are being detained
18 in a year. But my question is, how did you come
19 to the decision that there were X amount of
20 numbers in Staten Island and that this would be
21 the way to go? Was it New York Foundling, was it,
22 you know, Center for Court Innovation? What are
23 the numbers, that's the question.

24 LAWRENCE BUSHING: So, it was a
25 proposal by the Center for Court Innovation, and

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2 New York Foundling. It wasn't our proposal. But
3 we obviously, as a City, have formed a
4 stakeholders group that is looking at a lot of
5 alternatives to detention, and has first developed
6 a risk assessment instrument and then developed
7 the alternatives. So it was an outgrowth of that.
8 I don't know, beyond what I've shared with you up
9 until now, I don't know beyond that what their,
10 what their numbers were that supported that.

11 CHAIRPERSON GONZALEZ: Well, use
12 your--

13 LAWRENCE BUSHING: I can get you
14 there, I can get you the grant application.

15 CHAIRPERSON GONZALEZ: Yeah, 'cause
16 usually there's a need. If there's a need, then
17 you move into where the need is, so my question
18 perhaps Center for Court Innovation did some kind
19 of assessment and came to the realization there
20 was a need in Staten Island to have this there.
21 And I just want to understand how we're working
22 with it and supporting it, and really this is like
23 the first time that I'm aware of it. Not that I
24 have to know everything, but I certainly would
25 like to. So, I would like to know about numbers,

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2 because that's how we determine that there's a
3 need to do something.

4 JOHN MATTINGLY: If I might add, we
5 will of course get those numbers to you, but we
6 don't want to mislead anyone that we think the
7 need is greatest in Staten Island. We believe
8 that--

9 CHAIRPERSON GONZALEZ: Exactly.

10 JOHN MATTINGLY: --Staten Island
11 had a sufficient need, and we want to pilot this
12 program and get it going, and you know, Staten
13 Island is always last. So we wanted them to be
14 first.

15 CHAIRPERSON GONZALEZ: You know, I
16 have to say, that we, the work we do here is for
17 the entire City. Absolutely. It's for the entire
18 City and for all the children in the City. But
19 all I'm saying is, if you have numbers that are
20 higher in another area, you can always, because I
21 think sometimes if you take a child out of their
22 community, sometimes it's better. So all I'm
23 saying is, I'd like to see the numbers, please,
24 thank you. Commissioner Mattingly, when you speak
25 about the, you speak about a strategic plan, and

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2 the kind of analysis that's been conducted since
3 that plan in January, is that something that goes
4 hand-in-hand, or--and is that something that we're
5 going to get in writing or in some kind of the
6 Council. Are we going to be receiving that?

7 JOHN MATTINGLY: As we go forward,
8 we are in the midst of doing analyses of the data.
9 For example, of the number of young people passing
10 through secure detention, and where the high
11 points and low points are in the need for secure
12 detention. As we get that pulled together, and I
13 received a draft of it about a week ago, we will
14 make that as part of our decision making regarding
15 our move to close Spofford sometime in the coming
16 year So that we don't do it at a time or when we
17 are not ready to meet the needs of every kid who
18 needs detention, we'll put that into the strategic
19 plan. We would be very happy to share every step
20 along the way with you and Council Members, and
21 would be inclined to set up a meeting whenever you
22 want to, to at least see where we are now. I
23 would say, I don't think there will be any
24 surprises based on our discussions to-date with
25 the Council about new directions or anything like

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2 that. We are proceeding in a planful way based on
3 the goals that we set ourselves with Council back
4 in January, February and March.

5 CHAIRPERSON GONZALEZ: Okay, well,
6 first of all, in order to move forward, I think
7 to, I think it's important that I clarify
8 something. We are responsible as a Council as you
9 know to at some point approve or not approve the
10 required legislation. We are also the folks that
11 approve the transfer of DJJ's budget to, say, ACS,
12 in this legislation. So, if you're stating that
13 you have made an analysis, it is a vision? But
14 there's nothing in reality at this point? Is it
15 an actual strategic plan? Or you're still--
16 because what I'm understanding is that you're
17 still waiting to get these numbers, in order to
18 determine--

19 JOHN MATTINGLY: It's to finalize
20 the timing, Chair Gonzalez, not to make a change
21 in the strategic direction that we have spoken
22 about up to now. That direction being focused on
23 fewer kids being held in secure detention for
24 shorter periods of time, more family support and
25 intervention, so families get the skills they need

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2 to take care of these young people. And the
3 development of a range of already proven
4 alternatives to detention that will help us keep
5 track of these young people without necessarily
6 locking them up. That's still the strategic
7 vision. The question is, for example, if we have
8 300 secure beds, and on any given day, and these
9 numbers aren't exact, but at any given day we have
10 250 kids in secure detention, at--how can we go
11 forward toward using that, those 50 beds, the
12 resources there, for more community based
13 alternatives? That's what leads you in the long
14 run toward the Spofford decision, for example.

15 CHAIRPERSON GONZALEZ: Okay. And I
16 just want to say, in reference to Spofford, and I
17 want to say it on the record, and I have been
18 saying this in most of my hearings, we, I, Sara M.
19 Gonzalez, wants to close Spofford. I cannot do
20 that alone, I need the support of everyone, my
21 colleagues, the advocates, the entire City, and I
22 know that there has to be some kind of transition
23 plan. I know it's not something that's going to
24 happen overnight. But I am so glad that I'm in
25 office seven years, and they're finally moving in

1 the right direction. I just want to say that. So
2 for the record, Sara M. Gonzalez wants to close
3 Spofford. Now, I also just want to say that the
4 analysis and strategic plan for me, that's sort of
5 a formal document, something formal, something
6 hardcopy that we could look at. You can't sort of
7 look at things and say, "We're moving that
8 direction, we're going to modify budgets, we're
9 going to do all that" if we don't have that.
10 That's why I'm such a stickler on that. Okay, I
11 just want you to know. And bear with me, because
12 when you sit here and you chair a committee that's
13 going through such significant changes, that's
14 going to impact so many children in our City, I
15 have to be responsible, and I have to say to you,
16 shouldn't you have garnered our, us, the Council,
17 and said to us, you know, "This is what we're
18 doing with the budget, and we're doing it," but
19 not do it and then be here. That's my concern,
20 and I know my colleagues have the same concern,
21 'cause I've heard from them. We're going to vote
22 on something, but realistically we have not been
23 in the process to that extent. I think that I
24 have reached to you, I think you have been very

1
2 forthcoming, I said that to you one-on-one. And
3 it is important that we do that. But in doing
4 that, we have to be in the process.

5 JOHN MATTINGLY: I certainly agree,
6 I apologize if any members of the Committee or if
7 Council feel that this move to put the budgets
8 together was in any way an effort to change the
9 direction or ask the Council to do something that
10 was different from what we have been talking about
11 for the past six months or so. I think there is
12 legitimate confusion, however, over what the
13 combining of the budgets means. All we have done
14 is taken the budget that we submitted as a
15 separate budget for DJJ, in January, and
16 integrated it into the ACS budget. The document
17 that I think you were working from is one I hadn't
18 seen, which looks as if it's just a, all of a
19 sudden ACS has gobbled up DJJ. There is no change
20 in the budget, and I can show you the one page
21 document for our five year plan, which, in which
22 you can compare the Youth and Family Justice
23 budget, the division within ACS, with what we have
24 been proposing, and you'll see it's essentially
25 the same. So that confusion is our fault, and I

1
2 apologize for that.

3 CHAIRPERSON GONZALEZ: Talk a
4 little bit about how it's going to impact
5 services, from having seven programs to one. I
6 think that's important. And again, it goes back
7 to what Chair Domenic Recchia said, in respect to
8 integration versus merger. 'Cause I know on your
9 website, it says, I believe, integration; and the
10 Mayor's statement states merger. So, though, it
11 can, I guess, it's almost like you're going to
12 take something and it's going to be one. But how
13 is it possible, and I know that this is something
14 that I have to make right in my own mind, how is
15 it possible that you're going to have a child who
16 probably has dysfunction in the family, who needs
17 supervision from ACS, who may be at risk, and, you
18 know, sort of merge them with the same, you know,
19 the same head, in respect to a child who has
20 committed a crime and perhaps, or is alleged to
21 commit a crime. And, you know, so that's the part
22 that--

23 JOHN MATTINGLY: Right.

24 CHAIRPERSON GONZALEZ: --I struggle
25 with.

JOHN MATTINGLY: There will not be an integration of the child welfare/child protection function with the juvenile justice function. So, the same juvenile counselors will be working in both the non-secured and the secure detention programs. The staff who have been employed doing direct work in the facilities of all kinds will still be doing that same direct work. What we will be add--what we will be doing is adding. So we are going to be adding to that, new alternatives such as the respite care home, new specialized foster families who will not take child welfare children who are supervised by child welfare foster care agencies, but will take children who come to us through the DJJ direction. We're not trying to integrate the populations or the staff. As you may know, child welfare has a history around the country that I've seen again and again, of not being able to do a good job with teenagers, much less with teenagers in trouble. Now, that doesn't need to be that way, and that's why we have expanded our juvenile justice work within child welfare. So that we can show that these are all our, these are our children, and our

1 families, they're not just moving from one system
2 to the other so child welfare walks away. So, if
3 you look at juvenile justice initiative, what
4 we've done is set up, for example, a highly
5 structured process of working regularly, more than
6 weekly, with a family. The foster child who's
7 been caught up, who's been out of control, let's
8 say, but not necessarily has broken any laws, and
9 is a child welfare child therefore, or is already
10 in foster care and is running around, that
11 specialized JJI program was designed for them. So
12 that they have a highly structured but community
13 based program. We will set up that same kind of
14 program for juvenile justice kids, as well.

16 CHAIRPERSON GONZALEZ: Just say one
17 more thing in respect to this. What about, and I
18 go back to the seven programs that Jackie James
19 was sitting there.

20 JOHN MATTINGLY: Mmhm.

21 CHAIRPERSON GONZALEZ: You know, is
22 that something that you're going to continue to
23 work with, even though you're making it into one?
24 Because I know you explained it, and it sounds
25 like I'm not understanding you, and I'm being

1
2 redundant, but I really need to understand, it's
3 been a lot of work. I mean, are we just going to
4 scrap it? You know, that, that's--

5 JOHN MATTINGLY: Absolutely not.
6 It, programs will continue within ACS the same way
7 they have been operating within DJJ. Same people,
8 same work. Unless there's a particular program
9 that we're proposing to close down as I mentioned
10 regarding the CEO program.

11 CHAIRPERSON GONZALEZ: Does Jackie
12 want to say anything about that?

13 JACQUELINE JAMES: So, just from
14 big picture, the administrative function is what
15 is being integrated. The program, program piece
16 are staying, they're just being merged into ACS
17 budget. They have their own object code, their
18 own budget code, like they did at DJJ. They're
19 just in a different unit of appropriation with
20 ACS. You can, there's a clear walk-through, a
21 clear crosswalk.

22 CHAIRPERSON GONZALEZ: Isn't it on
23 the budget just on one single line?

24 JACQUELINE JAMES: No.

25 JOHN MATTINGLY: No.

CHAIRPERSON GONZALEZ: It's not on the budget in one single line?

JACQUELINE JAMES: No, it's not.

JOHN MATTINGLY: No.

JACQUELINE JAMES: It gets broken by object - -

JOHN MATTINGLY: See the document you have shows that--

CHAIRPERSON GONZALEZ: OTPS, - -

JOHN MATTINGLY: But the documents that are the foundation of the document you have breaks them out.

CHAIRPERSON GONZALEZ: I don't have it here. - - copy? [pause] Okay, oh, okay, great, thank you, thank you. - - All right, thank you, we had not received it, thank you so much. Okay, we're going to stop my line of questioning. I do have a few questions, please bear with me, because Dan Halloran wants to ask a question.

COUNCIL MEMBER HALLORAN: I appreciate that, I have a--

CHAIRPERSON GONZALEZ: Council Member Halloran.

COUNCIL MEMBER HALLORAN: Thank you, I have a 3:00 o'clock that I have to get to, so I just wanted to come in here and throw the grenade and then leave. [laughter] I have two lines of questions. The first, very simply, is following up on the Chair's question. I have been a prosecutor, I have been a police officer, I have been a criminal defense attorney. I have some very grave concerns about the merger. And believe me, I was one of the people in my election calling for the merger of every agency we could to save redundancy. Here's my problem, and I'm going to draw an analogy for you. If the Queens district attorney's office suddenly decided it was going to run Safe Horizons, the Fortune Society and the Department of Probation, there would be an inherent conflict of interest. You cannot prosecute somebody you're attempting to provide social services to. It is a legal impediment, it is a moral impediment, and I would venture to say that the State Bar Association, the canon of ethics, will have a huge problem with one agency administering both the programs to treat and incarcerate the individuals you're seeking to

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2 prosecute. So, while I understand that you're
3 maintaining two separate budgets, and this is a
4 slightly off budget question, the end result to me
5 as a licensed attorney practicing law,
6 understanding conflicts of interest, says you
7 can't do this.

8 JOHN MATTINGLY: Okay. I'll turn
9 this over to the attorney who was prosecuting
10 these cases until March, so. But just in general,
11 the fact that we are providing help to families
12 and children doesn't mean that we're also going to
13 be taking them into court and prosecuting them.
14 That's what the Law Department does, and they are
15 separate from us and not affected by what we are
16 doing. Nor do they always accept our
17 recommendations. Now, I'm speaking of DJJ up to
18 now

19 COUNCIL MEMBER HALLORAN: Right.

20 JOHN MATTINGLY: --'cause that's
21 who we worked with. So, that's one of the reasons
22 I hired Mr. Bushing here, was to make sure that
23 we kept clear our commitment to safety in the
24 community. And didn't get helping kids and
25 families confused with keeping the community safe.

1
2 But the big picture is that young people who are
3 kept in detention or in OCFS facilities too often
4 come back to us. And if we are able to intervene
5 earlier with the family we'll have success. Not
6 because we're softhearted liberal social workers,
7 but because we believe that will be more
8 effective. Larry?

9 COUNCIL MEMBER HALLORAN: Well,
10 you'll find ironically I'm about to agree with
11 you, but, but that's, you know, that's, please,
12 please answer.

13 LAWRENCE BUSHING: Sure. So, I can
14 tell you from personal experience with my Michael
15 Cardozo [laughs] that he, who is a corporation
16 capital--

17 COUNCIL MEMBER HALLORAN: Who
18 doesn't listen to anybody. I'm sorry.

19 LAWRENCE BUSHING: [laughs] And who
20 oversees, who oversees the prosecutors in the
21 family court, where I used to work, that he views
22 the independent function of the prosecutor as
23 being imperative, as being something that he
24 guards very closely. And I can tell you in the
25 past when we've had occasions where the City has

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2 had things that they've wanted to do, wanted to do
3 in juvenile justice, Mr. Cardozo made very, very
4 clear to me that we were to maintain, we were to
5 be, of course we're a City agency and the goal was
6 to, to be, you know, to look for opportunities to
7 collaborate, but to maintain that, that function
8 of an independent prosecutor, and that being a
9 paramount function of his office. And I would
10 agree with the Commissioner that one of the
11 reasons why I think I was brought into this role,
12 and stopped as the prosecutor, is that I am here
13 to kind of make sure that there remains a--

14 COUNCIL MEMBER HALLORAN: That
15 wall.

16 LAWRENCE BUSHING: --focus on
17 public safety. And that remains part of what
18 we're, what we're doing. And so I can, I can tell
19 you my successor in the Corporation Council's
20 office was my deputy, she is a strong, independent
21 person, and she is going to run that office, I
22 think very well and very independently.

23 COUNCIL MEMBER HALLORAN: Okay.
24 Again, expressing my concern, that you do have a
25 quasi-Department of Probation sort of feel to you,

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2 in your agency, that walks hand-in-hand with the
3 services, such as provided by things like Fortune
4 Society, Safe Horizons and whatnot. And now
5 you're merging that, and I, I just want to express
6 concerns. The other side of the coin is the
7 budget side of this, which I'll actually wind up
8 agreeing with you. It costs us approximately
9 \$210,000 per youth to incarcerate upstate in these
10 facilities. And the State continues to bill us
11 more when we send less. It's sort of like our
12 water rates, right, we conserve more and more, and
13 yet somehow they want to get more and more from
14 us. And it costs us only about \$15,000 to \$25,000
15 to have alternative programs for these youth
16 downstate. We know the recidivism rate is
17 somewhere between 75 and 85 percent for these
18 children who are incarcerated upstate, and we also
19 know that within three years almost 80 percent of
20 these kids become recidivists when returned to our
21 populations downstate. Given the fact that almost
22 half, more than half, 53 percent of the people
23 sent upstate are sent up for misdemeanor offenses,
24 are incarcerated for misdemeanor offenses, these
25 alternatives programs are a fantastic thing. My

1
2 question is why, if we're expecting a \$5 million
3 decrease, that we're only putting \$1.8 million of
4 that into alternative programs, and corollary to
5 that, when we're spending over \$100 million a year
6 to send upstate to fund OCFA, why is it we aren't
7 making a much more concerted effort to pull back
8 and pull away from upstate incarceration
9 facilities, even if that means more downstate
10 facilities and more downstate operations?

11 JOHN MATTINGLY: The second
12 question first. That's the vice that the State
13 has us in. Whether we send one kid or a thousand
14 kids, we're still going to get, half to pay 50
15 percent of their full cost in those facilities.
16 So, our, what we need to do is take that 50
17 percent, or some of the savings they're having, by
18 closing down units or institutions, and have the
19 State give us that 50 percent to help us build
20 local alternatives. We can't move very far, we
21 can some, without that kind of flexibility. Oh,
22 go ahead.

23 LAWRENCE BUSHING: No, I would
24 just, I would add that the \$1.8 million that you
25 mentioned is City tax levy, but that can also,

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2 because we can operate as a preventive service, be
3 matched by State funds, at a two-to-one rate. So
4 we can actually leverage that to make significant
5 dents in the, or significant progress in the
6 alternatives to detention.

7 COUNCIL MEMBER HALLORAN: And is
8 the function of our vice grip from the State
9 solely a legislative function? Or are we talking,
10 I mean, we would need the State Legislature to
11 actually undo the incarceratory scheme as it relates
12 to the upstate facilities. And why would 50
13 percent of the beds upstate be designated for New
14 York City children, and therefore, or presumably
15 so--

16 JOHN MATTINGLY: They're not.

17 COUNCIL MEMBER HALLORAN: --if 50
18 percent of the costs are being born by the City.

19 JOHN MATTINGLY: Yes, well, we have
20 about, in the 60s to 70 percent of the kids, in
21 the, in the State system. It's those kids whom we
22 are paying for. But on a per diem rate that keeps
23 going up as we bring the numbers of them down.

24 COUNCIL MEMBER HALLORAN: Okay.
25 Thank you, that, thank you, Madam Chair.

CHAIRPERSON GONZALEZ: Okay, before I defer to my other colleagues, I just want to ask you one more question, and then we'll come back. Have you already implemented a headcount reduction plan, including a plan to lay off staff members? And I know you sort of spoke about this in your testimony a little bit, but have any staff already been terminated? Have other staff been told that their employment will end with the close of this fiscal year? And I think at the same time, if you could elaborate, how is that being handled in respect to these employees who are losing their positions. And as I think I spoke to you about this earlier, we're not, are you bringing in or hiring--I know you spoke about the Deputy Commissioner, I heard that--

JOHN MATTINGLY: Associate, yeah.

CHAIRPERSON GONZALEZ: Associate Commissioner. So, it's, are those folks being, are you going to be hiring other folks. And then these people that are already there, people that are so pertinent to this population. And how is it being handled? This is what I want to know, because I think if I was in a place that I knew

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2 that they were cleaning house, I'd be like a
3 nervous wreck trying to figure out if I'm going to
4 have my job. And, you know, I would like to see
5 the plan, if there's any sensitivity involved in
6 there, and if you could just elaborate on those
7 areas, please, thank you.

8 JOHN MATTINGLY: Sure. Sorry for
9 digging around here. As we presented the January
10 plan, we called for a reduction in staff in DJJ
11 through identification of administrative
12 duplication, and administrative integration of the
13 two agencies in the amount of about \$2.8 million
14 city tax levy. We then did the functional
15 analysis to determine which DJJ staff, for
16 example, doing budget, or doing administrative
17 work, were necessary if we joined the two
18 agencies, and which could be integrated into the
19 current budget staff in ACS, and how many were
20 excess. As we, just I think it's the exact number
21 we were talking about, but it may be two or three,
22 more or less. There will be 46 total layoffs at
23 the end of June, 37 of those staff are pure
24 provisionals, nine of them will return to an
25 underlying title that they have, and six of these

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2 staff found positions in ACS or other agencies.
3 We also will be having four total demotions, three
4 title demotions with salary decrease, and one
5 title demotion with no salary decrease. Those
6 staff have been informed per the very complicated
7 and specific requirements of our contract, and
8 with the help of the OLR and DCAS, the notices
9 have been sent out as required, the union has been
10 notified. And however, I do want to be clear that
11 the process by which we make these announcements
12 tends to be extremely controlled by civil service
13 and the union labor, the labor agreement. That's
14 why we do it the way we do, and have to do it the
15 way we do it.

16 CHAIRPERSON GONZALEZ: I just want
17 to say that you're probably going to think this is
18 crazy, but what if, what if this merger did not go
19 through and it was not approved? Or, the budget
20 was not approved? So what happens--

21 JOHN MATTINGLY: Sure.

22 CHAIRPERSON GONZALEZ: --to those
23 folks that, I think there were approximately 20,
24 17, that are laid off completely, they're--

25 JOHN MATTINGLY: Well, in--in point

of fact, well let me go through the whole picture. The budget integration, merger, whatever, that's called for July 1, was proposed, and it is only proposed to the Council as part of the proposed Executive Budget, because at any point after that, suppose we and the Council decide on, or the Council decides to approve the merger January 1. We then have to change all of the contracts we have with all of our providers in the middle of the process. This makes it much cleaner to start the new fiscal year with all of our provides contracting with ACS. So, there will be enormous upheaval in the contracting process, if we wait into the next fiscal year to make this--the budget integration. On the, on the question of the staff, it would still be my prerogative as Commissioner of DJJ, I think, to eliminate staff positions, not necessarily staff, that I don't think are required anymore, and to assign workers to work with one division as opposed to another. So, I would undoubtedly continue on this process because it's the way in which we can fund alternatives to detention.

CHAIRPERSON GONZALEZ: --hear you,

1 Commissioner, and I respect your prerogative, and
2 I just want to say that in the end, we will do
3 what's best for the children, and what results in
4 rehabilitation, that's really important to this
5 Committee. Because we do understand that these
6 children need a lot of work. And also, I have one
7 more question in reference to the organizations
8 that you dealt with before, alternatives to
9 incarceration programs, that were community based,
10 I believe. Are we going to be utilizing any of
11 those?
12

13 JOHN MATTINGLY: They will all be
14 utilized as they have been up to now. There will
15 be no cuts in them, no changes in how we are
16 functioning. As you know--

17 CHAIRPERSON GONZALEZ: But they're
18 not, they're not all going to be court programs.

19 JOHN MATTINGLY: No, not at all.

20 CHAIRPERSON GONZALEZ: Okay.

21 JOHN MATTINGLY: None at all,
22 actually, so--

23 CHAIRPERSON GONZALEZ: Okay. All
24 right, I'm going to defer to my colleague, Lew
25 Fidler. Thank you. Thank you, Commissioner.

COUNCIL MEMBER FIDLER: Thank you, Chairwoman Gonzalez. I'm sorry Councilman Halloran ran out, because I was confused by his conundrum. This agency has no prosecutorial powers and judges decide whether or not kids go into ATD or detention, am I correct? So, the more appropriate analogy would be, you know, we fund the police, we fund the DAs, we fund probation, we fund corrections, I don't see the difference. So, I, I'm a little confused. Commissioner, we've had discussions about at risk youth before, but not since you added a hat. So, I have to say that I was pleased but concerned during the Mayor's State of the City address when he announced, I think he used the word merger, you're using the word integration, I'm not sure there is a difference, of the functions, because clearly the rhetoric around this process said the right things to me. But I've often been concerned that such a merger or integration of services was a hidden budget cut. Because of that, I think the numbers, and Councilwoman Gonzalez referenced his in her earlier questioning, I think the numbers are very important, and I will take this

1
2 opportunity to say that since we haven't had this
3 conversation, I want to agree with the Chairwoman
4 about closing Spofford. I think I've been asking
5 for that for about seven years. So, it's--I look
6 forward to the day. Having visited it, I can say,
7 I'm very confident in that feeling. The Mayor's
8 preliminary management report has numbers, they're
9 not broken down. How many secure detention
10 facilities do we have now, and how many beds do
11 they have?

12 LAWRENCE BUSHING: We have three
13 secure facilities. There's 124 each in Horizon
14 and Crossroads, and 71 in Bridges or Spofford.

15 COUNCIL MEMBER FIDLER: And what
16 capacity, what is their average utilization?

17 LAWRENCE BUSHING: Generally, well
18 today it's 75 percent. It varies seasonally.

19 [pause]

20 COUNCIL MEMBER FIDLER: I know this
21 doesn't make for good TV, but I think this is
22 important.

23 LAWRENCE BUSHING: And I have it.
24 [pause] Okay, so the average daily population in
25 secure over the past Fiscal Year, 2009 July

1 through March, was 279.7; and Fiscal Year 2010
2 July through March was 244.9. Overall in Fiscal
3 Year 2009 it was 278.6.
4

5 COUNCIL MEMBER FIDLER: Out of how
6 many again? I--

7 LAWRENCE BUSHING: 319.

8 COUNCIL MEMBER FIDLER: My math
9 skills have eroded. Out of, I'm sorry?

10 LAWRENCE BUSHING: Out of 319.

11 COUNCIL MEMBER FIDLER: Out of 319.
12 So, about 270 out of 319. Okay. How many ATD
13 programs do we have?

14 LAWRENCE BUSHING: Well, there's,
15 there's one in each borough, that were set up
16 through the RAI continuum. That's an afterschool
17 program. In addition to that, there are,
18 affiliated with each of those, community,
19 community monitoring, that is provided by the same
20 community based providers. On top of that, there
21 is a program administered citywide by the
22 Department of Probation called Intensive Community
23 Monitoring. We also have the programming coming
24 on board for the Staten Island respite care, we
25 have a new model coming on board called Way Home,

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2 that basically provides a tax, basically the same
3 population, looking at moving that same population
4 out of detention because of family issues, and
5 working with those families to keep the children
6 safe within the family. That's going to be in
7 Manhattan and Bronx. The Office for Children and
8 Family Services just announced three new contracts
9 for new providers that are going to establish
10 their programs. So there's, there's an array of
11 alternative to detention programs.

12 COUNCIL MEMBER FIDLER: Do you have
13 a capacity figure for those programs? Or is there
14 a capacity for those programs?

15 LAWRENCE BUSHING: I don't, I don't
16 think we have a capacity figure yet. The ones
17 that were just announced are, we don't have all
18 the details on that yet. But I can tell you that
19 the programming that we've had in place so far
20 over the last several years has operated close to
21 but not over capacity.

22 COUNCIL MEMBER FIDLER: So, you're
23 telling me we have space in both. Both secure
24 detention and alternatives to detention.

25 LAWRENCE BUSHING: Yes.

COUNCIL MEMBER FIDLER: Okay.

JOHN MATTINGLY: Well, I also want to be clear that that \$1.8 million is designated for us to develop and implement more alternatives to detention.

COUNCIL MEMBER FIDLER: And, and hopefully the support services that necessarily need to go with them.

LAWRENCE BUSHING: Absolutely.

COUNCIL MEMBER FIDLER: I, you know, again, that was, you know, those, those were the words that I heard in the State of the City address, and I want to be sure that those are the deeds that we're going to see. I, you know, I understand that you are working on a strategic plan, and I think you said in your testimony that you expected it to be ready at the end of June. I think I also heard you say that you don't expect it to be anything stunningly different than we've been doing. However, you know, we're going into--

JOHN MATTINGLY: Than we've been saying that we would do.

COUNCIL MEMBER FIDLER: Okay.
Going into a budget process where we're going to

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2 lay out an actual plan for your agency, without
3 having the strategic plan in place makes very
4 little sense to me. And I would like, I would
5 urge you to step up that analysis, that plan, so
6 that we can see those numbers and make intelligent
7 decisions about where we're putting our resources
8 in this area, and maybe find a way to assist you
9 in closing Spofford even sooner than sometime
10 later in the year.

11 JOHN MATTINGLY: If I could give
12 you an example that I think speaks volumes about
13 why we believe, and why the plan will show
14 specifically the numbers, from July to March, this
15 Fiscal Year, 41 percent of the young people who
16 came into detention left within one day. Many of
17 them we couldn't contact the parents, or whatever.
18 It's that kind of flexibility that we have, I
19 think, to bring down the numbers in detention, and
20 to bring up the numbers in alternatives.

21 COUNCIL MEMBER FIDLER: You know,
22 Commissioner, this is clearly one of those areas
23 with one size doesn't fit all, and I certainly
24 respect the fact that, that there are some
25 children, unfortunately, who require detention.

1
2 And for the safety of society, maybe even for the
3 safety of themselves. But, you know, I think we
4 really need to make sure that we are directing our
5 resources as are actually needed, and not as is
6 convenient. And so having the strategic plan in
7 place, you know, particularly in a tight budget
8 year, in advance of actually passing the budget, I
9 think is a good idea. Let me just briefly go to
10 one other area and this is one we have talked
11 about, and that, you know, was really, it
12 should've been called to everyone's attention in
13 the last couple of weeks with the Lawrence Taylor
14 situation, the alleged conduct. I mean, the young
15 lady who in my mind was the victim in this, was a
16 runaway child, not living at home. Had she been
17 arrested in the City of New York, without having
18 called for help, she probably would've been
19 treated by the Police Department not as a victim
20 but as a juvenile offender. And, you know, we're
21 missing, of course, the opportunity to have a
22 discussion about that in the City, because we're
23 just more, much more interested in the lurid
24 details. But the fact is, your agency now is
25 going to have one more area that, you know, needs

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2 to be integrated in the fight against homelessness
3 amongst children. You know, certainly, we've
4 discussed in the past that foster care is a steady
5 stream into homelessness, or certainly a
6 significant contributor. Juvenile Justice has
7 been a contributor, as well. Recent contact with
8 the, the Juvenile Justice system is a factor
9 amongst many young people who are found on the
10 street to be homeless. Well, now you've got them
11 both. What efforts are going to be made going
12 forward in this integration to make sure that
13 those spigots are turned off? And I would love to
14 hear something new and bold.

15 JOHN MATTINGLY: You would love
16 what?

17 COUNCIL MEMBER FIDLER: To hear
18 something new and bold.

19 JOHN MATTINGLY: Oh. Well, let me
20 be clear about the first issue. Young people who
21 are the victims of sexual exploitation. In point
22 of fact, we were all over working with the police
23 in that exact case, so I won't talk about
24 specifically what we all did to pull together to
25 do what we could to help that young lady who

1 basically then let us know she had had enough
2 help. We will continue, however, to press person-
3 to-person to get the help to that family that we
4 think they need. We have just let contracts for
5 the first time, for the second time, actually,
6 focused on providing care for sexually exploited
7 teenagers and their families. We have a set of
8 foster care related services, beds, for those
9 young women, mostly. Can't say where they are,
10 but we're already working hard with that
11 population. We intent to increase that service in
12 the new contracts, and we specifically put that
13 concern out there, because you have to worry about
14 these young people. Again, they're not easy to
15 work with, that's why there was a tendency to want
16 to secure them, but that didn't necessarily help.
17 So, we've been actually in child welfare working
18 on this population for a long time, many of those
19 kids are under 16, and even those over 16, you
20 know, they, they can be charged sometimes, but not
21 often any more. It's very difficult to do that.

23 COUNCIL MEMBER FIDLER: Well, I was
24 really looking for an answer more about the
25 integration of ACS, DJJ--or whatever we're calling

1
2 it now, and I'll talk to you about it in a second-
3 -DYCD and all those agencies in making sure that
4 one hand knew the, what the other was doing. But
5 so long as you mentioned it, at the end of April,
6 the Youth Services Committee held a hearing on
7 this issue a couple of weeks before the LT thing--

8 JOHN MATTINGLY: Right, mmhm.

9 COUNCIL MEMBER FIDLER: --looking
10 to coordinate better with the Police Department.
11 And I can clearly see that ACS should've been in
12 the room for that, that hearing as well, and I, I
13 look forward to having some conversation with you
14 about it. I don't think that we are taking a, an
15 integrated approach right now in the City of New
16 York to these kids. And there are thousands of
17 them at the very least. The last comment I'll
18 make before I turn it back to the Chair is
19 actually kind of petty and minor, but I think, you
20 know, I just can't help myself. We already have a
21 Department of Youth and Community Development.
22 Don't you think it's a little confusing to have
23 another agency have a Division of Youth and Family
24 Justice? You know, maybe, maybe we can, you know,
25 name this a little more--

JOHN MATTINGLY: Any ideas?

COUNCIL MEMBER FIDLER: How about the Division of Family Justice, just leave it at that, I think just, I think people will, I think you'll find as we go forward that people are going to be very confused, and we confuse enough people in government as is, so.

JOHN MATTINGLY: Yeah, yeah.

COUNCIL MEMBER FIDLER: Okay, thank you.

CHAIRPERSON GONZALEZ: Thank you, Council Member Fidler. I'd just like to take a second to welcome Council Member Maria del Carmen Arroyo, a member of Juvenile Justice Committee. Thank you for being here. And of--she has a question? [pause] Okay--Thank you.

COUNCIL MEMBER JAMES: Thank you, Madam Chair. I'm not sure we can call it Family Justice because I'm not sure how much of this is related to Justice as opposed to money. And so, until such time as we get to the bottom of this, I don't know if we could entitle it as such. Given that, I want to speak a little bit about the life skills program. The Department of Juvenile

Justice has included one-time payments each year to support this life skill programs for youth, program for youth within its custody. It provides comprehensive financial literacy as well a s life skills training. And in this proposed budget, the Mayor eliminates funding for it. Why is it?

LAWRENCE BUSHING: Basically the program was designed to help young people be able to prepare them to succeed at work and at school. There was an assessment done of whether it was succeeding in that, and the assessment showed that there were not any results that supported the model. So--

COUNCIL MEMBER JAMES: How do you define success?

LAWRENCE BUSHING: That there was no evidence that showed that it was actually helping young people to be ready for school or for, for work.

COUNCIL MEMBER JAMES: That was based on a recidivism rate, or--?

LAWRENCE BUSHING: Based, based on the measures of looking at whether they were transitioning to school or to work after

1
2 completing the program in any greater degree as a
3 result of the program.

4 COUNCIL MEMBER JAMES: So it
5 basically came down to its effectiveness, is that
6 what's--

7 LAWRENCE BUSHING: Exactly,
8 exactly.

9 COUNCIL MEMBER JAMES: Okay.

10 LAWRENCE BUSHING: That's not to
11 say that we're giving up on those things. That's
12 exactly the type of work that we're looking to do.
13 And we want to develop models that are going to do
14 that effectively.

15 COUNCIL MEMBER JAMES: Okay. I
16 wanted to speak a little bit about the empty beds
17 that we continue to pay for. I join with the
18 Mayor of the City of New York in criticizing the
19 State in having us, the City, pay for beds upstate
20 that continue to be empty, simply because it's a
21 cottage industry, and to employ people upstate.
22 So my question is, what is the status of any
23 legislation to reduce the amount of funding that
24 we pay to Albany to keep these beds on paper and
25 paper only?

LAWRENCE BUSHING: Sure.

JOHN MATTINGLY: Senator

Montgomery's bills have attempted to deal with this imbalance--

COUNCIL MEMBER JAMES: Senator

Montgomery is my mentor.

JOHN MATTINGLY: --in several ways,

but we do not yet have a proposal that deals directly with exactly this problem. That is to say that savings that, from closing down beds would be shared between the State and the City.

In addition to that, when young people are sent by the court to private agencies in lieu of OCFS, the City pays about 85 percent of that as well. We have asked the Senator's staff to take a look as well at that, to see if we cannot more evenly share those costs.

COUNCIL MEMBER JAMES: So, just to paraphrase, would it be fair to say that both the State and the City agree that these beds should be closed, the facilities.

JOHN MATTINGLY: No.

COUNCIL MEMBER JAMES: They don't. Fundamentally and philosophically we disagree on

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that?

JOHN MATTINGLY: I think that large numbers in the Assembly and in the Senate, especially those recommend--representing those communities where those facilities are, and especially their unions, are still quite opposed to these kind of changes.

COUNCIL MEMBER JAMES: And what-- and the City delegation, both in the Assembly and in the State Senate, are they standing strong? Or are they raising this as an issue?

JOHN MATTINGLY: I--There are of course a number of our delegation who are standing strong, but when it comes right down to it, we are not clear, sure, what's happening when decisions are made about the budget in terms of the very specific issues.

COUNCIL MEMBER JAMES: That's a shame. Clearly we need to close some of the facilities that are empty and transition those people who need jobs to other types of emerging industries. Last question is with respect to the layoffs. The layoffs, you indicated, I believe you said you're proposing to lay off 40 some odd

1
2 individuals.

3 JOHN MATTINGLY: Mhm.

4 COUNCIL MEMBER JAMES: 37. And is
5 that mostly administrative staff or is that
6 program staff?

7 JOHN MATTINGLY: It's
8 administrative and support staff.

9 COUNCIL MEMBER JAMES: Support
10 staff.

11 JOHN MATTINGLY: Yeah.

12 COUNCIL MEMBER JAMES: And support
13 and what particular area?

14 JOHN MATTINGLY: I can't tell you
15 specifically, but it would be--what'd be a good
16 example? Finance staff, facilities staff.

17 COUNCIL MEMBER JAMES: Okay, so
18 it's support st--Okay, thank you.

19 CHAIRPERSON RECCHIA: Thank you,
20 Member, Council Member Tish James. Commissioner,
21 on page six of your testimony, you stated that in
22 Fiscal 2011, right, there's \$123 million,
23 including \$114.5 million in tax levy. [pause]
24 Right?

25 JOHN MATTINGLY: Yes, mmhm.

CHAIRPERSON RECCHIA: when I look at the preliminary budget, right, the City's portion was \$91,379,000 and the State's portion was \$31,135,000, which would give me \$123. And you said \$114.5 is tax levy. So, where is the rest of the State, where's the State's money? Because in the Executive Budget they don't break it down, they just give a one line of \$123 million.

JACQUELINE JAMES: In the Executive Budget, there is an initiative where the Department of Juvenile Justice owes the State retroactively for kids that we place to the State. So, in 2001, we paid \$47 million; in 2010, it's now \$59 million. But they come back to us retroactively for those costs. The State budget proposal has an initiative to intercept, so the City's anticipating that the State will intercept this revenue. So what they did was they did a budget swap. They took downstate and put up tax levy dollars, and that's why there's an increases to \$114 million.

CHAIRPERSON RECCHIA: But--in the paperwork that we got from OMB and the State it

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doesn't say that.

JACQUELINE JAMES: Because it's, it's a zero impact. It's City coming up, State going down, the bottom line would be zero. So you won't see it unless you see the detail breakout.

CHAIRPERSON RECCHIA: But the paperwork that we asked for the detail breakout, and we don't see that. You know. And when I'm looking here, is numbers that--say that, I want to make sure I understand this. That's how come, you know, because, you know, if you ask me, you know, there's--there's an issue of--

JACQUELINE JAMES: \$22 million.

CHAIRPERSON RECCHIA: Right.

JACQUELINE JAMES: Yes.

CHAIRPERSON RECCHIA: \$22 million.

JACQUELINE JAMES: Yes. Our revenue budget, our, the Department of Education Budget is funded with tax levy and State funding.

CHAIRPERSON RECCHIA: Right.

JACQUELINE JAMES: If this, we have a revenue budget and we're anticipating money from the State. If the State intercepts, we won't have that money. So, we decided the State will

1
2 intercept but the Department has to run whole. We
3 can't have a gap in the budget. So the City is
4 going to give us the \$22 million that the State
5 may intercept based on the Governor's budget.

6 CHAIRPERSON RECCHIA: So you don't-
7 -and where would that say that in--I want to see
8 the documents that explains that and that says
9 that, 'cause I--

10 JACQUELINE JAMES: Okay, we can
11 provide--

12 CHAIRPERSON RECCHIA: I haven't
13 seen any of that.

14 JACQUELINE JAMES: We can provide
15 you with that technical document.

16 CHAIRPERSON RECCHIA: So I'm clear,
17 the \$22 million shortage comes from the State.

18 JACQUELINE JAMES: The \$22 million-
19 -

20 CHAIRPERSON RECCHIA: And you're
21 saying that the City's interception that, and make
22 a swap, so--

23 JACQUELINE JAMES: Yes.

24 CHAIRPERSON RECCHIA: That's why
25 they zeroed it out.

JACQUELINE JAMES: It's a swap,
yes.

CHAIRPERSON RECCHIA: And where
would those details be?

JACQUELINE JAMES: We can get you
those details later. Yeah, it's on my--I got it.
We can get you those details later.

CHAIRPERSON RECCHIA: When later?
The budget's now.

JACQUELINE JAMES: You want it
today?

CHAIRPERSON RECCHIA: Mmhm.

JACQUELINE JAMES: We can fax it
over to you after the hearing.

CHAIRPERSON RECCHIA: Yeah, if you
could fax it over tomorrow, we would greatly
appreciated it.

JACQUELINE JAMES: Will do.

CHAIRPERSON RECCHIA: Because, you
know, as far as we could see, you know, there's an
issue here of \$22 million.

JACQUELINE JAMES: We have it.

CHAIRPERSON RECCHIA: Okay. Can
you send it to my attorney, Tanisha Edwards.

JACQUELINE JAMES: Will do.

CHAIRPERSON RECCHIA: Okay. Ms. Gonzalez.

CHAIRPERSON GONZALEZ: Thank you, Chair. Commissioner, ACS has a PEG for the reduction of approximately 600 slots, a reduction of \$3.6 million for nonmandated preventive cases and PINS programs, amongst other programs. Will that reduction in PIN services be made up with DJJ funds?

JOHN MATTINGLY: No.

FEMALE VOICE: What'd he say?

CHAIRPERSON GONZALEZ: No.

JOHN MATTINGLY: Absolutely not.

CHAIRPERSON GONZALEZ: Okay. Absolutely not. Did you like that there? Will any of the ACS PEGs in the child welfare area, either the Child Protective Services or the Preventive Services, result in the reduction of Services to Juvenile Justice programming under the continuing services ideal that formed the basis of ACS/DJJ merger.

JOHN MATTINGLY: Absolutely not.

CHAIRPERSON GONZALEZ: Absolutely

not, good. ACS has had to make some cuts overall. Will any of those gaps be recovered due to the influx of DJJ funds? If so, how?

JOHN MATTINGLY: No.

CHAIRPERSON GONZALEZ: Are any of the cuts the result of the DJJ integration?

JOHN MATTINGLY: No.

CHAIRPERSON GONZALEZ: Okay. The DJJ agency gap closing program states that ACS/DJJ will divert 40 youth from OCFS placement to Family Focus treatment programs. Can you explain this? Is this Juvenile Justice initiative? How would this work? At what point can ACS/DJJ divert OCFS placement? How did you arrive at 40? Is that 40 more than the previous fiscal year? And why not divert more children?

JOHN MATTINGLY: That's the available funds we think that the State and the, the State can make available from savings this fiscal year coming up. And that's why we intend to serve at least those young people more expeditiously, using JJI models. But we wish it were much larger. We would intend it to be much larger, but because of the issues we've been

1
2 talking about regarding the upstate institutions,
3 we have access to--that's the amount of money we
4 expect we'll have access to from the State.

5 CHAIRPERSON GONZALEZ: Okay. All
6 right, now, the Collaborative Family Initiative,
7 originally was funded in '07 for \$621,000 by the
8 Council. The Administration then funded '08/'09,
9 two years, for approximately \$1.39 million. Now,
10 in 2010, the Council again supported it with
11 \$640,000. So the question is, if City Council
12 funding is available for 2011, would a restoration
13 of \$640,000 be appreciated?

14 JOHN MATTINGLY: Yes.

15 CHAIRPERSON GONZALEZ: If not--yes.
16 [laughter] That was quick. If not, what will
17 happen to the program if the Council is not able
18 to restore funding? Are you going to be lobbying
19 the Administration? Are you going to pursue that?

20 JOHN MATTINGLY: We don't lobby our
21 own Administration. We have conversations,
22 however.

23 CHAIRPERSON GONZALEZ: Okay, well,
24 I call it lobbying, you call it conversations.

25 JOHN MATTINGLY: But without--

CHAIRPERSON GONZALEZ: That's fair.

JOHN MATTINGLY: --support, we would be hard pressed to find resources for that program. Doesn't mean we could not do it, maybe on a smaller scale, but we would be hard pressed to do that.

CHAIRPERSON GONZALEZ: Okay.

[pause] If you could provide the Council with an update on the initiative, I would appreciate it.

JOHN MATTINGLY: Sure, happy to.

CHAIRPERSON GONZALEZ: Thank you.

CHAIRPERSON RECCHIA: Looking back at these numbers, is Department of Juvenile Justice still liable for reimbursement for several past years to the State? I can't hear you.

JOHN MATTINGLY: Go ahead, Jackie.

JACQUELINE JAMES: We have been billed, we have not paid.

CHAIRPERSON RECCHIA: Okay. And how much have you been billed?

JACQUELINE JAMES: Approximately year-to-date, \$72 million.

CHAIRPERSON RECCHIA: \$72 million?

JACQUELINE JAMES: Mmhm.

CHAIRPERSON RECCHIA: And before we merge or integrate these two agencies, would that bill be taken care of?

JACQUELINE JAMES: That is part of the intercept, the State will exercise its right to intercept any revenues to DJJ, if that bill goes through.

CHAIRPERSON RECCHIA: So it's possible that we won't be getting any money from the State.

JACQUELINE JAMES: It's possible. And the City's recognizing that, and that's the first initiative with the first swap. Of the \$22 million.

CHAIRPERSON RECCHIA: And, so how many years is it going to take us to catch up?

JACQUELINE JAMES: I don't know the answer to that question. I can look into it.

JOHN MATTINGLY: I would say that our general approach has been and will continue to be that, to, we are finding overpayments on our part, in addition to what they believe are underpayments on our part, and we--

CHAIRPERSON RECCHIA: You're saying

that you made overpayments that you're not getting credited for.

JOHN MATTINGLY: That's right, we're working on digging out all of the numbers in that regard.

CHAIRPERSON RECCHIA: Because--

JOHN MATTINGLY: Diligently.

CHAIRPERSON RECCHIA: Yeah, because, you know, this, this is a problem.

JOHN MATTINGLY: Yes.

CHAIRPERSON RECCHIA: It's a problem for me as a Finance Chair, and it's a problem, you know, why should we merge these two agencies when we still have an outstanding liability of \$72 million? And that's a problem, ACS has enough of its own budgetary problems. You know, we're closing daycare centers, we're closing all kinds of issues. I don't want to get ACS deeper into debt. So, I think this is a conversation we could, we should follow up on.

JOHN MATTINGLY: Be happy to do it. I was as surprised as you are when I found this out in February. However--

CHAIRPERSON RECCHIA: Yeah, well, I

1
2 found this out over the weekend looking at all
3 these numbers, and just didn't figure out, and had
4 a problem with it. And now I understand it much
5 more thorough--

6 JOHN MATTINGLY: However, we are
7 going to come to a reasonable figure with the
8 State that we can manage, that will not take
9 further funds out of either budget or the combined
10 budget.

11 CHAIRPERSON RECCHIA: Okay. And
12 when do you think you'll have a resolution of
13 this?

14 JOHN MATTINGLY: I'm not sure.

15 CHAIRPERSON RECCHIA: Okay.

16 JOHN MATTINGLY: It's an ongoing
17 process, and it won't be--

18 CHAIRPERSON RECCHIA: You think
19 you'll be done--

20 JOHN MATTINGLY: --all at once, you
21 must give us this amount, we'll give you that. It
22 will be over time as we negotiate.

23 CHAIRPERSON RECCHIA: All right,
24 well we're going to need some direction, if we're
25 going to, you want us to approve this merger.

1
2 This is an issue that we're going to have to have
3 much more details about and sit down and talk to
4 you about.

5 JOHN MATTINGLY: I should say, just
6 so, you know, for our perspective on this is that
7 the State, in fact, retrospectively, after a
8 number of years, four years, decided to raise the
9 rates that they had been charging us. It happened
10 alongside the--

11 CHAIRPERSON RECCHIA: So, so we got
12 a bill back--so we got a bill back in 2007 that
13 said one rate, and then we got a bill today that
14 raised the rate?

15 JOHN MATTINGLY: In effect, yeah,
16 yeah.

17 CHAIRPERSON RECCHIA: That's a good
18 argument.

19 JOHN MATTINGLY: Yeah. [laughs]

20 CHAIRPERSON RECCHIA: That's--All
21 right, we would like to, we're going to follow up
22 to have a meeting with your staff. What's your
23 name again?

24 JACQUELINE JAMES: Jacqueline
25 James.

CHAIRPERSON RECCHIA: Jacqueline James, we're definitely going to have a sit down, 'cause this is something I think we need to really hash out, you know, sitting on a table with the numbers right in front of us. So we have a better understanding and see how this could all be resolved. And I just want to clarify for myself, that you're going to have two budget lines, one for Juvenile Justice, or the new--and one for ACS? Could you just clarify that for--?

JOHN MATTINGLY: Our proposal is for one budget, with the new Division broken out within that budget, so that you can see, for example, that what we proposed last January is in fact what we are bringing in now.

CHAIRPERSON RECCHIA: Okay.

JOHN MATTINGLY: We have it broken out that way. There are two payrolls that we are told needed to be separated out so there wouldn't be any delay in July payrolls for DJJ staff. Other than that, we are proposing an integrated budget. However, we have line items for each of the pieces of the new division's budget.

CHAIRPERSON RECCHIA: Okay. I

1
2 don't have any further questions. Does any other
3 Council Member have any other questions? No.
4 Thank you very much.

5 JOHN MATTINGLY: Thank you.

6 CHAIRPERSON GONZALEZ: Well, I, I'd
7 like to close, and I just want to say thank you,
8 Commissioner, and thank you Deputy Commissioner,
9 and also Deputy, Executive Deputy Commissioner
10 Bushing, and Executive Commissioner Jacqueline
11 James. I want to thank you and I just want to say
12 in closing, this is really important--that we are
13 going to move forward, I see that, but it's
14 important that we look at that fine line between
15 the two populations. That's very important to us.
16 And in working and moving forward I'll say to you
17 that we did a lot, a lot of good work in the past,
18 we don't want it to be dismantling of an agency,
19 but strengthening of a rehabilitative process for
20 our children in the City of New York. And I
21 thank my colleague, Domenic Recchia and all the
22 staff that's here today. And thank you for
23 attending.

24 CHAIRPERSON RECCHIA: All right,
25 this concludes our Executive Budget hearing for

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2 today. The Finance Committee will resume the
3 Executive Budget Hearing tomorrow, May 18th at 9:30
4 in the Council Chambers. We'll be joined by the
5 Committee on General Welfare, chaired by my
6 colleague, Council Member Annabel Palma, to hear
7 from the Human Resource Administration, the
8 Administration for Children's Services.
9 Commissioner, you'll be back here tomorrow? And
10 the Department of Homeless Services. This hearing
11 is adjourned, I want to thank the entire City, New
12 York City Council Finance staff, especially
13 Tanisha Edwards, Juliana Hahn, Andy Grossman,
14 Andy--

15 CHAIRPERSON GONZALEZ: Lisette
16 Camilo.

17 CHAIRPERSON RECCHIA: Isha, and who
18 else did I forget?

19 CHAIRPERSON GONZALEZ: William
20 Hongach.

21 CHAIRPERSON RECCHIA: We got
22 everybody. This is adjourned.

23 [gavel]

24 CHAIRPERSON GONZALEZ: And you,
25 especially you.

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CHAIRPERSON RECCHIA: Yeah, yeah.

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CHAIRPERSON GONZALEZ: Yes, yes.

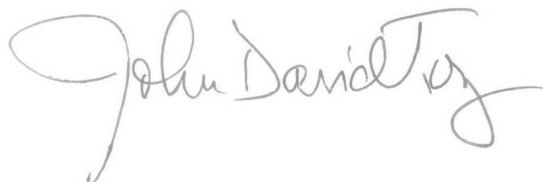
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C E R T I F I C A T E

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

A handwritten signature in cursive script that reads "John David Tong". The signature is written in a dark ink and is positioned above the signature line.

Signature_____

Date May 28, 2010