

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH
COMMITTEE ON EDUCATION WITH
COMMITTEE ON ECONOMIC DEVELOPMENT

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May 20, 2019
Start: 10:07 a.m.
Recess: 3:25 p.m.

HELD AT: Council Chamber - City Hall

B E F O R E: DANIEL DROMM
Chairperson

MARK TREYGER
Chairperson

PAUL VALLONE
Chairperson

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Inez Barron
Justin Brannan
Deborah Rose
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Carline Rivera
Mark Gjonaj
Peter Koo
Carlos Menchaca

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

Richard Carranza, Chancellor
Department of Education

Lorraine Grillo, President
School Construction Authority

Lindsay Oates, Chief Financial Officer
Department of Education

Karin Goldmark, Deputy Chancellor of
School Planning and Design
Department of Education

James Patchett, President & CEO
Economic Development Corporation

SERGEANT-AT-ARMS: This is a microphone check. Today's date is May 20th, 2019. Test. Executive budget hearing 2020 on Finance, Education, and Economic Development. City Hall Council Chambers. And if everyone could please find seats, we will begin. We are quiet in the Chambers, please. Thank you.

[gavel]

CHAIRPERSON DROMM: Okay. Good morning and welcome to the City Council's tenth day of hearings on the executive budget for fiscal 2020. My name is Daniel Dromm and I chair the Finance Committee. We are joined today by the Committee on Education, chaired by Council member Treyger. We have also been joined by Council member Brad Lander, Antonio Reynoso, Barry Grodenchik, and Justin Brannan. And I think that's it. Okay. And I'm sure others will be coming. Today we hear from the Department of Education, the School Construction Authority, and the Economic Development Corporation. Before we begin, I'd like to thank the finance division staff for putting today's hearing together, including the director, Latonya McKinney, committee counsels, Rebecca Chasten and Stephanie Ruiz, Deputy

Directors Regina Parada Ryan (sp?) and Nathan Tauk (sp?), Unit Heads Doheeny Sampora (sp?) and Crillian Francisco (sp?), financial analyst, Caitlin O'Hagan, Chelsea Betamore (sp?) and Alyiah Ali and the Finance Division administrative support unit, Nichole Anderson, Maria Pagon, Latina Brown, and Courtney Summarise (sp?) who pull everything together. Thank you all for your efforts. I would also like to remind everyone that the public will be invited to testify on the last day of budget hearings on May 23rd beginning at approximately 2 p.m. in this room. For members of the public who wish to testify, but cannot attend the hearing, you can email your testimony to the finance division at financetestimony@council.nyc.gov and the staff will make it a part of the official record. Today's executive budget hearing starts in the Department of Education and the School Construction Authority. I am going to briefly flag several areas of real concern.

First, the Council is troubled that the only-- that only one of our requests in the preliminary budget response is funded in the executive budget. We are relieved to finally see the

DOE's students and shelter program baselined at 11.9 million dollars and we appreciate that the administration has agreed to fund the additional 2 million dollars the Council provided this year for bridging the gap social workers in fiscal 2020. However, the Council had other significant education priorities including providing pay parity for early childhood educators, hiring additional social workers, and making greater investments in LGBTQ curriculum supports. None of these priorities are funded in the executive budget. As a former director of an early childhood education center, I am particularly troubled by the administration's unwillingness to address the pay parity issue for these essentials staff supporting our children's youngest learners.

Second, we are concerned by serious risks in DOE's budget. While the executive budget does add funding to support rising harder case costs, and it is unclear if additional investments will be needed and it is also unclear whether expanded special education programs in DOE district schools will ultimately lead to reduced spending on these settlements because the students currently turning to

private schools will be able to be accommodated in the public school system. In addition, the executive financial plan doesn't make any adjustments to the fiscal 2020 or out year budget for pupil transportation. This is true, even though we know the cost of these contracts has risen an additional funding will be needed to provide GPS on all school buses by September 2019, as required by recently enacted local law.

Finally, we remain concerned that DOE's budget does not accurately reflect the cost of its contract with New York City's schools support services, a nonprofit that provides custodial staff in schools.

Third, the Council remains dissatisfied with the presentation of the fiscal 20 to 24 year--five-year capital plan. Since we have already had two hearings to discuss this proposed plan, I will not belabor these points of concern and hope that we can continue a productive dialogue with DOE and SCA to address our requests. I am pleased to report that SCA has agreed to include identify K to 12 seat need in every subsequent amendment of the fiscal 20 to 24 five-year capital plan. However, one area of real

alarm remains the lack of transparent methodology for funding pre-K and now also pre-k seats. After investing 872 million dollars in the current plan on building pre-K seats, we are hearing that these centers underutilized and are siphoning students from long-standing nearby CBL providers. The proposed fiscal 20 to 24 plan allocates 550 million to pre-K and 3k seats with no breakdown of where these seats will be constructed or even how many seats will be constructed. The executive capital commitment plan reflects an increase of 15.5 million dollars for 3k seats in District 8, again, without any explanation of how this funding needs was determined or how many seats will result from this investment. The city's unwillingness to address pay parity in the lack of transparency and funding the construction of pre-K and 3k spaces are both threatening the stability of the contracted early childhood care system. Before we begin, I would like to remind my colleagues that the first round of questions for the agency will be limited to three minutes per Council member and, as councilmembers have additional questions, we will have a second round of questions at two minutes per Council member. I will now turn the mic over to my

cochair, Council member Mark Treyger, for his statement and then we will hear from DOE, Chancellor Richard Carranza, and School Construction Authority president, Lorraine Grillo. But I did just want to take a moment, also, to welcome the students from MS 50 who are here today and were out on the steps protesting they keep their middle school quality initiative program and their debate team going. Thank you all for being here.

CHAIRPERSON TREYGER: Thank you. Thank you, Chair Dromm. Good morning. I am Council member Mark Treyger. I'm Chair of the Education Committee. Welcome to the fiscal 2020 executive budget hearing on the Department of Education and the School Construction Authority. The Department of Education's fiscal 2020 budget of 27.1 billion dollars is 218 million dollars more than the pre-lim budget. This includes 350 million dollars in new needs for fiscal 2020 offset by savings and other adjustments. However, this is a deeply disappointing and unacceptable education budget for the Council. Particularly from a mayor who ran on a promise of schools, not jails. As Chair Dromm mentions, rather than new programs or services, the majority of new

needs funded in the DOE's executive budget are, in fact, mandated areas of spending that the Council identified as budget risks. I think it's worth noting that one of the risks areas is spending on charter schools which will total 2.3 billion dollars in fiscal year 2020. In terms of the Council's response, we saw almost no items funded in the executive budget except for a baselining of the students in shelter program that was, frankly, long overdue. And also, frankly, we need a lot more social workers for. I have been a fierce advocate for increases to fair student funding or FSF and I am deeply disappointed that the state did not provide additional funding the city is a road that would have allowed us to raise the FSF floor. However, I am also disappointed that the city did not step up to fill this gap in school budgets. FSF is a flexible funding source and not increasing can have, and will have, detrimental impacts. Newly hired staff may be accessed. Let me give an example. If you were a new special education teacher hired to better meet the needs of your students, you are most likely going to be accessed if we don't increase your school budget. If you are one of the few social workers

that were hired in the last year, you might be accessed if we don't increase these school budgets. I am even more frustrated that DOE did not make dedicated investments in social emotional supports. How was DOE able to find 20 million dollars to support borough office staff for the comprehensive school support strategy, but unable to find resources that could support staff and schools who provide direct services? Let me, again, highlight that in a district with 1.1 million children, we have only 2958 guidance counselors and 1335 social workers. We desperately need more social and emotional supports, but there is currently a baseless hiring freeze on social workers and guidance counselors. We also have only one title 9 coordinator which is why the council called for seven additional coordinators to be hired. Another council response item missing from the executive budget. After our hearing on title 9 last month, I am not sure if all seniors staff at DOE even know what title 9 is. I also want to point out that the school diversity advisory group issue a phone set of recommendations in February 2019 on how to better address integration efforts in our New York City school system. I am mindful that the mayor and the

Chancellor have been meeting and speaking with members of the group, but it's worth pointing out that not one time is allocated in the executive budget to actualize the recommendations from this old diversity advisory group. At free lunch, DOE given a peg target of 104 million dollars. While the department did exceed its peg target, including savings the Council called for such as reducing non-pedagogical staff in the central and borough office, some of the proposed savings are of concern to the Council. We want to better understand why DOE is baselining 6 million dollars in savings from the breakfast in the classroom program. What are the challenges to implementation? No child should ever go hungry in our city and cutting breakfast in the classroom will exacerbate food insecurity. Most of our children qualify for free lunch. It is a real need. And if there are issues to the program, you don't drop the program. You address the issues to the program. That is a complete copout. Another incredibly concerning cut is the 19 million dollar reduction support for extended learning time at renewal and rise schools. Over the past year, we heard repeated assurances that the resources provided

to these schools would not be reduced. Now we are seeing the opposite. We cannot break our promises to these schools and we must ensure they are given the resources they need to continue to succeed. And let me just remind folks here. These were schools that were given additional resources because they were short changed in the first place. More ways than one. And if the resources were turning things around and we are seeing progress children were benefiting both in terms of academic and social emotionally, you don't cut that. Especially when you are sitting on a 500 million dollars surplus that OMB just acknowledge recently. You don't cut that. You don't break a promise to kids and you don't cut vital funding for our children. It is unacceptable. There is also another issue that needs immediate attention, as the chair pointed out. We need salary parity for early childhood educators and directors. Teachers that have the same qualifications, with they work in DOE or adding CBO, should make the same. These educators work very hard with some of our youngest and most vulnerable student. We must address this parity issue once and for all. And I just have to say this again. The mayor's signature UPK program is on the

brink of collapse. I have met with a number, a significant number of providers across the five boroughs. They are in huge distress. They cannot retain educators. They keep losing staff. Means children during the formative years of their lives are seeing new staff turnover. Frequently over and over and over again. The educators are predominantly woman of color have the same qualifications as their DOE counterparts work longer days, and more days of the year, but yet are grossly underpaid. It's unacceptable. And I just want to also echo the Chair's thanks to the outstanding finance division and the City Council for their incredible work in preparing for this hearing. I want to also thank the education committee staff, Malcom Buterhorn (sp?), Jen Atwell, Kalima Johnson (sp?). and I want to thank my staff, as well. Anna Scafe (sp?), Vanessa Ogle. And I will turn now back to Chair Dromm.

CHAIRPERSON DROMM: Thank you very much, Chair Treyger. We have been joined by Minority Leader Steve Matteo, Council member Adrienne Adams, Council member Ampry-Samuel, Council member Levine, and Council member Gibson. And with that, I'm going

to ask counsel to swear the panel in and then you can submit your testimony.

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

CHANCELLOR CARRANZA: Yes.

CHAIRPERSON DROMM: You can begin.

CHANCELLOR CARRANZA: I was waiting for an introduction. Sorry. So, good morning, Chairs Dromm and Treyger and members of the Finance and Education Committees that are here today. My name is Richard Carranza and I have the honor of being the New York City schools Chancellor. Joining me this morning for Lindsay Oates, our chief financial officer for the New York City Department of education, Lorraine Grillo who is president and CEO of the New York City School Construction Authority, and Karin Goldmark, Deputy Chancellor for school planning and development, also with the Department of Education. I want to thank you for the opportunity to testify on Mayor DeBlasio's fiscal year 2020 executive budget as it relates to the Department of Education. Nearly a year ago, I appeared before you to testify about the budget as a newly minted

Chancellor with only eight weeks under his belt. Over the past year, I have been laser focused on disrupting the entrenched systems that have kept underserved students from achieving their potential. On acknowledging that some students need more support than others and providing that support, my goal today and every day that I am Chancellor, is to advance equity now. Only an equity approach can ensure that all of our students have the opportunity to receive the education, life skills, and social capital that opens doors to success and I would like to thank the Council for your dedication to the children of our city through your advocacy, generous funding, and partnership with the Department of Education. I am pleased to report that the mayor's fiscal 2020 budget, executive budget, continues this administration's investments to advance equity throughout our system and ensure our students have the tools that they need to succeed. Through our equity and excellence for all agenda, we have cumulatively made 4 billion dollars in new education investments in our schools. I wanted take a moment to highlight some of our Equity and Excellence for All initiatives that are raising the bar for students

across the city. Just two weeks ago, 65,521 families received an offer for free full-day high quality pre-k for all and we are building on this investment in early education with the expansion of 3k for all. Our focus on equity brought computer science for all to a record 134,000 students last school year. These students are writing code, building physical prototypes, and engaging in mobile app design and more. Thanks to this investment, we have seen a fourfold increase in the number of students taking and passing an advance placement computer science exam since 2016. The increases are even higher for female, black, and Latino students. For example, the number of female students alone passing an AP computer science exam has increased sevenfold. I would like to thank the Council for hosting this year's computer science for all hack league where students use computer science concepts to solve real world problems that impact their communities in this story chamber and elevating the work of our young computer scientists. Who knows? The next Steve Jobs may be sitting in one of our classrooms right now, poised to create tomorrow's big technology breakthroughs. But make no mistake. These are the

types of opportunities that advancing equity and changing lives can have an impact on our students.

Our College Access for All initiative is one way we are closing the gaps in low income student-- and students of color enrolling in college. This school year, every student in middle school has the opportunity to visit a college campus. Our high schools are equipped with the resources to graduate with a college or career plan and, through this initiative, we have removed barriers to higher education by eliminating the CUNY college application fee for low income students and making SAT available for free of charge during the school day for all high school juniors. We now have a record high college enrollment rate of 59 percent, but our goal isn't only to provide students a pathway to college and career success. We also have a duty to give them the skills to become active participants in our democracy.

Through Civics for All, we are ensuring that our students will become the next generation of leaders that our country and our city so desperately needs. I absolutely loved participating in our first ever Civics Week last month and observing our young

people in action. We have students proposing projects that would benefit their communities through participatory budgeting, engaging in speaking competitions on issues affecting their communities, and participating in school wide town halls. Students even got to engage with guest speakers like Chair Treyger, for example, who shared his experiences as a city leader and as a teacher.

These are just a few of the ways in which we are advancing equity now and empowering our students and families. Our equity and excellence for all agenda also includes investments in the arts, physical education, career and technical education, and much more. And these investments are putting us on a path to reach or surpass our goal of 80 percent graduation rate by 2026. We have the highest graduation rate on record at 76 percent with increases in every borough and amongst every demographic group. We have the all-time lowest high school dropout rate at 7.5 percent and, for a third year in a row, our students have outperformed students across the state on the English Language Arts exam and our students are continuing to close the gap with the state on the math exam. More

students than ever before are taking and passing AP exams.

So the bottom line, because of our Equity and Excellence for All agenda, our schools are the strongest they have ever been and continue to serve as models for school systems across the country. To build upon these gains, we have answered the call for more responsive and streamlined school support and leadership structures. We've created clear lines of accountability and brought resources closer to the classroom under the direction of our executive superintendents. As part of our structure, I also created a division of community empowerment, partnership, and communications, which is leading the way to empower families and communities to move their schools forward. We are working more closely with community-based organizations and leaders to advance, inform, and support educational equity and progress across our city. The division is also home to a newly hired student waste manager who is spearheading efforts to bring the priorities and concerns of students to policy and decision-making, creating real change in the Department of Education. I also created the new division of school climate and

wellness, which is centering the needs of the whole child by offering social emotional support, implementing restorative practices, and explaining how we approach school discipline in order to reduce racial disparities. As part of this work, we invested 23 million dollars to provide anti-bias and culturally responsive training for all schools staff. 47 million dollars annually to support schools with critical resources to strengthen their culture and climate and 8 million dollars in anti-bullying initiatives. We are also continuing our work to support our LGBTQ students, families, and staff at our staff training, inclusive policies, and other key efforts including the development of curriculum. All this work is essential to ensuring our schools are safe spaces for children and adults to share the truest version of themselves. We are seeing results. For example, suspensions for the first part of this school year are down 14 percent when compared to the same timeframe last school year. An average suspension links are down 30 percent. In addition to changing the DOE's organizational structure, we are moving our system forward with a citywide equity driven approach to supporting all schools in place of

a binary approach. This new framework, which we are calling a comprehensive school support, is not a program or designation. It is a strategy for identifying needs and delivering support to all schools using the DOE's new streamlined structure and implementing a new system of collecting real-time data. The recently launched Bronx collaborative school model known as the Bronx Plan is an example of the tailored support that CSS allows. The Bronx Plan directs resources to address the specific needs of historically underserved schools across our city, including additional salary for teachers in certain critical positions. These schools will also take on a collaborative decision-making approach to move their communities forward. I'm excited that the work is already underway in 60 of our schools and I am hearing tremendous enthusiasm from educators about the plan and how schools are using it to better serve their students. Of course, as we speak about how we advance equity now and serve our students, I must mention our efforts to address segregation and integrator classrooms. It was my honor to testify in front of the city Council earlier this month, the same month of the 65th anniversary of Brown versus

Board of Education on this very important topic. It was also my honor just last week to meet with both School Diversity Advisory Group and Teens Take Charge about their recommendations for how we can move forward the critical work of integrating our schools. The bold steps that we are taking to ensure our schools reflect the rich diversity of our city and the bold steps we will take will be an essential part of all of our work ahead. I would be happy to further discuss school segregation and integration today or to meet at any point with councilmembers on that topic. But just as we are optimistic about our equity agenda and the future of our school system and the children it serves, we are confronted by a very troubling fiscal reality. A difficult economic climate, fiscal pressure from Albany, and uncertainty from Washington DC all shape to this year's budget. Like other city agencies, we were tasked with finding savings to help close the city's budget gap. We sought to minimize the impact to school budgets, yet had to make some very hard choices. Our savings initiatives included tens of millions of dollars in administrative savings through a central hiring freeze, finding efficiencies in procurement and

improving revenue claiming. We also had to eliminate the Renewal Hour earlier than originally planned and are working with school leaders to identify other available extended learning opportunities. The mayor's executive budget for the Department of Education is approximately 33.9 billion for the fiscal year 2020 and DOE's funding is comprised of city, state, and federal resources with city tax levy making up the largest portion. Our funding is approximately 57 percent city tax levy dollars and 36 percent state dollars with only six percent federal dollars. This executive budget includes new targeted investments to help us advance our Equity and Excellence for All agenda. This will bring 3k for all to two additional districts next year bringing the citywide total to 14 districts by September 2020. As part of the DOE's reorganization, I created the position of chief academic officer to ensure comprehensive instructional supports are in place for all learners, including students with disabilities. The budget continues this administration's commitment to meeting the needs of our students with disabilities by providing an additional 33 million dollars in new resources dedicated to special

education. These resources will support pilot programs for students with autism and print base disabilities and allow us to hire more clinicians to improve the timeliness and quality of individual education plans. The executive budget also baselines 11.9 million dollars in initiatives targeted towards students and temporary housing, including our bridging the gap program that brings social workers to the elementary schools serving those students an hour after school reading clubs in the DHS shelters. It also includes funding for the CSS approach that I mentioned earlier. The executive plan continues this administration's substantial investments in the fair student funding formula and, today, more than 800 million has been dedicated to raising the FSF floor. As the Council knows well, when this administration started, the FSF floor was 81 percent and the average school had an FSF level of 87 percent. Thanks to this administration's investments and help from the Council, the FSF floor is now at 90 percent and the system wide average is 93 percent. We know that we must do more to guarantee that every school in the city has the resources it needs to put each and every student on the path to success. However, the city

cannot do this alone. I, like you, was disappointed that for yet another year, the Senate has left the promise of the campaign for fiscal equity unfulfilled, shortchanging our students by 1.1 billion dollars in fiscal year 2020. I cannot thank the Council enough for your staunch advocacy in Albany to get the funds from the state that our students need and, more importantly, are owed. I know you are in this fight for the long haul and believe that the FSF task force that was created by Council member Treyger's legislation, yet again, demonstrate to the state that our commitment to equity directly translates to how we fund our schools. From free full day high quality pre-K for all to the soaring number of students taking and passing computer science exams to steady gains on state exams to the highest high school graduation rates on record, we have a great deal to be proud of, yet, we know we have much more work to do. So, thanks to the talented educators and leadership from the mayor and partnership with the city Council, I am confident that together we will make even faster progress in enabling all of our students to reach their full potential. I want to thank you for your

time and, with that, I would like to turn it over to President Lorraine Grillo will discuss a proposed five year capital plan.

PRESIDENT GRILLO: Thank you, Chancellor. And thank you, Chairs Treyger and Dromm. It's a pleasure to be here again. I will be very brief and go through the capital plan as it is proposed.

The highlights of this plan include 8 billion dollars for nearly 58,000 new seats in fulfillment of the mayor's commitment to reduce overcrowding. 750 million dollars to make 50 percent of elementary school buildings partially or fully accessible and one third of all buildings fully accessible. 284 million dollars for the electrical work to support air-conditioning in all classrooms by 2021, advancing that program by one year. 565 and a half million dollars in support of the three K and pre-K for all initiative and 750 million dollars for technology enhancements. Our capacity program is scheduled for a total of 8.9 billion dollars. Capital investments at 5.7 billion and mandated programs at 3.5 billion. That's a total of 18.1 billion dollars.

Capacity includes several categories. New capacity, that's news seats, is 8.02 billion. Three K in pre-K early education is 565 million. Class-size reduction is 115 million dollars. And capacity needed to remove some transportable class firms is 180 million. Under new capacity, we are proposing funding for 57,965 seats and that includes an estimated 91 school buildings. 86 are PS and IS buildings. There is been a slight addition to this and that includes district 30 in Queens which will be parcels C, a new parcel in Long Island city, and court square. The school added to that area. And in addition, there will be five ISHS schools in Queens for over 8000 seats. There is a breakdown available to you for all the districts and the seat need within those districts.

Then there is the capital improvement section which is 5.7 billion dollars. It includes 3.01 billion dollars for capital improvement programs. That's our building systems. That includes 2.86 billion dollars and it really deals with those buildings most in need of repair. It includes upgrades to life safety systems such as fire alarms and public address systems. Also site

improvements. Then the removal of transportable classroom units which I know has been a real priority for the Council and includes 50 million dollars which will remove 34 non-capacity dependent transportable classrooms. And another 100 million dollars for athletic field upgrades. Again, the list of those TCU's that we have removed, which is up to 205, and another 75 that are in the process of being removed, which reduces the number of remaining units to 74. Included in capital investments is also what we call school enhancements which is 2.43 billion dollars including facility restructuring for things like school-based health centers and the like. Air-conditioning initiative which is 284 million dollars, our gym initiatives, safety and security, science labs, accessibility, physical fitness upgrades, bathroom upgrades and technology.

And finally our mandated programs. Those categories include building boiler conversions, asbestos remediation, code compliance initiatives, a wrap up insurance, and prior plan completion costs. That number has increased because projects have begun late in this plan and that has increase that number. And then, of course, we have are great photos of our

new projects and we are happy to answer any questions you have.

CHAIRPERSON DROMM: Thank you very much and let me start off by thanking you, although we're going to have some tough questions for you, Mr. Chancellor, but on your commitment and your courage to integrate our school system and to ensure that cultural responses education is taught and your work on implicit racism and your support for LGBT students. Controlling wonderful to have you working on those issues here. It's been a long time coming and we are very grateful for the work that you are doing there. Thank you. Let me talk a little bit about some of the budget risks. The DOE recently renegotiated pupil transportation contracts covering 60 percent of routes at a total cost of 5 billion dollars over five years or 1 billion dollars annually. If the contracts covering the remaining 40 percent of routes are extended or awarded at similar cost, the total annual cost of pupil transportation will be 1.67 billion dollars, however the current budget for pupil transportation in fiscal 2020 is only 1.25 billion dollars. Why is the DOE's budget

still underfunded by hundreds of millions of dollars for pupil transportation?

CHANCELLOR CARRANZA: So, thank you, Mr. Chairman. I'm going to ask our chief financial officer, Lindsay Oates, if she could give you a little more detail on that particular question.

LINDSAY OATES: Thank you. Thank you, Chair. Thank you for the question. So we have a variety of different initiatives going on with our Office of Pupil Transportation, our bussing contracts specifically. As you are aware, we have several other open contracts, a bid on the street, as well as the GPS bid on the street. And so I think that we are sharing-- OMB is very well aware of the needs associated with bussing, however, we think that there are a variety of ups and downs that may come from the bids that are currently out there and so we will see and continue to talk with OMB about this in the coming months.

CHAIRPERSON DROMM: Do you think that it will be in there before we close?

LINDSAY OATES: I really can't speak to OMB's decision-making process on that, but I think that, again, we are sharing with OMB the updates.

They are involved in all of these conversations and I think there will be more to come.

CHAIRPERSON DROMM: Okay. Thank you.

The latest state memo on special education pre-K says New York City needs 550 preschool special class seats. We understand that since the release of that memo, the DOE opened 21 new classes providing 176 new seats. However, at least to CBO's, Sheltering Arms and AMAC, are closing their preschool special classes at the end of June leading to a loss of at least 112 seats. As part of the executive budget investment in special education, the DOE expects to open 526 new special education pre-K seats. How much of the 81.4 million dollars special education investment is for special education pre-K seats?

CHANCELLOR CARRANZA: So, again, Chair, ongoing task chief financial officer to answer some of the details. I think there is a perfect storm that is happening, as well. And as we have been working with our community-based organizations and community-based pre-K centers, the funding that the state provides is actually decreasing, which is making it very difficult for CBO partners to keep their doors open. That's happening at the same time

that we are having different enrollment trends that are happening. So, there is a number of things that are happening, but I'm going to ask CFO Oates she can give you some more detail on your question.

LINDSAY OATES: Thank you, Chair Dromm. So, as you acknowledged, we have opened a significant number of new pre-K special education seats over the last couple of months. We did so in September in January and again in April. We plan to open additional classes this fall. Our funding source is partially coming from state reimbursement. The state has a provision in the law to reimburse us around 60 percent of an approved rate. So, for the cost of those classes in addition to some city tax levy within our budget.

CHAIRPERSON DROMM: Where will these new seats be located?

LINDSAY OATES: Our teams have been conducting a needs analysis looking at the geographic distribution of the demand and I think we can provide more specifics about where the classes have opened up and where they will in the fall. But it is based on where we expect the need to be the greatest, in

addition to where we have the space to provide the classrooms.

CHAIRPERSON DROMM: How is the DOE able to reallocate 30 million dollars from special education pre-K contracts to fund these seats?

LINDSAY OATES: So, thank you. That's a really important question to clarify. So this is funding that has existed in our budget for quite some time to support the contracted community-based organization costs associated with the special education pre-K funding. This is just repurposed thing that funding from schools that-- it's an expense that is no longer needed for the community-based organizations to provide support for the special Ed pre-K programs that DOE will run itself.

CHAIRPERSON DROMM: Okay. Thank you. Let me talk a little bit about pay parity. Early childhood providers have raised significant concerns with the early childhood education RFP as released and are calling for the RFP's to be withdrawn. Specifically, they have flagged these concerns: CBO early educators earn 15,000 to 35,000 dollars less than their DOE counterparts. The pay for enrollment plan allows DOE to pay providers less than what is

needed to cover costs if enrollment dips, even though DOE controls enrollment centrally. The distinction between core and non-core powers fails to provide the needs of children and their families. In particular, poorer families who cannot afford to pay for extended day, holiday, and summer hours. The RFPs failed to provide funding for expenses such as program management and oversight facilities and organizational insurance policies. And the RFPs failed to build a cost-- failed to build in cost escalators, although program costs continue to grow and contracts would be for at least five years. So are you planning to address these issues or how-- should I say how are you planning to address these issues?

CHANCELLOR CARRANZA: So, Mr. Chair, also recently met with leaders from the CBO community and that is exactly the list of items on our agenda that we spoke about. So we are engaging at a very high level with all of the providers. We've also had several conversations-- I would say conversations/work sessions with these leaders around trying to address these particular issues. So we are very engaged with them as we speak and we have been,

I would say, working very, very aggressively to try to address these particular issues.

CHAIRPERSON DROMM: Okay. It's one of the top priorities of the Council going into the final rounds of budget negotiations that we see these concerns addressed. In addition to the advocates, the Council has called on the administration to fund pay parity across the early childhood education system. If this city decided to invest in pay parity, what would the mechanism-- what would be the mechanism by which pay parity is achieved? When the 89 million dollars be added to the DOE's budget?

CHANCELLOR CARRANZA: Again, I-- what I'll do is I'll ask our CFO if she has any additional information, but there are active conversations right now around pay parity with the union and with the providers and we have pushed in on those conversations. So there is active work in conversation happening around them. Now, the particulars about what would be the funding mechanism, I don't have that detail. I don't think we have that detail yet. But I can tell you that I just received a briefing last week about some of

these conversations and they are moving forward.

But--

CHAIRPERSON DROMM: Okay. Could DOE issue an addendum on an amendment to an RFP that would clarify that the programs could contract for enough funding to pay their staff equitable salaries with education-- their salaries with educators employed directly by the DOE?

CHANCELLOR CARRANZA: So, I believe there is a mechanism for an addendum in part of the conversations that we have been engaged in with these leaders have been what would that look like, if at all, and what would be the parameters of any kind of an addendum.

CHAIRPERSON DROMM: Okay. Our funding for early childhood education programs shifted from ACS to DOE without any additional funding allocated for the upcoming RFP. Clearly, the cost of providing these programs are not the same as when the current contracts at ACS were issued. The Council, as well as early childhood education providers and advocates, have voiced serious concerns regarding the lack of appropriate funding for the RFP. Will the DOE's budget for early childhood education increase?

CHANCELLOR CARRANZA: The budgeting process, including for this particular issue is under constant review with new information as we, in real time, are engaging. The RFP is obviously a huge issue for us in terms of working with our community about back, but specifics about increasing the budget is just a little premature at this point given this stage of conversations that we are engaged in.

CHAIRPERSON DROMM: At what point do you think we can see it reflected in the financial plan?

CHANCELLOR CARRANZA: You know, Mr. Chair, I wish I could tell you specifically, but I think it's, again, ongoing conversations. We are deeply engaged with the leaders, so we hope that this will happen before it actually gets put into practice.

CHAIRPERSON DROMM: Mr. Chancellor, can you tell us who you are talking with in the early childhood community?

CHANCELLOR CARRANZA: I would prefer, this point, since we have had what we agreed would be private conversations, to keep them private. We have agreed that because of the sensitivity of what we are

doing and how we are talking and what we are talking about that we would respect each other's privacy. So, with no disrespect to the committee, I would prefer that iTunes not named those individuals at this moment.

CHAIRPERSON DROMM: So, let's follow up, daily, with the Council a little bit later is the record on some of these things.

CHANCELLOR CARRANZA: Would be happy to.

CHAIRPERSON DROMM: Okay. Thank you. All rights. I'm going to turn it over to Chair Treyger now, who is going to ask some questions.

CHAIRPERSON TREYGER: Thank you, Chair Dromm. And I'm also going to just start off by-- you know, the former teacher and me also, you know, has to begin with some words of some positivity, although, after these initial words, I think we will get more intense, but, Mr. Chancellor, I do appreciate the fact that you stayed and you listened to the students from teens take charge. Is a very powerful, very transpiring session and, of course, we just have to make sure that we actualize the vision. And so, again, integrating our public schools will strengthen them. It will improve outcomes for all

just like diversifying tweed will strengthen tween. And in a response to some of the outrageous things I've been reading. So, I just want to begin by saying that and acknowledging that and thanking you for that. But I am not a happy camper when it comes to this project, Mr. Chancellor, so let's get right to. The headcount report provided to the Council shows an increase of 294 school-based pedagogical headcount, which includes a 542 position increase in school-based teacher titles offset by decreases in other pedagogical titles. How much of this change is attributable to the 125 million dollars invested in increasing fair student funding this year?

CHANCELLOR CARRANZA: Thank you, Mr. Chair. I appreciate your opening remarks, as well. We are, I think-- there is no space between our positions, so I want to thank you. And I'm going to ask our chief financial officer to delve into those details.

LINDSAY OATES: Good morning, Chair Treyger. Thank you for the question. As we discussed previously and, of course, as you know from being a school-based person yourself, there is constantly inflows and outflows of pedagogical

headcount in our system through a variety of different reasons. The hundred 25 million dollar investment that you referenced which raised to the Fair Student Funding floor to 90 percent at the start of last school year, funded a total of approximately 900 positions in our schools this past school year and most of those were teachers.

CHAIRPERSON TREYGER: Were these new positions or existing positions?

LINDSAY OATES: They were teachers that definitely were able to stay in the school this year as a result of the advocacy from you and the mayor's office to get that funding in our schools this past school year.

CHAIRPERSON TREYGER: Which will reinforce a later question of mine where there is no increase in FSF. But how many new positions? Do you have that with you?

LINDSAY OATES: I don't have that breakdown of, but, again, it was approximately 900 positions. Nearly 750 of them were teacher title positions.

CHAIRPERSON TREYGER: And do you have any data on how many social workers or--

LINDSAY OATES: There were some social support staff. Counselors and other types of schools support staff. I don't have the breakdown by specific titles with me today.

CHAIRPERSON TREYGER: Did DOE have initial projections of the headcount increase that would result from FSF and were there any projections tied prior to increasing my budgets?

LINDSAY OATES: So, as you've referenced, this is the most flexible funding source for schools and so it is a little bit difficult for us to project in real accuracy around that. But as we previously testified, we know from our years of raising the floor, and this administration has added over, you know, around 80-- 800 million dollars in the fair student funding formula since the start of this administration, that nearly 90 percent of that funding has gone to support headcount in our schools.

CHAIRPERSON TREYGER: So, how did DOE direct principals to use the FSF increase? Was any guidance given on their budgeting decisions? For example, were schools without a social worker directed to use FSF support to provide social and emotional support to the students?

CHANCELLOR CARRANZA: So, the guidance that principles receive not only on budgeting, but decision-making in their schools is really based on what the needs are of their school. So, is there is a need for that kind of a position in the school, then principles are encouraged to be specific and strategic with using their resources. It would go to one of those positions. The unfortunate reality that we have referenced with the state not funding our schools is that, without that additional funding, principles are put in a very difficult position, often times. Do I hire a teacher to reduce class size or do I hire a counselor or do I hire another kind of position? Those are the tough decisions that principles have to make based on the fact that the state isn't living up to its commitment to fund our schools. But it's always the guidance to principles to use their funding specifically to meet the needs at our school. At the school. And that makes it very difficult to say how should use it this way because, one size doesn't fit all. So I want to give a little color to what we are saying because I don't want the impression to be that principles don't get guidance. They absolutely get guidance, but it has

to be really based on what the needs are of their particular school.

CHAIRPERSON TREYGER: And judging on-- from Ms. Oates' answer, it seems that most of the positions or existing positions, which means that there were just paying for the increased cost of, you know, our contractual obligations. And I'm certainly respectful and mindful that we have obligations to meet contracts, but the purpose of this increase and support to our schools was to better meet the needs of kids by hiring critical support staff and, whether it is reducing class size, whether it's hiring social workers, counselors-- one would imagine that 125 million dollars would make a significant impact in doing that. But I'm a little bit concerned about some of the answers that we are hearing today. And, again, I-- as I [inaudible 00:50:46], I agree with you that the state-- no one in Albany should be taking a victory lap over the state budget. No one. It actually resulted in the 25 million dollar cut to our school system. So all this talk of schools, not jails produce to cut to the school system. I just want to note that for all in Albany. Is there a concern that the lack of FSF increase to schools this

year will result in a significant increase in excess teachers from schools that experience register declines or increase costs that cannot be covered by a level amount of FSF funding?

LINDSAY OATES: So, thank you, Chair Treyger, for that question. We are approaching initial allocations for school budgets as thoughtfully as we can. You know, I think when we are in a tight fiscal climate like we are now, we want to make sure that schools understand the resources that they need to have available for them. What funding need to have in their budget and to try to be as thoughtful around how they program those dollars to meet all of their children's needs. I think, as you know, there is a really deep engagement process that takes place over the summer, specifically during the month of June while folks are still in school, looking at what their projected registers are for the upcoming school year and trying to-- and then looking at what their initial allocations are and being as thoughtful as they possibly can around how they can, you know, program their classes to support all of their students' needs in the upcoming school year. We work with the office

of-- my team works really closely with the Office of the First Deputy Chancellor's Office, with the borough officers to really support as many schools as we possibly can. But, again, you know, we're really trying to focus on what to have in their budgets and how they can support their students.

CHAIRPERSON TREYGER: Ms. Oates, you referred to our situation as, quote, tight fiscal climate. I'm having a hard time understanding that when the OMB director testified recently, acknowledged that the city is sitting on hundreds of millions of dollars in new revenue that has come in as a result of personal income tax money. In addition to being the chair of this committee, I'm also a member, just like Chair Dromm is, of our budget negotiation team. So I see the same numbers that everyone else sees in the city of New York. We have a budget surplus. We don't-- we are not in a tight fiscal climate at this time. Now, in the future, there's always questions of certainty. I understand that. But as of this moment, we are not in a tight fiscal climate. There's almost 500 million dollars in additional revenue that just came

in after April 15th, which was my birthday, as well,
but--

LINDSAY OATES: Happy belated birthday.

CHAIRPERSON TREYGER: Yes. And there
should be a gift to the public school system.

[laughter]

CHAIRPERSON TREYGER: So, I'm going to
respectfully push back against this narrative that we
are in tight fiscal times. We're not. And the
number one priority for us here is our kids. And I'm
concerned that if we do not increase FSF, as you
pointed out in your answer to my prior question, new
staff that was hired will be excessed because we have
a last in, first out system. So if you are a new
special education teacher or a new social worker that
might've been hired, you might be in danger of losing
your job and then excessed into an abyss and
hopefully picked up at some point in the future.
That's not how our system should work. Our staff,
our children, our schools deserve stability and a
sense of certainty, especially in a 92 billion dollar
budget with hundreds of millions of dollars in added
revenue.

I want to turn to early childhood education. We understand DOE is requiring that during non-core hours in early childhood education settings, parents much be--

[background comments]

CHAIRPERSON TREYGER: The slide is up, so, Mr. Chancellor, if you could take a look-- glance at that. According to what we are hearing and according to what we are seeing, parents must be US citizens or legal immigrants to enroll their student support services during non-core hours. Does this requirement extend to all non-core hours that DOE will contract for regardless of funding source? If so, why? And, Mr. Chancellor, are you aware that this was a presentation provided by DOE?

CHANCELLOR CARRANZA: Yeah. So I wasn't aware of this particular slide. This is one of the many grievances that I have with the federal government. There are certain requirements tied to federal funding which make us have certain requirements or lose the funding. We are pushing back on that and I won't tell you that we don't require our parents or students to have proof of anything except they are breathing to get the

services that they deserve in New York City. But this is, from the best that I can tell, this is one of those federal requirements. And we will get more detail on this.

CHAIRPERSON TREYGER: And the problem, Mr. Chancellor-- and I believe that you do care about all of our children and you to understand how significantly problematic this is. The fact is, we are going to lose families and children as a result of this policy. We must address this. Do I have DOE's commitment to address this issue immediately so we don't lose one child, one family, from these critical services?

CHANCELLOR CARRANZA: Absolutely. This is unacceptable, but I will also, with that commitment, be very clear about how much money we will lose in federal funding, as well. That is not an excuse, but I want to be very transparent that some of these onerous policies that we are forced to implement have significant dollars associated with them, as well. And that doesn't mean we don't take them on. It just means we have to be very clear about what the implications are.

CHAIRPERSON TREYGER: Right. Well, I hear you and I would just-- I think you would agree that we value our children more than outrageous federal strains from the disgraceful federal right now. We heard that CBO's providing early childhood education are being asked to pay for their own furniture and technology even if that technology is required by DOE. In addition, they are being told DOE will not reimburse them for enrichment services such as art and music. Is there a base amount of funding provided to early childhood education CBO's similar to the base amount of funding provided for school budgets. If not, why not?

CHANCELLOR CARRANZA: I'm going to ask our CFO to take that question.

LINDSAY OATES: Thank you for the question. So the current structure for how we pay our pre-K providers is a per child amount and there are some startup costs associated with some of those contracts as we have rolled them out. In those startup costs have paid for the things that you are referencing, furniture and equipment, and so we-- and I can say that under Deputy Chancellor Wallack's team, his team is working really closely with the

community-based organizations and really monthly reviewing their budgets and their needs and so we are doing our best to be responsive to issues that you raised.

CHAIRPERSON TREYGER: Ms., you know, comes to FSF, every school has a base amount of money just to open up shop. I think it's around 225,000 dollars somewhere, thanks to your comprehensive charts that I paid attention to. We need to apply the same thinking and the same strategy to our CBO providers, as well because there are startup costs. They are spending money out of their own budgets to just make sure that their spaces are in compliance with the health department, your regulations, and there is an expectation for them to use iPads, for example, but they can't use the money that you provide them for iPads. Are you aware of that?

LINDSAY OATES: I'm not aware of that specific issue, sir.

CHAIRPERSON TREYGER: Yeah. There is a lot of-- Mr. Chancellor, I think we have to add to your plate of conversations that you have. And we like to be a part of that because we want to make sure that there is funding in place to stabilize CB--

I don't say it likely that many-- because 60 percent of the UPK services, for example, are provided by our CBO partners. I don't say it likely that many of them are on the brink. I don't-- it's not a talking point for me. I want UPK and 3K-- I want all this to work. But when I keep hearing from providers from across the boroughs they can't this on, they don't have enough resources. They can't retain staff. That's a problem. And from an instructional end, Mr. Chancellor, kids up for and three years old should not be seeing new adults in front of their class every month or two. That is damaging to instruction. It's damaging to their formative years. So I know there's budgetary implications, but for me, the teacher in me cares about the instruction happening in the classroom. I want to turn now to social workers. And our fiscal 2020 prelim budget response, the Council called for the DOE to dedicate 13.75 million to hire an additional 110 social workers for high need schools. There are more than 700 schools that do not of a time social worker on staff and for those schools that do not have a social worker and guidance counselor, the ratio of these support staff to students often egregiously high. Why wasn't this

included in the exec budget especially when the administration exceeded it's 750 million dollar target in identifying cost savings and the administration was able to add over 350 million dollars to DOE's executive budget?

CHANCELLOR CARRANZA: So, again, Mr. Chair, we believe very strongly that there should be a robust social emotional support system at every school. In fact, I created a whole division to focus us on providing those services, as well. As it pertains to the budget, I budget what I get. I don't create my budget. I have to live within the means, so I will take your word for it that there is a surplus of funding. I hope that that trickles back to us.

CHAIRPERSON TREYGER: Huh.

CHANCELLOR CARRANZA: I trust that you will push that conversation.

CHAIRPERSON TREYGER: You trust correct.

CHANCELLOR CARRANZA: Yes. So we believe, again, and social workers. We believe in counselors. I think it's a little more clear to understand in those 700 schools where there are, as you mentioned, no social workers there are social

emotional supports. There are counselors in those schools. It's not as if those schools have no support system. We would like to have more robust staffing, but as I've said-- and this not in any way, shape, or form being dismissive-- it's a matter of money. So if we get more money for our schools, if the state would finally live up to its responsibility and fund the fiscal equity plan, that money goes directly to schools which can be used, then, to hire these kinds of positions. So we are, as part of our budget process, as well, looking to identify internal resources, as well, that we can add to the resources going to schools. But I want to be very, very clear for everyone that's listening that there aren't bags of money at the DOE. So, when we moved something, something else gets cut. Something else gets impacted. And we want to be very thoughtful as we are doing that work, we keep that in mind, as well, so that it is supported school sites.

CHAIRPERSON TREYGER: So, Mr. Chancellor, I appreciate that answer, but I just had to remind DOE that, in the last budget, the city so I actually stepped up in put in 2 million dollars to hire counselors, 2 million dollars for Bridging The Gap

social workers, and if it was not for the amazing city Council Finance Division, I'm not sure if these folks would've been hired because they were hired way past the start of the school year. Many of them were hired in January and, as a matter of fact, I'm being told that not every position has been hired. So when we say that you are budgeting for what you have, you actually did have some revenue that, for whatever reason, was held up. And so, my question is these hiring restrictions-- because it's my understanding that there is still a freeze on hiring counselors and social workers. Is that correct?

CHANCELLOR CARRANZA: Along with every city agency, there is a hiring freeze on all positions. What we have done in the DOE is that school-based positions have the greatest priority, so we are making exceptions to the freeze every day. So, as he referenced earlier, there are counselors, there are social workers, their teachers that have been excised from other schools. We asked our principals and school communities to look at the pool first. I think it just makes sense that these are, many of them educators that just got excised. There are no disciplinary issues. There are no issues that

would preclude them from being hired. So we do ask our principles to look at that pool first. I think it's fiscally responsible. I think it's also instructionally responsible. And if that list doesn't produce the candidate and they interview a candidate that is external, there is a freeze. There is a process to request that freeze be lifted for that higher and we do it every day. So, the best of my knowledge is that we are not precluding people from hiring these critical positions. The important note here is that they have to have the resources to hire these people. And the campaign for fiscal equity and the funding we are still owed would go a long way to help us get those resources in place.

CHAIRPERSON TREYGER: All right. Are the DOE continuing the phrase into the coming school year again?

CHANCELLOR CARRANZA: Again, we are part of the city and the city-- the direction we have is that there is a fiscal issue. There is an austere budget environment, so we have a freeze. But what we have done is prioritize school facing positions and, as I've mentioned, there is a process from being able

to hire into those positions and that is happening every day.

CHAIRPERSON TREYGER: Mr. Chancellor, we are requesting that, if the Council funds these positions which, quite frankly, we shouldn't have to but we are because that's how important they are to the Council, we are asking that these positions are not subject to this-- to these hiring restrictions. And I would like to get your commitment on that back, if we are funding them, if we are hire-- if we want to fund social workers and counselors, adding revenue to DOE's budget, they should not be subject to these freeze restrictions.

CHANCELLOR CARRANZA: so I think we are on the same page here. I just want to be very clear that, if it's a position, we have a pool of educators that have those titles. We are going to continue in that same process. You look there first and then, if there's another candidate that schools are going to be free then to hire, and there's a process for them documenting why that is being allowed to go forward. So I think we're talking about the same thing here, Sir. We're committed to that, as well.

CHAIRPERSON TREYGER: Right. And I'm mindful. I'm very much condescended of what ATR's are and I understand that. You know, the excess pool. I'm hearing from schools on the ground that a number of them who they have tried to interview don't show up for whatever reason and they are just months and months and months in bureaucratic limbo when the position is not filled in their school. And there is money to hire them. So I just would like for us to work on this so there is-- we don't hire these key staff in the middle of the school year, but we hire them at the start of the school year. I just want to move on because I'm mindful of my colleague's time. But we understand the city is under a compliance assurance plan related to the provision of special education and related services for the 2018-2019 school year. This plan requires an increase in the allocation of staffing resources. Does the investment in the executive budget reflect the DOE's required corrective action and, if yes, can you provide a breakdown of the investments in the executive budget that match the required corrective action in the compliance assurance plan and, if no,

how much further investment is required and when will that investment be reflected in the budget?

CHANCELLOR CARRANZA: So, the city of New York, along with other school systems in the state of New York are under a compliance review and a compliance assurance plan by the state education department. The number of other districts, we could get back to you. Part of the investment that is being made in our special education services will help with some of the compliance issues that are included in that CAP plan. We can get you details as specifically what areas and how that is going to be impacted. The bottom line, though, is that we-- as we have worked with the state education department, we have been very clear that we aspired to do more than why it is in that compliance plan. The compliance plan is what it is. It's about compliance. What we are really trying to do is build a better system that provides services for our students and games the information in the support to parents they need to make their decisions. So we can come back with more details specifically about how those investments will help with that compliance assurance plan, but we are really looking beyond the

compliance assurance plan to build a better system in its entirety.

CHAIRPERSON TREYGER: Right. And I just-- mindful, Mr. Chancellor, you remember that we had a seven hour hearing on special education here in the city Council, which was very sobering and I know-- the mayor, I understand, mentioned, highlighted the increased money in terms of carter cases. I just-- my issue with carter cases is that, number one, many working families that I represent, I speak to, and never even heard of them before. And even if they did hear of them, they don't have the means to shell out thousands and thousands of dollars to wait for reimbursement that might not even, because we have heard complaints about, one, reimbursement wait times. And so, we desperately need to make sure that we are in housing as much as possible, identifying those service gaps within our system, and providing services within the DOE system and not be at the mercy of the private market.

CHANCELLOR CARRANZA: We are 100 percent with you. Yes.

CHAIRPERSON TREYGER: DOE is taking savings-- I'm turning now to head counts and borough

offices central administration. DOE is taking savings by reducing central administration and borough office headcount, as the Council recommended. However, the executive budget still reflects a net increase in headcount in both central administration and borough offices. How does DOE justify the need for so many additional central and borough's staff? Why are these resources being allocated directly to schools?

CHANCELLOR CARRANZA: So, I'll ask our CFO to add some more detail to this, but keep in mind that the lessons we learned from, for example, the renewal approach, was about embedded coaching at school sites was extremely effective in helping schools instructionally do better. In other words, instead of taking teachers, and as a teacher you'll appreciate this, and taking teachers for training outside of the building and then expecting them to come back and implement. Part of that model was that we had coaches that would actually come into the schools, work side-by-side with teachers, do in school coaching. Those positions become centralized. They become borough based because you have to allocate them and they float and they go to different

schools. So, much of the headcount that you are going to say are around those kinds of embedded coaching type positions that we know, from the data here in New York City, made a significant impact in some of our most historically underserved schools. I'm going to ask our CFO if she has any additional insight into those numbers, as well.

LINDSAY OATES: Thank you, Chair. So, you know, again, as we talked about with school-based headcount, our field and Central-based headcount is constantly fluctuating. One of the things that we have participated-- we, DOE, participated in along with all other city agencies are headcount reductions related to the citywide partial hiring freeze. Those heads will be taken out of our central budget and we are constantly looking at how we can provide our services centrally and at the field level more efficiently. One of the things that is contributing to, perhaps, some of the headcount growth that you see is related to some in sourcing efforts that are taking place across our field-based offices and some of our central offices to provide permanent staff to functions that may have been staffed in other ways in

the past. And so, that contributes to some of the potential increase that you are seeing in the budget.

CHAIRPERSON TREYGER: I mean, I'm just looking at the chart that you can see here, as well. I'm just having a difficult time grappling with the fact that there are more borough office support staff than social workers in the entire school system. There is something wrong here. And headcount has increased in these borough offices and, respectfully, I am still not clear on all of their roles and responsibilities because what I'm hearing from schools as they want direct services inside their schools. So it's nice to have folks house somewhere, but folks-- schools would like to have social workers or critical services housed in their schools to provide direct services to students. And with the caveat that they are licensed and qualified to provide those services.

CHANCELLOR CARRANZA: So, we don't disagree with you, sir. I think what my analysis as the educator is that the system was not set up to provide those just in time resources. So I can expect a social worker that is providing direct services the school to be responsible for five

schools and also be responsible for doing professional development and elbow to elbow coaching with other social workers. I can expect a social worker to teach English or did teach math or to teach science, much less be the coach that is helping with the pedagogy of that math teacher, of the science teacher, of the English teacher. So I do-- once again, I think we're talking about the same kind of system of supports for instruction in wraparound services at schools. I'm going to reiterate we are in a difficult budget situation and we are being as focused as we can to make sure that the resources that we have are supporting what is happening at the school sites. That being said, I would be more than happy to have a briefing session where we can take you through exactly what the strategic plan news and how we are allocating these resources. I will also tell you that I spend a lot of time out in the field and I completely respect the fact that you are hearing from folks. I've got 1800 people that I hear from men I can tell you, from across the system, what I am hearing loud and clear what I am hearing from our principals and, quite frankly, our teachers is that they want this kind of support and if they see

this kind of support being allocated, that they are okay with that. So, again, I think a good work session where we could actually go through that plan would be, I think, a good thing for us.

CHAIRPERSON TREYGER: Yeah. I mean, just respond and move on, Mr. Chancellor, that-- and I am mindful that you visit schools a lot and I respect that. I appreciate that. I just-- I haven't heard from teachers ask me help me teach math. But they do ask me how do I address the trauma that my students are experiencing in their communities and in our schools? I can't reach them. And so, it's not just about the quadratic formula. It's about how do I reach cans that are experiencing a whole host of social and emotional issues. So I'm just trying to be mindful on that. I want to move on to school food. According to a report required by local law 60 of 2011, in the twenties 17 2018 school year, only 420 schools had implemented breakfast in the classroom. How many schools are implementing breakfast in the classroom in the current school year?

CHANCELLOR CARRANZA: Our CFO has those numbers.

LINDSAY OATES: Thank you, Chair. So as of May of this year, so this month, about 525 schools in 475 buildings have implemented the breakfast in the classroom program.

CHAIRPERSON TREYGER: Can you say it one more time? Sorry.

LINDSAY OATES: Yes. 525 schools in 475 buildings have implemented the breakfast in the classroom program as of this month.

CHAIRPERSON TREYGER: Out of how many schools?

CHANCELLOR CARRANZA: Approximately 1800.

CHAIRPERSON TREYGER: Why is this happening across the board?

CHANCELLOR CARRANZA: So, I am a big proponent of making sure that our students all have a nutritious breakfast. They have lunch. And, in many of their schools, they also get supper. I think breakfast in the classroom-- and I have been involved with breakfast in the classroom into other school systems that I have led. I think we need to stop talking about breakfast in the classroom and talk about breakfast in the stomach. It's important that kids have breakfast and what happens in the

system like ours that is so large and so complex is that some of our schools have not been able to just logistically be able to accommodate the breakfast in the classroom. Breakfast in the classroom is important. And in some of those schools, it's worked well and, quite frankly, some of those schools hasn't worked well. So what we is said and what I have directed in the DOE is that our goal should be that students get breakfast. Whether it's in the classroom, whether it's before they get into the classroom is really, from my perspective, and not as important as they get breakfast. I will also share that we have examples of schools that do not have breakfast in the schools program that have a much higher participation rate than some of the schools that have breakfast in the classroom. So it really is about making sure that students are getting the food and then they are getting food that they want to eat and that is nutritious and healthy. So I do not want to discount breakfast in the classroom, but I also want to be really clear that, if the school does not have a breakfast in the classroom implementation, it doesn't mean that students are not getting fed and we're really monitoring what are the participation

rates in our schools and, again, would be happy to sit with you and your staff and share those number, as well.

CHAIRPERSON TREYGER: Mr. Chancellor, I know this program rolled out prior to your arrival, but what I want to share with you is that-- and I hear directly from schools. Is that there was very little guidance as far as implementation of the program and you couple that with the fact that last-- in the last budget, in the middle of the school year, DOE took away money from custodians budgets in our schools, which the DOE counted as surpluses which they count as reserves because they wait until spring break, for example, when buildings are clear, to clean the building. And so, if you cut custodians budgets, cut janitor budgets, that's why some schools have difficulty with implementation because the situation is who cleans the spilled milk or the spilled oranges? These are fixable items. This is not rocket science to address and I just don't think we should drop the ball on this critical initiative. And I understand that kids can get, technically, options elsewhere, but one of the reasons why this program was established is because many school

communities, for whatever reason, that right or that information never trickle down to the kids. This way you ensure that they're eating. You ensure that they are receiving their nutrition. There is no ambiguity around nutrition. Because you agree with me that kids cannot learn if they are hungry and they don't always know that they have a right to go downstairs and ask the cafeteria-- this program was set up to address and to remove any ambiguity or confusion about the rights in the schools.

Last things, because I'm going to turn to my colleagues. In fiscal 2019, the Council funded a halal and kosher school lunch pilot. We understand this pilot rolled out at nine schools last month. Can you tell us how much DOE expects to spend on this pilot this year and can you tell us how many kosher halal meals DOE expects to serve? We assume DOE had to estimate this in order for that appropriate vendor is to be prepared to provide meals.

CHANCELLOR CARRANZA: So, I could tell you the pilot is currently active in 10 schools and, in 10 schools, students can receive a kosher or halal meal today. Lots of lessons learned in this pilot program. As you know, we've met numerous times with

Council staff and Council members. We appreciate your support in that, but for example, for halal, the Council may be very aware of this, but the public may not be aware. And even I wasn't aware that if you're going to have a halal option for students, there surely must be somebody that prepares that and we can just order a halal meal. It's much more complex than that. We actually brought in Imams that came into the preparation facility of the selected vendor and had to ensure that the way the meals were being prepared was in accordance to all of the regulations and guidelines. Then they had to go into our schools, every one of those 10 schools, and again review, work with the school nutrition staff and ensure that they're being prepared according to the guidelines. Then the particular sourcing of the meals. So, for example, if there is chicken, how is the chicken being slaughtered and are they following guide-- Incredibly complex. But I think we did it right in that we included the community. We included the religious community. We made sure that everybody was guiding us as how we went forward. And that's part of why we had these 10 pilot schools and we're learning more and more about that every single day.

We would not been-- had been able to do that without the support of the Council because it was incredibly important to be able to have that kind of a robust process. In terms of the specific numbers, in terms of salary and-- or not salary. In terms of budget, as I've mentioned, we are right in the midst of the pilot. So what I will commit to doing is getting as much of that information as we can and then sharing that in written form.

CHAIRPERSON TREYGER: I would really appreciate that information, Mr. Chancellor, because it's now-- we're in the middle of the holy month of Ramadan--

CHANCELLOR CARRANZA: Yeah.

CHAIRPERSON TREYGER: which is an issue for many of our Muslim students and we have less than a month left in school.

CHANCELLOR CARRANZA: Yeah.

CHAIRPERSON TREYGER: So the pilot was supposed to roll out this school year and we just still don't have clarity on how many meals were served, but we would like to follow up with your--

CHANCELLOR CARRANZA: Sure.

CHAIRPERSON TREYGER: folks, senior folks, to make sure that this is addressed expeditiously. And I'm going to turn to my colleagues over, but, Mr. Chancellor, this morning before I came to this hearing, I stood on the steps of City Hall with these extraordinary students and staff here of MS 50 in Brooklyn where a promise was made to them that we would not cut a dime in any of the renewal rise schools. And I said not a dime should be cut for extended learning time. In this school, the program is working. We're seeing improved results. We don't cut things-- First of all, we shouldn't break promises to kids and we should not cut what it working for our school communities. And, again, I'm going to push back against this narrative that we're in tight fiscal time. Any city across-- whether it's-- Mr. Chancellor, whether it's Houston or San Francisco or New York City, any city that has 500 million dollars in surplus revenue, that is not tight fiscal time. We have the money and the responsibility to restore every single cut that is proposed in this executive budget. We have a commitment to these kids and that's why we are fired up here today in the city

Council. I'm going to turn back now to my colleagues to ask questions.

CHAIRPERSON DROMM: Thank you very much, Chair Treyger. We have been joined by Council member Ulrich, Moya, Kallos, Borelli, Powers, and Gjonaj and we have questions starting with Council member Grodenchik followed by Council member Reynoso.

COUNCIL MEMBER GRODENCHIK: Thank you, Chairs. Good morning, Chancellor. Good morning, Ms. Grillo. We still see you there. Don't worry. We know you're hear. I've got three minutes to go over the entire education budget of the city of New York. I do want to reiterate a lot of what the chair said. Chancellor, I have excellent educators. I have 32 schools in my district between 26, 29, and District 75. I'm proud of each and every one of those principles and the people that work in those schools and there is nothing more important and in my visits to schools that has been impressed upon me then increasing the allocation for Fair Student Funding and that's the glue in many ways that fills in gaps that otherwise are not going to be filled in and I want to impress on that. I know I've mentioned it to you, but here we are today and I'm just going to

continue to talk about that. I appreciate the-- I want to zero in on one thing that has bothered me. I appreciate the advancements we've made in computers and the education of our children. Computer science, computer technology, especially the increases for young women. Robert Khan, who is the coinventor of the Internet-- people heard me talk about that-- is a product of the New York City school system. Graduated of CCNY. So there is a precedent here for great things. The thing that troubles me and troubles many of my colleagues is that if I don't buy technology for the schools, they don't have new technology. We are spending almost 34 billion dollars a year. 34 billion dollars a year and I have to go from school to school and provide them not with 25 or 50-- most of my schools get 100,000 dollars a year for technology because, without me, there is no new technology. I have visited schools-- fortunately, this is been abated, but my first tour of the schools, I ran into schools where some of the technology was nearly a decade old and I just want to know-- also want to follow up. The iPads. Everybody wants them. We can't buy them and I guess, may be, we should talk about that further. I would

like to know what we are doing to increase and update the technology in our schools so that I can spend my money on doing new playgrounds with Ms. Grillo.

CHANCELLOR CARRANZA: So, I'll say a few words and I will ask our CFO to serve the more technical parts of your ques--

COUNCIL MEMBER GRODENCHIK: You've got 22 seconds. Go ahead.

CHANCELLOR CARRANZA: I have 22 seconds. I'll be quick.

COUNCIL MEMBER GRODENCHIK: [laughter]

CHANCELLOR CARRANZA: I agree with you. I think technology is incredibly important. It doesn't replace teaching, but it facilitates learning for students. I can tell you that in the 14 months that I've been here, we have doubled the bandwidth that schools has an accelerated even the connectivity for schools. Part of the strategic plan, the five-year capital plan, has funding in it for technology, as well. We are also working with-- and I have partnered with the city to work with business and industry around an initiative of getting some technology into our schools so that they have a place to-- a piece of the pie, if you will. We are in the

process of hiring a new chief information officer and new technology officer position and job number one will be a master plan for the modernization of our technology in our schools. And the other thing that I would say is, in terms of the budgeting and the contracting and the procurement of certain kinds of devices, we are actually taking a very deep look at that because we do want to be sure that we can support what schools correct, but we also want to make sure that what schools are getting are what they want to be able to use. So, I'm going to ask our CFO if she has any additional comments.

LINDSAY OATES: Yes. Thank you, sir. So, in addition to an act, one of the opportunities that will roll out this coming school year is the Smart Schools Bond Act funding, which you may recall came into existence around 2014. It took us four years to work with the state to get that technology plan actually approved. It happen this past-- at the end of 2018 and we will be rolling out those dollars, those allocations, to public schools. It will mean 106 million dollars to support devices. Techno-- You know, equipment devices in schools. Laptops and tablets are included in that. And so we

will be rolling out that funding throughout the upcoming school years and so we are really excited about that opportunity and obviously those devices only work so much as they can hook up with the broadband that we are pushing out to schools. So while we have been pushing out the broadband to schools, these devices will be a nice complement to the increased broadband in schools. In addition to the state reimbursement funding coming to us, there is 750 million dollars in the capital plan that supports technology upgrades and so we are constantly working on that and refreshing the circuits in our schools so that they can support the new devices they will receive.

COUNCIL MEMBER GRODENCHIK: Thank you. I was recently at Van Buren and you know I've talk about that all the time. They inducted the CEO of Thermo Fisher Scientific into their Hall of Fame and he brought along 30,000 dollars worth of new science equipment and I was happy to see mostly young women in that class and mostly children of color and, Ms. Grillo, I need a new field there. I must have one. Thank you. Thank you, Mr. Chair and Mr. Chair.

CHAIRPERSON DROMM: Sure. Let me just say how did you get around the prohibition by the Comptroller's office on the tablets?

LINDSAY OATES: So, the tablets are specifically called out in the state rules around the Smart Schools Bond Act and it-- the state program is a reimbursement program that will not run through the city's capital program. It actually will run through our expense budget, so there will be no bonding out for devices.

COUNCIL MEMBER DROMM: Do you know how much that's going to cost for the tablets?

LINDSAY OATES: It's 106 million dollars to support new equipment in schools and that will roll out-- there is no end date for that money. So we will be rolling it out to schools over the next several years.

COUNCIL MEMBER DROMM: Is there a priority to which schools they go to? If that's special education, it's especially important for those kids, I think.

LINDSAY OATES: There is an assistive technology component that is associated with that funding, but it is a per capita base dollar value for

schools and there will be more guidance coming to schools in the fall. We are looking at the economic needs of schools as we are considering this allocation.

COUNCIL MEMBER DROMM: That's great.

Okay. Thank you very much. Council member Reynoso followed by Council member Brannan.

COUNCIL MEMBER REYNOSO: Thank you, Chairs. Thank you for being here too all. I just-- a couple of things. First, I don't want to speak to who wrote it, but there was an article written recently here in the city of New York related to the work that you are doing to work against implicit bias and diverse of five your team and, for a long time, people of color have had to do-- go above and beyond to prove their worth and a lot of the work that we do in for you to acknowledge the fact that we need to start shaking things up to get new outcomes, I'm extremely proud. I was proud to actually see your name on that. Wear does a badge of honor and is you need anything, please look to me as a partner. Absolutely. The next thing is, what we have here, and this is the greatest school and all of the city of New York. The greatest middle school and all of

the city of New York. The school I went to, Junior High School 50, or MS 50. Can you guys just stand up? I want them to be acknowledged and to-- so that folks can see--

[applause]

COUNCIL MEMBER REYNOSO: All right.

Just need them to move around. All right? You guys need to shake it up a little bit. The great thing about Junior High School 50 is that they are a nationally recognized debate team. They will be going to national soon to debate against other states, I guess. But one thing that I can't get past is that the reason they have a debate team is because they have something called ELT or extended learning time. And it is something that is being considered for a cut by this administration and the time, when I agree with our Chair of Education, we are not in fiscal constraints right now. We have actually given the Department of Education 600 million dollars worth of savings that they can take up. On top of that, they have another half 1 million that they found in April 15th outside of the 2 billion that actually already insisted in the surplus. So the fact that these young people that have, because of the funding

that you have given them, been able to put themselves on the map. A renewal school losing students and underachieving-- underperforming statistically now has turn that around. They are increasing their student population. They are a nationally recognized debate team. Their performance is going up. Their attendance rate is going up. Everything that you would ask for, they have done. The school has done it. And now they're being threatened. We are threatening to cut that extended learning time. So I want to have a conversation with you about how that debate would look where I would have two of these young students sit against you, Carranza, so that you would have to be on the side of saying extended learning time can be cut in schools because they would happily argue that it shouldn't be cut and they are a testament to that. I just need you to help me help you explain to them why extended learning time is not of value. But you guys can sit down. But thank you so much for being here, Junior High School 50. We love you very much. And because my time is going to be done, I do want to also ask related to-- I'm sorry. Related to breakfast in the classrooms--

CHANCELLOR CARRANZA: Yeah.

COUNCIL MEMBER REYNOSO: I need to see statistically, as well-- I'm a Junior High School 50 kid. I just need stats and data to show that breakfast in the classroom is not working. I don't mind you showing me-- if it's not working, then we can have a conversation, but from everything I've received so far, it's actually showing an increase in the amount of students that are you breakfast.

CHANCELLOR CARRANZA: Uh-hm.

COUNCIL MEMBER REYNOSO: I just don't want another plan, first extended learning time and this, are two models that have shown success and I don't want to move away from things that are working. I'm trying to say there's a lot of things I think might not be working, but these things are working, so those are my two questions and statements.

CHANCELLOR CARRANZA: Okay. so, first and foremost, do you really want me to debate against one of these young championship debate-- I'm out of my league.

[laughter]

CHANCELLOR CARRANZA: You know? I'm going to tell you right now. Yes. I'm scared. But-- so ELT. Again, I couldn't agree with you

more. I couldn't agree with the chair more. Again, we had to make some very difficult decisions. The very-- one of the priority areas that we have is if there is additional dollars, this is one of those things that is prioritized to come back. That being said, as we considered whether ELT would be one of those budget cuts, we actually met with principals. We talked to principals. We asked principals, especially in the renewal rise cohort of schools of all of the components that you had at your disposal, what is the most important thing and are there any components that were not as robust store didn't give you as much of what you need. The number one thing that all of the principals said unanimously was do not cut our Fair Student Funding formula because, in our renewal schools, in our rise schools, we listed all of those schools to 100 percent FSF. So that's why you have seen there is no proposal to cut that. The second thing that they said almost unanimously was do not touch our communities schools approach. In other words, having a coordinator helping them to make connections with community-based organizations. You will also see that that was not proposed, as well. For a good majority of the principals, they

spoke very highly about their extended learning time but they also-- there were a number of principles that shared with us difficulty and actually utilizing extended learning time. It was a variety of issues. Either they didn't have the teachers or the other support staff that they could get to stay or they didn't have a robust program or they didn't have a partnership. There were a number of issues that made it difficult for them to, and a robust way, implement extended learning time. However, there were, and don't quote me on this one, but I think there were about eight schools that told us this is critically important to us. This middle school is one of those middle schools five said this is critically important to us. We used it well. So we are engaging right now in a process with those school leaders around us finding the resources so that whether or not there is additional resources that come to our budget, that we are looking internally to find the resources to make sure that this kind of programming that is working well is not hampered in any way shape or form. So, you know, you have my commitment that that is an area of focus and priority for us. I know, to your second question, around breakfast in the schools, and the

classroom, I agree with you. We should always be looking for that participation rate. And you are right. Citywide participation for breakfast writ large is about 27 percent which is not okay. And we know that breakfast in the classroom participation, that whole cohort, participation was about 41 percent. So you are absolutely right. Where it is implemented and implemented well, it been effective. But I can also share with you, for example, Roberto Clemente School in Manhattan, they are not a breakfast in the classroom school. They have 75 percent participation rate. So we want to find out how are you doing that? How are you making that happen? PS 396 in the Bronx is not a breakfast in the classroom school. They have 71 percent participation rate. Again, we all want 100, but they are outpacing even breakfast in the classroom schools and, obviously, the citywide participation. So we just want to be thoughtful and continue to support schools. And I know that you didn't say this, but I want to make sure that there is not a misconception that we are eliminating the breakfast in the classroom program. We are not. We are just not growing at this year based on the budget peg that we

have submitted. But, again, we will gladly welcome additional support to continue to grow it in the future.

COUNCIL MEMBER REYNOSO: I'm sorry.

Just a follow-up to the breakfast in the classrooms. Doesn't the majority of the money for breakfast in the classroom come from the federal government? So I just don't see how that would be a savings given that the money is coming from a different entity. Government entity.

LINDSAY OATES: Thank for that question.

So there is a reimbursement for the cost of the meal, but the breakfast in the class model is the slightly more expensive model than serving it in the cafeteria because it involves additional labor from our school lunch and breakfast staff in schools as well as delivering the food from the cafeteria to the different classrooms. So that has involved, you know, things such as carts, but also building out refrigeration units and different parts of the school. Those kinds of things. Depending on the size of your school, that are not reimbursed by the per meal cost.

CHAIRPERSON DROMM: Thank you. And just as a follow-up, I think you are cutting 2 million dollars from the Middle School Quality initiative, as well. What was your thinking around back? That's a program that the Council has supported. I think we have given 750,000 dollars toward it every year, as well, and it was initiated by the Council many years ago. And, quite frankly, I think it's one of the more successful programs. So how did you come to that conclusion to take 2 million dollars away from MSQI?

CHANCELLOR CARRANZA: I think, and very complicated budget terms, Mr. Chair, we refer to is giving it a haircut. We are not cutting it completely, but, again, as we were given the charge by the city Council, obviously in our last testimony and the Mayor's office to find efficiencies, we feel confident that the cut that we are proposing is not going to affect the classrooms in this program and we are looking at the efficiencies that we have been able to build with our reorganization to have that support still supporting the initiative itself. So, we are inducing some staff. We are reducing some of the, what we think was in poor and, but I think that

we feel strongly that we can reorganize and reprioritize some of the other work strands to support this without it affecting the classroom implementation.

CHAIRPERSON DROMM: Okay. From my understanding, though, the director of the program didn't even know that there was going to be these cuts. So I'd like to have a discussion, you know, with you and her and-- This is a program that we have seen work and I would like to get some further details about what that shaving of the program actually means. So we will do that off-line, I think.

CHANCELLOR CARRANZA: Happy to do that, Sir.

CHAIRPERSON DROMM: Okay. Thank you. Next, we have Council member Brannan followed by Adams.

COUNCIL MEMBER BRANNAN: Thank you, Chair. I'll try to be as quick as I can. For 3K, do-- I've heard a whole bunch of different things. Do we have a definite date of when 3K is going to be citywide?

CHANCELLOR CARRANZA: We don't have a specific date.

COUNCIL MEMBER BRANNAN: Okay. So not a year? We don't know?

CHANCELLOR CARRANZA: It's all resource dependent, so, as the budget is in flux and we are trying to get some parameters to that, we should be a little more specific, but at this point, sir, we don't have a specific date.

COUNCIL MEMBER BRANNAN: Okay. I have to belabor the point about the CBO's and the pre-K. I think what we have here is a crisis of confidence when it comes to the CBO's that, even though they are aware that the DOE has made plans to address the funding challenges going forward, they are not feeling it. And I don't know how we can get them to feel it, but I want to find a way. I mean, you know, I'm hearing from CBO's in my district that have been around for decades now, for the first time ever, are considering having-- you know, having to close their doors. And for the most part, they blame the DOE because they feel like they are being cannibalized by the Pre-K centers that are opening. And these are CBO's that, say in the early days of Pre-K when we

were trying to do everything-- and I was there for it, so I remember. We were trying to, you know, seats wherever we could. These guys were there. And now that things have leveled out, as you have mentioned before, they are feeling like they have just been sort of tossed away. And I understand why they feel that way. And we have done a lot of work and Chancellor Wallack has been great and we've done a lot of work there, but the CBO's are just not feeling it. And I want to make sure that we are getting the message across to them because, no matter what I tell them, no matter what DOE is doing, there's a real There that I hope that we can make them believe that you guys are going to take care of them.

CHANCELLOR CARRANZA: So, I really appreciate that, Council member Brannan. So, I think, yes, I have heard that as well. I have personally, is Chancellor, as I had mentioned earlier, now met with leaders in the yearly education community, the community-based organizations. We have work teams. Deputy Chancellor Wallack and his team have been tirelessly now working with different groups of our CBO partners, so, again, I think more

than just from appearances, the fact that the Chancellor themselves is meeting with folks speaks to the level of seriousness that we are taking it. I think there is room to actually meet a lot of the concerns. So people are hearing that. And, again, as we continue to do this work, understanding that the time is of the essence, I think you are going to start to feel a little bit more urgency or you are going to start to hear from our community-based organizations that, nope, this is really a priority and the DOE is taking it seriously.

COUNCIL MEMBER BRANNAN: Thank you.

CHAIRPERSON DROMM: Thank you very much. Council member Adams followed by Gibson.

COUNCIL MEMBER ADAMS: Thank you, Chairs Dromm and Treyger. Good to see you, Chancellor. Good to see you, Ms. Grillo, and your wonderful staff for being here today. We really appreciate your testimony, as always. First of all, I just want to commend you for the work that you have done across the board and all of our districts in bringing and doing your best to try to create the equity and equality in our schools that we so desperately need. New York is the most segregated place in the nation,

as far as I know. So thank you for all of your help in trying to get us to the place that we need to be [inaudible 01:46:24]. That said, going to go into the bleak part of my mind of questioning the matters that I have a problem. I have an issue with the optics of this budget. I have a very big problem with the optics of this administration and the more we look at this executive budget, the more dig deeper, those of us that are on the budget negotiating team, the more troubling all of this case. We are right now looking at an administration here doesn't seem to care that the optics are problematic across the city. We are looking at closing senior centers. Now were looking at cutting breakfast for children. We are looking at not funding or not giving more thought to pay parity and social workers, title 9. The list goes on and on and on and the optics are horrendous. So I'm just going to switch gears just a little bit. I had to get that off my chest, but I'm in a district that is represented by a large member of co-located schools, which is been an issue of mine for a very long time. I have always been adamantly opposed to co-location. So we've been talking about cutting school breakfast,

but in co-located schools, we have something that is known as 10 o'clock lunch. I never understood it. Maybe you can explain it. We know that the USDA mandates that schools offer lunches between 10 and two, but how many New York City schools offer lunch earlier than 10 a.m.?

CHANCELLOR CARRANZA: I can get you that specific number and follow up. I don't have it at my fingertips.

COUNCIL MEMBER ADAMS: Okay. Then I'll ask why our schools allowed to offer lunch earlier than 10 a.m.?

CHANCELLOR CARRANZA: So, I share your concern. In a few months ago I publicly stated that we are reviewing all of our lunch times in our schools. That's really, really important. It also relates to, not only lunch times, but start times, as well. If I may, and I just want to tell you, as a high school principal in Las Vegas I had a school that was built for 2700 students and we had a student population of 4000 students. The cafeteria was built to serve 2900 students. So, in a very real sense, I was serving lunch-- I was one of those 10 o'clock lunch servers because I could only fit so many

students in my cafeteria at a time and I needed to have six lunch periods. So we had to start at 10 to be able to get the wall through by two. It was just a matter of logistics. It was horrible. We ended up working out a solution which I'm not even going to mention publicly because it was crazy, but it helped in that situation. In many of our co-located facilities, and I also share concerns about call locations with you. It is really a matter of just the physical plant and how you can accommodate students. That being said, there are ways to be creative and thoughtful about how we serve lunch. And part of our analysis is actually understanding where are-- what are the issues? Is it a facilities issue? Is it a scheduling issue? Is it a food provisioning issue? What is the issue? Because, I guarantee you, whatever the issue is, we can find a way to make it so that students are eating brunch. They're actually having lunch. So we share your concern. I personally share your concern, as well, on that issue.

COUNCIL MEMBER ADAMS: Thank you. I really would like to see those numbers across the board. How many of our students are going through

this? And I'll just end with this. We have this term called underutilization and I think that it is grossly overused and horribly misinterpreted when it comes to the way that we are assessing budgetary items and prioritization in the city. So I think that we need to take a look at the way that we are using this word because it is affecting our most vulnerable, our seniors particularly, and our children. So let's just be more mindful of the way that we are using the expression underutilization. Thank you very much for your--

CHANCELLOR CARRANZA: Yes, ma'am.

COUNCIL MEMBER ADAMS: testimony.

CHAIRPERSON DROMM: Thank you. Council member Gibson followed by Council member Kallos.

COUNCIL MEMBER GIBSON: Thank you so much, Chair Dromm and Chair Treyger. And good afternoon, Chancellor and CFO, Deputy Chancellor, President. Everyone here. Thank you. I also want to just echo the sentiments of all my colleagues that I have spoken and just really commending the Department of Ed and SCA. We know how hard you work every single day. And, particularly as a Bronx Council member, on behalf of my school district, District 9, I want to

say thank you because, for so many years, the Bronx has been disinterested and short funded for a long time. And so, I feel like this is our opportunity to not only talk about it, but make sure there are resources and programs. In all credit to my district 9 teachers and educators and principals. My executive superintendent and superintendent who really do a lot every day. So a lot of the real priorities that this counsel is focused on, the extended learning time, I have a real problem with on behalf of some of my rise and renewal schools. So I certainly look forward to talking with you about that. And then the breakfast in classrooms, obviously. Bridging the Gap social workers, have a high concentration of students in temporary housing. So, anything that focuses on the bus routes and the interagency coordination with DHS is extremely important to me. Along with my colleagues, President Grillo knows very well, we find everything in our schools because there is no guarantee that the five-year capital and some of the citywide initiatives are really going to get to our schools. So we are funding technology upgrades. Upgrades to the cafeteria, the auditorium, the science lab, at the

playground. Everything you can think of. And I mentioned other things that, you know, we have been funding in the district. So I wanted to specifically ask a couple of things. Social workers, guidance counselors, SAPIS workers. You know that there is an increase in the number of suicides among young people, particularly students of color. Latinos and African-American. And we have been looking at suicide prevention counselors and talking about that for quite some time, so I wanted to know your thoughts on that as number one. The Bronx plan, I'm excited. I join you in the mayor as we launch that and I wanted to know, in addition to some of the bonuses on teacher salary, some of the citywide initiatives like air conditioning for all, when will that reach some of our schools that are in the Bronx plan in District 9? And then, third question I wanted to ask about PATH, the intake center for homeless families in the Bronx. There are three educators that are located, DOE staff that are at PATH and I wanted to find out when that be an increase? Are they full-time? Because with the number of families going in and out of the homelessness system, it's really important that DOE

has a greater presence at the path center. And that's it. I tried to get it all out in 30 minutes. Take you, Chancellor.

CHANCELLOR CARRANZA: You did a great job.

[Laughter]

CHANCELLOR CARRANZA: And I want to thank you, Council member Gibson. It's always a pleasure to walk schools with you because you know where every device is. You know where--

COUNCIL MEMBER GIBSON: Yes.

CHANCELLOR CARRANZA: every connectivity point is and you can tell me--

COUNCIL MEMBER GIBSON: [interposing] If I don't know, they'll tell me.

CHANCELLOR CARRANZA: you can tell me which budget you allocated it from. So, I want to thank you for that. So, I'll take these in order and I'll ask my colleagues to help fill in any gaps. I couldn't agree with you more in terms of trauma and form supports for students, whether that is curricula or counselors or social workers, as well. I can tell you that Deputy Chancellor Robinson in her division has really focusing on making sure that our

counselors are able to provide those kinds of services. We know, for example, how these are all interconnected. So, for example, we have talked about why it's important to have an inclusive curriculum and some people won't understand why it's important to have, for example, LGBTQ and why that curriculum is so important to us. Well, it's important because we know that, statistically, the students-- some of the students that are most at risk are our LGBTQ students. They are most at risk for dropping out. They are most at risk for suicidal ideation. They're most at risk for being subjects of violence. So we know that if we are not creating an environment where these students see themselves and can be successful in school, which points to the curriculum, but also have the wraparound supports that students need to understand when they have issues or they have challenges, some money will be there to support them. If they don't know that the adults in the classroom-- and I wear this badge on the other side of my ID because I want students to see and I want every adult to know that if you are-- have any kind of concerns, I'm an adult. I'm an ally. I will listen. I will help. Creating that

environment is really important to us. So as we look to add more people, but even aside from adding more people, we want to make sure that the people we have have the appropriate training in that we are amplifying their capacity to be able to provide these resources. So, as we are able to get more resources, absolutely. Our school wellness and Health and Human Services footprint you're going to see is going to grow. And part of that is restorative practices. Part of that is our implicit bias training that goes along with that. So we are absolutely on the same path you are. In terms of the Bronx plan, yes, there are additional stipends for teachers in hard to staff critical shortage areas. That's very popular. But what also we very publicly said is that the 16 schools that are currently part of that cohort of Bronx plan schools, they have already started receiving training so that their collaborative teams are able to do data analysis. Those teams are able, then, to do a root cause analysis, pick a problem, a practice, and then put together a funding plan that will address their problem or practice. What we haven't talked a lot about-- and I'm glad you asked the question-- is that all 60 of those schools, by

any definition have been historically underserved schools. They haven't got the stuff and things that others have gotten, including the support. So those schools have now risen to the top of the list. So we are in the final stages of doing walkthroughs in every one of those schools and, not only are we looking at issues of instructions, so do they have technology? Do they have devices? Do they have curriculum? Do they have books? All of those instructional things. But we're also looking at, do they have air conditioning? What do the floors look like? What do the facilities look like? Have they been painted? Do they need? So it's a much more comprehensive list of things that we are looking for in those schools have now gone to the top of the list to get those things. So what we will do is, over the course of the summer, we'd be happy to, whatever Council member has a school that the Bronx plan school, we will meet with you and give you an update on your schools as part of the Bronx plan and what those timelines would look like. The third question is PATH. And I have to just say I'm not really familiar. I don't know if my colleagues could talk about PATH, but if not, we can-- I can get back to

you with a written response there, as well. But the message is really clear. We need to have a bigger presence, correct?

COUNCIL MEMBER GIBSON: Yes.

CHANCELLOR CARRANZA: Got it.

COUNCIL MEMBER GIBSON: I need more staff at PATH.

CHANCELLOR CARRANZA: I hear you.

COUNCIL MEMBER GIBSON: Thank you.

CHANCELLOR CARRANZA: Thank you.

COUNCIL MEMBER GIBSON: Thank you, Chancellor. Thank you, Chairs.

CHAIRPERSON DROMM: Thank you. And now we'll go to Council member Kallos followed by Gjonaj.

COUNCIL MEMBER KALLOS: Thank you, Chair Treyger, for your advocacy for guidance counselors, psychologists, and social workers in every school. I'd like to echo that request. For five years, I've been focused on school seats. That, of course, will continue along with focusing on the same, desegregation, and gifted and talented. I appreciate that we are on track for 1100 pre-K seats on the Upper East Side, five years following the announcement of pre-K for all. I believe you may

have actually achieved it. We are still waiting on a handful of families. Now, on April 24, 2017, Kate Taylor wrote in the New York Times, quote, New York City will offer free preschool for all three-year-olds and, quote, Mayor DeBlasio announced on Monday that New York City would offer free full day preschool to all three-year-olds within four years. That was 2017 with full rollout announced for 2021. Your testimony includes two additional districts for 14 districts by September 2020. Are you on track to fulfill the mayor's promise for all 32 community school districts by 2021?

CHANCELLOR CARRANZA: We're making headway, councilmember, but I think that same article also had a line in there that is subject to state and federal funding to help us reach the goal.

COUNCIL MEMBER KALLOS: What is the funding shortfall? This is a budget hearing. How much do you need?

CHANCELLOR CARRANZA: Yep.

LINDSAY OATES: I don't have the exact numbers with me, but I would be happy to get back to you on that.

COUNCIL MEMBER KALLOS: No. I need the answer. I've been ask-- I've asked the mayor for this answer. I've asked Melanie Hertzog for this answer. I've asked your Deputy Chancellor for this answer. I have asked Deputy Mayors for this answer. It cannot take three months not to know the answer. I'm looking at the budget. You have about 1 billion dollars for pre-K. You have about 600 million dollars for childcare that includes ACS. Is it safe to assume you need exactly 400 million?

CHANCELLOR CARRANZA: We will get back to you with a written response.

COUNCIL MEMBER KALLOS: Today?

CHANCELLOR CARRANZA: We will get back to you with a written response.

COUNCIL MEMBER KALLOS: It's been months. And in terms--

CHANCELLOR CARRANZA: Sir, this is a budget hearing. I understand that, but it's not a game of catch ya' (sic). I mean, we'll get--

COUNCIL MEMBER KALLOS: I'm not trying to play catch ya'. I--

CHANCELLOR CARRANZA: [interposing] I will give you--

COUNCIL MEMBER KALLOS: I asked everyone ahead of time.

CHANCELLOR CARRANZA: Sir, we will give you an answer. We've said we're going to give you an answer. We very publicly told you we are going to give you an answer. I don't understand-- I'm not going to make up a number.

COUNCIL MEMBER KALLOS: It's--

CHANCELLOR CARRANZA: We'll give you the-- We'll give you the--

COUNCIL MEMBER KALLOS: [inaudible
02:01:13]

CHANCELLOR CARRANZA: number that we anticipate.

COUNCIL MEMBER KALLOS: This wasn't my promise. This was the mayor's promise.

CHANCELLOR CARRANZA: And I wasn't here in 2017, either.

COUNCIL MEMBER KALLOS: And I--

CHANCELLOR CARRANZA: So, I will give you an answer, sir.

COUNCIL MEMBER KALLOS: I would like to work with you to make this happen and help the mayor

keep his promise. Will you help me help the mayor keep his promise?

CHANCELLOR CARRANZA: We will help you to help me to help the mayor. Yes, sir.

[laughter]

COUNCIL MEMBER KALLOS: At the preliminary budget hearing, you indicated that we were planning to be late with your homework on the local law I authored with Speaker Johnson and Chairman Treyger for GPS on busses by September. I understand all the bids are in. How many are in and do you have any bids that could go live for September such as the ones that I have been suggesting of just using mobile phones and apps like Uber or other ridesharing service technologies?

CHANCELLOR CARRANZA: So, were not going to be late with our homework. We are going to get it right. And I was really clear about the fact that the technology is such that if we want to have the robust communication with our families, then we have to do an RFP and the RFP has certain processes. I'm happy to report that we have nine interested parties that have responded to the RFP. We are now going to the second phase of that process, which is to

evaluate them. And I haven't seen specifically any of the people that have responded, but I know that, if we have nine, that means there is a robust pool.

COUNCIL MEMBER KALLOS: I want to thank the Chair for his indulgence on a final question. So, Chancellor Carranza, thank you for meeting with the family of a student who was the victim of race-based bullying in a public school in my district. Since then, we have had another incident at another school in my district. I understand the DOE provided initial resources following the incident to the schools who have now come to me to continue the one time funding. Well DOE baseline funding for social emotional learning through positive learning collaborative at schools in my district starting with those that experienced race related bullying? And then, on the similar topic of just race relations, will you invest in public private partnerships for schools including rolling out honors programs and gifted and talented programs to desegregate and just I overheard you visited one of my colleagues and I'm now jealous of Vanessa Gibson. I would love for you to come to a school in my district or at least as

many as we could squeeze in to tour my schools because I'm not sure you made it to my district, yet.

CHANCELLOR CARRANZA: Thank you, sir.

Actually, I have spent time in your district just not with you. So let's make it a date.

[laughter]

CHANCELLOR CARRANZA: Let's make it a date. So, we are very committed to wraparound services and especially services-- it was an honor to meet with the student and his parents, as he mentioned. Then it's absolutely unacceptable. I think when you look at what's happening in our city and the incidence of racial animus with swastikas being put up, with our Jewish brothers and sisters being attacked on the street, there is a climate that is manifesting itself which, quite frankly, I think comes from some of the rhetoric coming from the federal level. And where seen it right now in New York City. And because schools are microcosms of society, unfortunately, we see that in our schools. We will continue to take that very seriously. We will allocate the appropriate resources and support people to help with students and we are always looking to build our private public partnerships,

especially around issues of being able to provide wraparound student support services. So we are very concerned about it, as well as I know the Council is. But we are also working diligently to make sure that, as these unfortunate things have been, we have a just-in-time response to the families and students to repair that harm.

CHAIRPERSON DROMM: Thank you very much. Council member Gjonaj followed by Powers.

COUNCIL MEMBER GJONAJ: Thank you, Chair. So, Chancellor, I have a question that I hope you will be open and honest that I know that you can be because it's in the minds of all of us. It's a number that you should know and I hope that you'll share with us. How much weight to you lose since you became Chancellor?

[Laughter]

COUNCIL MEMBER GJONAJ: Let me get to the real questions and hopefully--

CHANCELLOR CARRANZA: I'm ready to answer, if you want.

COUNCIL MEMBER GJONAJ: Okay. Uh-hm. Answer the question.

CHANCELLOR CARRANZA: Yes, sir. So thank you for noticing. I am now down 73 pounds.

COUNCIL MEMBER GJONAJ: 73 pounds?

CHANCELLOR CARRANZA: 73 pounds. I'm running every week now probably about 17 miles. I was going to do the Brooklyn half, but I had a Vincent couldn't do it and my favorite color is blue and I'm a Sagittarius.

[laughter]

COUNCIL MEMBER GJONAJ: Now that I got the softball out of the way, can we begin with the real questioning include-- and it's very difficult to be-- not to sound angry when it's matters of passion and education. And I'm a numbers guy like yourself. I look at the school system. 1.1 million children. I think now the budget is 27 billion. It's about 25,000 per student. The highest in the country. Our children should not be going without anything. At those numbers, we should have the best of the best.

One. School trailers. I have often spoke to about this. We are not moving fast enough. This is the tale of two students and it truly is a disservice to the environment that those children are placed in and some of them are death traps.

Secondly, safety plans. There is a safety committee meetings are not taken seriously. They're not taking place adequately with the appropriate representatives of both parents, students, and teachers. The meetings are minimized and not taken seriously. The minutes are not provided to the entire staff and it's not transparent. This is not a matter which can be taken lightly. And there's plenty of blame to go around, but we know there is an issue here and, unfortunately, this is going to fall on your shoulders. And I'll get back to that, as well.

Talking about early voting in the impact that using public schools for polling sites. We just heard from the hearing that over course of eight months, there could be a potential of 50 days of voting that could be taking place in our schools. That's taking away lunchrooms, gyms, and a variety of other common areas. What are we going to do to address that? What are we going to do to con-- one of the issues that were also brought up at the lack of poll workers and one of the possible solutions that I brought up was allowing our students, our high school students, to use community service hours to

man the stations and be paid. It's a win-win and we engage them in the voting process.

Bronx plan. Question number four. I'm keeping track. I hope you are. Thank you. One of the issues I brought to your attention to introduce that we have the best teachers and those that are teaching in the Bronx schools remain here was a simple solution. Parking placards. One of the issues that they can't teach in the borough of the Bronx. I have no place to park. I'm tired of getting tickets and there's no transportation options for me. It doesn't work.

Fifth, cuts stir emotions. Cuts are the threat of cuts to programs and afterschool programs and sports. We get our parents engaged. We get our children engaged and it becomes a ground hall-- a Groundhog Day scenario. Every year. Every budget. Same issues. We threatened to take away then we put back can we play on the emotions of everyone. And, meanwhile, we're not addressing the real issues that we should never be talking about cuts to begin with.

Question number six. AC's. Not only for classrooms, but for gyms and lunch rooms.

Shelter students. We have so many of our students that need proper care in the classroom, outside of the school hours, including social workers. The borough of the Bronx has more than its fair share citywide.

In my last question that I hope that you will answer is we need to educate our children early and I mean not only on subjects of math and reading, but also on opioids. When should you use an emergency room and when not to. We see there is a big problem now in the system is broken. Let's not continue to focus on repairing the damage that is now solely and invest on the future. And then let's educate our children. Let's let them know and go back to the old way of doing things whether it be scared straight or giving them all the information they possibly need so they don't make the wrong choices in life. So, we stop making excuses for them when made to make the wrong choices because we are the ones to blame and we are not doing our part. And DOE should be working with DOH to educate our children. They are sponges. They will take home that information and provide it to their parents. Thank you.

CHANCELLOR CARRANZA: So, I might take these a little out of order. So, trailers. Portable classrooms. We sometimes refer to them as learning cottages.

[laughter]

CHANCELLOR CARRANZA: So, I'm going to ask President Grill to give some updates on that.

PRESIDENT GRILLO: Sure. And we do have updates, actually. When we began under this administration, there were over 350 trailers in the system. We have removed over 200 of them. We have plans for another 70 some off, but finally we are looking for alternatives for what the remainder, which are 74 of those trailers. Now, many of those trailers contained students and in order for us to remove these trailers, we have to find alternative space for those students. That is the difficulty. That is what we say is, but we are working very, very hard on that and we have reduced the numbers significantly over the last five years.

CHANCELLOR CARRANZA: Safety plans, couldn't agree with you more. Safety plans are a matter of life and death. I think you-- if anyone is paying attention to what's happened across the

country, it is incredibly important that we have plans that are taken seriously and that those plans are adhered to. We work very closely with our colleagues in the NYPD, but what you shared with me, Councilman, I'm going to take back to my staff to make sure that we have some expectations clearly in place for how those meetings should take place and what should happen as a result of those meetings.

The Bronx plan parking placards.

COUNCIL MEMBER GJONAJ: So sorry. We should include stakeholders because the--

CHANCELLOR CARRANZA: Yes.

COUNCIL MEMBER GJONAJ: students, parents, teachers, staff, NYPD, law enforcement. They all have to partake in these conversations and they have to be taken seriously and that-- which means follow up.

CHANCELLOR CARRANZA: [inaudible
02:13:00]

COUNCIL MEMBER GJONAJ: and transparency.

CHANCELLOR CARRANZA: Noted. Bronx parking plan placards. I remember that conversation you and I had. You think segregation is an important topic. You'd think integration is a top-- as soon

as I started asking about parking placards, my goodness. But we have started the process of inquiry what would it take for a parking placard program to target very specific schools in boroughs where parking is an issue and there are underserved communities, underserved students. So we started that initial conversation. We can update you as soon as we have a little more information on that.

COUNCIL MEMBER GJONAJ: I'm interested.

What was the feedback? Obviously, there is pushback in this administration.

CHANCELLOR CARRANZA: I wouldn't say it's pushback in the administration. I think it's a topic that, depending on you talk to, they have a different opinion about whether or not there should be parking placards. Whether they are used appropriately or inappropriately. Where have they been used? Where have they not been used? I mean, it's-- talk about a Pandora's box. But we're having the conversation because I do agree. Whatever we can do to support teachers, if we can make it so that teachers can teach, and be-- let's just say it this way. As teachers have the least amount of obstacles in

...serving our students and some of our most historically underserved communities, the better.

COUNCIL MEMBER GJONAJ: I agree with him. And I am s-- I truly am passionate and I believe in you. I just believe your hands are tied. And the politics of it--

CHAIRPERSON DROMM: Let's let the--

COUNCIL MEMBER GJONAJ: is what I'm pushing back.

CHAIRPERSON DROMM: Chancellor finish up.

CHANCELLOR CARRANZA: So, also, in terms of voting and using schools and polling sites, our intergovernmental team is working on that particular issue, as well. I think there is also been legislation recently proposed at the state level, if I'm correct. But, again, I want to make sure there's the least amount of interruptions in our schools and have polling-- I have seen it and a number of places. As polling can be conducted without disrupting a school function, that's one thing. But when you have pieces of buildings that are, in some cases, code locations, in some cases are very impacted, and it's disrupting the school day, I

agree. That should not be happening. And, as I mentioned, we are driving into that particular issue, as well.

And then, opioids and early education and as early as possible. So as part of our health curriculum, the Commissioner of the Department of Health and I have just met again on what should that curriculum look like? What are areas and gaps in the curriculum? And where working on a number of issues really strengthening our partnership with the Department of Health and the DOE. I agree with you. They are here that we are able to, as part of the educational process, give students the information they need to be healthy, the better. And that's really part of the conversation not only illegal drugs, opioids, but also issues around diabetes and could nutrition and high blood pressure and a lot of things, is students have good knowledge from the early years, they can actually start building healthy minds, but healthy bodies. Thank you.

CHAIRPERSON DROMM: [inaudible
02:16:27] Good. Let's go down to Council member Powers followed by Barron.

COUNCIL MEMBER POWERS: Great. Thank you. Then I just want to share I agree with Council member Gjonaj on using-- you know, the ability of using high school students as poll workers where possible.

CHANCELLOR CARRANZA: Yeah.

COUNCIL MEMBER POWERS: I don't know if that requires a change of state law, but I think it's a good idea and I agree with him on that. The new five year capital plan has new capacity for roughly 58,000 seats and has five new schools in Manhattan. Can you share the locations of the schools in Manhattan?

PRESIDENT GRILLO: Council member, the sites have not yet been identified. We can certainly get you the districts where the seat need is of--

COUNCIL MEMBER POWERS: Yeah. I still think District 2 has the highest--

PRESIDENT GRILLO: Yes.

COUNCIL MEMBER POWERS: so we--

PRESIDENT GRILLO: I believe so.

COUNCIL MEMBER POWERS: can assume that there'll be one. Okay. And do we have an expectation of when those might come online?

PRESIDENT GRILLO: Again, the goal is to get them done-- to get them at least identified and designed in this capit-- the new capital plan.

COUNCIL MEMBER POWERS: Okay. Great. And there's an issue. I just wanted to-- One of the reasons I wanted to ask that, as well, is there's an issue in my district where I live in Stuyvesant (sp?) Town, it is divided between District 1 and District 2. And so you have new parents move in and find out that their next door or their, you know, adjacent building is sending their kids to one school. They have to go to another. The admissions process in District 1 and District 2 differently. Kids are getting-- ended up, you know, far from home. You know, not with their neighbors. Sometimes they're happy. Sometimes they're unhappy about that, but, you know, I've asked and I would continue to ask that because this will be a need for increase in capacity in District 2, that if we can add that and then look at, potentially, you know, revising those school lines. I know that's difficult thing to do. Or looking at the admissions so that you don't have kids who are growing up right next to each other who are

expected to go to school together and parents feel sort of fooled by that whole process.

PRESIDENT GRILLO: And, Council member, we would appreciate any help you can get in identifying sites in that area.

COUNCIL MEMBER POWERS: You have my support in that. Back to the question around school breakfast, you know, can you explain to us 580 and, I think, 80 something sites you mentioned that are doing breakfast in the classroom today and I think you said maybe it was 1800 schools total. Can you tell us how those schools, those 580, how does that-- how do those schools-- are chose, qualified? How do they before-- you know, how are they able to do it? And then why is it only 580 out of 1800 if those numbers are correct?

LINDSAY OATES: Thank you, Council member, for the opportunity to clarify our statements earlier. So the breakfast in the classroom is rolled out in the K-8 grades, so it's only in those schools which makes the subset of the schools that are eligible smaller than the total whole in our districts 1-32 schools. And so, there are 800 schools approximately that were planning to get

breakfast in the classroom and, again, more than 520-
- around 525 of them have it as of this month.

COUNCIL MEMBER POWERS: 525 out of 800 that
are--

LINDSAY OATES: Correct.

COUNCIL MEMBER POWERS: And they're k-8?
Meaning they're not middle s-- they're not 6-8?
They're--

LINDSAY OATES: I believe it's any
school that has a k-8--

COUNCIL MEMBER POWERS: Okay. Got it.

LINDSAY OATES: K-8.

COUNCIL MEMBER POWERS: And what are the
other-- And what are the other schools doing?
They're doing it not in the classroom? They're doing
it before school?

LINDSAY OATES: Do you want me to say
it?

CHANCELLOR CARRANZA: Yeah.

LINDSAY OATES: So, all schools, per
state law, have to have breakfast in the cafeteria
before the bell and so all schools that do not have
the breakfast in the classroom model do continue to
provide breakfast in their cafeteria.

COUNCIL MEMBER POWERS: And this is by--
this is the choice of the principal to do this?

LINDSAY OATES: I think that we're
revisiting how we roll out that program as part of
the savings initiative, but we have been rolling out
the breakfast in the classroom program over the last
couple of years based on where we saw the needs were
greatest and, obviously, as I mentioned earlier,
there-- it takes some time to set up the program in
terms of adding additional refrigeration units that
might require electrical upgrades in schools and so
on. And so, depending on your school size, it has
been a little bit of work to get it off the ground.

COUNCIL MEMBER POWERS: Got it. And just
two more questions. I'm sorry for taking more time.
What-- Is there any data on participation rate if
you are before-- if you are a school that's before
the school day versus-- before the school day versus
in the classroom?

CHANCELLOR CARRANZA: Yes. We have data.
And I gave two examples of schools that are not
breakfast in the classroom schools that have
remarkably high participation rates, but we can get
you a full listing of that data.

COUNCIL MEMBER POWERS: Okay. That'd be helpful. And my last question, and Council member Borelli isn't here and I think that the school is actually in Council member Matteo's district, but there is a school in Matteo's district in-- I think it's called Wagner middle school. Susan Wagner middle school, perhaps. Susan Wagner?

[background comments]

COUNCIL MEMBER POWERS: Oh, you know. Hey. We understand that. It was reported that nine-- 8:58 or 9 a.m. is when lunch starts there and I now Council member Adams had asked a question earlier about early lunch. 9 a.m. for starting lunch time is an explainable, especially when we're talking about questions around food access. Can you confirm is that is still the time that the school or other schools are starting lunch time?

CHANCELLOR CARRANZA: Yeah. What will do is we'll get back to you specifically with the school. I want to make sure-- As I said, we're looking at all of our schools. Not only the start times, but we are also looking at when their lunch times are. 9 a.m. great for breakfast.

COUNCIL MEMBER POWERS: I don't even eat breakfast before--

CHANCELLOR CARRANZA: Right.

COUNCIL MEMBER POWERS: You know?

CHANCELLOR CARRANZA: But not for lunch.

COUNCIL MEMBER POWERS: Right.

CHANCELLOR CARRANZA: So, that is a concern of ours, as well. So we will specifically get back to you on this particular school, but we should also be able to give you kind of a running total of all of our schools and--

COUNCIL MEMBER POWERS: That'd be great. I look to those schools--

CHANCELLOR CARRANZA: what are they? Outliers.

COUNCIL MEMBER POWERS: in my district particularly. Thank you. Thank you to the Chairs.

CHAIRPERSON TREYGER: I just want to thank you, Council member, for that question because I'm pretty sure I had a bill that actually looked at trying to push the start times particularly in the high schools where, you know, I used to teach a 7:30 in the morning Regents class and that was not very conducive to learning when many kids had issues with

sleeping and getting to school on time. And so, I think that there is a correlation with regards to some extremely early school start times and when they are serving lunch at an appropriate time that we should be-- you know, we need to kind of normalize this for students and staff, so I thank you for raising the issue. Next.

CHAIRPERSON DROMM: Thank you. Council member Barron followed by Salamanca. Oh, let me also say we were joined by Council members Cohen, Salamanca, Rosenthal, Rose, Barron, and Cornegy.

COUNCIL MEMBER BARRON: Thank you to the Chairs for hosting this hearing and thank you to the panel for coming. We are so glad that you are here to answer our questions. We talked about the removal of TCUs and were so pleased that we had the groundbreaking for the new home for the East New York Family Academy which previously had six portables that were fully used as a part of the program and classrooms that were, perhaps, 20 feet by 30 feet. Just really small rooms, so we are looking forward to that and I will let you know if I still need you to calm and get your pick and shovel. Okay. But we still have two schools that are not used-- that have

portables that are not used for instruction. Because I heard you say that part of the reason for the delay was some of these portables are used. So PS 202 in district 19 has four portables in their yard which I don't believe are being used for instruction. So well that move them up in the timetable to have them removed and, while we are looking at that, this past weekend, district 19 had their STEM-lympics and the elementary-- the middle schools and elementary schools, as well, had projects which were entered into the Olympic competition to see how well the bridges that they constructed could withstand the pressure that was applied by a very scientific machine that they had purchases as well as creating launches and having them have targets which they were to meet. It was very exciting. The children were greatly motivated. Parents were there, as well. And of course the teachers. So in terms of technology, can we make sure that the computers that students are using are up today because, as I visited my schools, some of these computers are 10 years old then, in technology, that's very old. And I want to commend Dr. McBride, the superintendent for the position for the emphasis that he is putting on that program. And

the curriculum that we talk about-- Oh. Back to the East New York Family Academy which is being built and completed for opening by 2021, I still want to talk about how we can utilize the roof of the building so that it can be more accessible and can be incorporated. Green roof. You know, we can get up there. So, that's an issue that I will still want to talk about. And in terms of the teachers, I have a new school which have, I believe, 16 students and has, I believe. Teachers or for teachers. So, as an administrator, you know that that is a challenge and there are teachers who are not certified in math and science and that's a question that I often bring that. Do we still have teachers teaching math and science at middle school levels that are not state certified? Because I know in this particular school they are not. So, how pervasive is that when we are talking about boosting our students' performance that we don't have teachers who are certified and what can we do to address that? And to my colleagues who talked about student poll workers, there is a provision in the board of elections for a student to be assigned at many of the polling sites, so I would encourage you to check that out and find out how you

can utilize that. And, lastly, the curriculum that we talk about, we talk about implicit bias. How are we making sure that that curriculum is being implemented in a way that is aggressive and that lets teachers know we need for them to really be mindful of projecting what it is that we need to do to address those issues that our students are facing. And then, of course, if you have some time, you can talk about the plan to remove and illuminate specialized tests for high schools.

CHANCELLOR CARRANZA: So, thank you, Council member Barron. So I'm going to ask President Grillo if she can take on the TCU question first--

PRESIDENT GRILLO: Sure.

CHANCELLOR CARRANZA: and then I'll take on the rest.

PRESIDENT GRILLO: Sure. Actually, Council member, as you know, when we remove TCU's, we typically, if we are not building new, we are certainly building a new playground space for the students. In this particular case at 202, that project is currently in design. So that should go in the construction shortly.

CHANCELLOR CARRANZA: So, if I forget any of the questions-- I think I got them down. Just remind me. First and foremost, we-- I sent a note to my staff. We are going to look into this issue of credentialed teachers at the middle school level and get you specific numbers. I also am very concerned that we would have, especially in steam fields, none credentialed teachers for that particular area. I can tell you that, because it's not on my critical issues radar, I don't anticipate that it's going to be a significant number, but even one is too many. So will get back to you very specifically on that. The other issue around implicit bias training, how do we ensure that it's been taken seriously, but that it's actually-- it's permeating what happens in our classrooms? First and foremost, I can tell you that I have been very impressed with the approach that Deputy Chancellor Robinson, her team of taken in terms of structuring implicit bias. It's not a workshop. It's actually-- it's a five-part series. Eventually people will go through all five rounds of doing this. So the very fact that, as an educator, you remember the drive-by professionals development really is worthless. It's not like you, and you get

an injection in your cured. So it really is about grappling with who you are and how you project your opinions, your thoughts, your values onto others who may have different thoughts and backgrounds. So I can tell you, having participated in several of these sessions, they are emotionally tough sessions. And people confront what they didn't perceive was a bias and, all of a sudden, as they go through the process of understanding and listening to others and looking and being reflective, they come to realize that maybe I'm to have biases that I didn't think I have. But I'm not that kind of person, but it's not about you being any kind of person. It's about understanding who you are. So I can tell you first hand that it is very impactful and I've seen some very difficult conversations happen during those trainings. But we don't just let people there and let them deal with it. There is follow-up sessions. So, as I mentioned, five follow-up sessions. We are also being very thoughtful so that it's not just teachers, but it's every one that touches the lives of a child. So it's principals, and superintendents. Its directors and executive directors. It support staff at school, as well. So I also have building the

coalition of trained staffers, then it becomes part of everything we do. It becomes part of the evaluation process. It becomes part of a referral process for students. It becomes part of every system and structuring data that we track. We are looking for the disproportionality and seeing are there areas that we need to intervene. So we are currently in that process, but, as I've mentioned, I'm very excited about the approach that we are taking and, quite frankly, it's one of the areas where I would very much welcome the support of the Council in securing resources for making that approach be even more robust as we go forward. I know I'm forgetting one ear questions.

[Background comments]

CHANCELLOR CARRANZA: Oh. Technology.

LINDSAY OATES: Thank you, Council member Barron, for that question. So you may remember the smart schools bond act funding that was launched by the governor several years ago. Our technology plan was approved at the end of 20 team and so we anticipate rolling that out. That will-- this fall. That will provide 106 million dollars for equipment and devices and schools. We are rolling

that out starting with the Bronx plan schools and also looking at other areas of high economic need. So there is good news coming to schools with a need for devices.

COUNCIL MEMBER BARRON: So, how well the other schools, beyond the Bronx plan schools, be determined? Because, you know, we don't always get equity in terms of distribution of money.

LINDSAY OATES: Understood. So we-- All schools are entitled to funding under the smart schools bond act. There is a base per capita for each pupil in their schools and all schools will receive some funding to support devices. Again, we are looking at the needs of schools. We are looking at-- one of the intents of the smart schools bond act was to support online testing. So schools that have grades in those testing years will receive funding to support those types of needs, as well.

CHANCELLOR CARRANZA: Council member Barron, I would also underscore that. One of the goals that we have articulated is advancing equity now. This is an example of what we mean. So all schools as it pertains to the allocation of resources, as it pertains to devices, we-- I have

directed that we apply an equity lens. And, very simply, who and what are those communities that have not been resourced historically and they need to go first. Because we know that, traditionally, and those kinds of neighborhoods, you have students and community is that have significant obstacles, challenges, and we, from an equity perspective, need to be clear that they have the supports, the technology, the devices. Anything you can think of that they need to help meet the needs so that students are able to achieve. So, equity means that they are going to go first. And that means from every particular perspective.

COUNCIL MEMBER BARRON: And, Mr. Chair, if I could? Just a brief summary about the need for removing the specialized tests for high schools.

CHANCELLOR CARRANZA: Yes. Thank you, councilmember. And I'm not sure I've been really clear about my position on this.

[Laughter]

CHANCELLOR CARRANZA: So I will try to summarize as quickly as I can. There is no educational research then I'm aware of that supports a single test as the sole criteria for identifying

student talent to go into a specialized environment. There is none. And in addition to that, we have a messaging issue in that we ask students and parents, but particularly at the middle school level, go to school every day. Do well in school. Don't get in trouble. Do well in your English, math, social studies science class. Play a sport. Take up an instrument. Have a harmin. The part of an award-winning debate team. None of that matters if you want to go to a specialized school because you have to take one test that is multiple-choice that's not aligned to the states standards. So everything they are studying in school has nothing to do with the test today have to take for an opportunity to go to a public school in New York City called a specialized school. So there is a mismatch in terms of what we said to the students that they need to do and then how they actually have access to opportunities to go to these schools. In addition, because we believe that, in New York City, we should be able to make decisions in New York City regarding our schools, we had the added problem that we have a state law that dictates to New Yorkers what the admission process should be for this set of schools. As I have done my

homework and try to figure out what happened with that state law, there was very little public input when it was enacted in 1971. And my perspective, based on the documents that were read into the record at the time and the documentation since then, it was a direct response to the efforts of the Chancellor at that time, Chancellor Scribner and the Board of Education, to actually find ways to integrate the three specialized schools in existence at the time. So, in my mind, the intent was really to stop the integration of these schools and it's now codified into state law. And wouldn't it be wonderful if there was a repeal to that state law that would allow was in New York to determine what it looks like to admit students into those schools? The final point that I would make in this area is that this is not an effort to disadvantage anyone. Or to overly advantage anyone. The admissions to those schools and the seats at those schools belong to the people of New York City. And if you look at the 1.1 million students that are attending schools in New York City, 70 percent of the students are black and Latino students. So when we look at this year's admissions class to Stuyvesant high school where seven black

students have an offer and less than 12 Latino students have been made an offer. They come nowhere near reflecting the diversity of the students in New York City. So, either we believe it's the students or we should be looking out what are the systems, structures, policies, practices, laws that advantage some and disadvantage others. How did I do? That's my summation.

COUNCIL MEMBER BARRON: That's an A+.

CHANCELLOR CARRANZA: Okay.

COUNCIL MEMBER BARRON: Thank you. Thank you to the Chairs.

CHAIRPERSON DROMM: Thank you very much. Council member Salamanca followed by Rosenthal.

COUNCIL MEMBER SALAMANCA: Thank you, Chair. Chancellor, it's great seeing you. I want to start, of course, by applauding you on speaking up on school segregation and our school system, even though it's a difficult conversation to have in certain parts of the city. I applaud you. And thank you for that. Chancellor, have a few questions. I want to stay within my timeframe, so if you can just give me a very direct answers. Are there any plans to

increase funding for the Autism Charter School? You know, they have not gotten an increase in the last couple of years.

DEPUTY CHANCELLOR GOLDMARK: We have been in-- Thank you for the question, Council member. We have been in dialogue with the Autism Charter School and with the state and with OMB to understand the problem and see if there's anything we can do. The current structure hasn't been updated in many years, it's true. However, we also have not been able to identify, thus far, how we would fund an increase.

COUNCIL MEMBER SALAMANCA: Are there any public schools that deal with children with autism?

DEPUTY CHANCELLOR GOLDMARK: Yes. There are.

COUNCIL MEMBER SALAMANCA: How many are there in the Bronx?

DEPUTY CHANCELLOR GOLDMARK: I would actually have to get the number for you. I do know there are ASD nest programs in the Bronx.

COUNCIL MEMBER SALAMANCA: Chancellor, the issue that we are having is that there are not many options in the city of New York and there are not many options in my district and I do have an

Autism Charter School in my district. I went to visit them a few weeks ago. I was impressed by the work that they are doing and it was heartbreaking to know that they have not received funding in over-- an increase in their funding in over five years. And I think that that needs to be addressed. Going to, very quickly, my bill on Narcan. Having Narcan available in all 1800 public schools. Has there been any progress with that?

CHANCELLOR CARRANZA: I know that we've been working very closely with the staff around that particular bill. We have some areas that we are working with our labor partners on, but we are supportive of supporting the safety and health of students and we'll--

COUNCIL MEMBER SALAMANCA: Okay.

CHANCELLOR CARRANZA: continue to work with you on that.

COUNCIL MEMBER SALAMANCA: All rights. My last two questions. My four-year-old goes to universal pre-K and is something-- you know, I'm always critical of the mayor. There's something I want to give him credit on. It's this UPK program. It's an excellent program. My constituents love it.

My wife and I really love it. My son, he is lactose intolerant and therefore every day we have to send him with his own Lactaid milk to school and Lactaid milk is expensive. I can afford it, but I have many of my constituents who are going-- their children are lactose, you know, intolerable and they cannot afford this type of Lactaid milk. I have a resolution that would make milk-- have an alternative for lactose intolerance in public schools and basically having that milk available for children. As the Department of Education looking into something like this, you know, now rather than waiting for resolution to be passed?

CHANCELLOR CARRANZA: Yeah. So, thank you for your resolution. I actually look forward to getting up to speed on the resolution. But I referenced earlier in my testimony that the director of the Department of Health and I have been meeting regularly about a number of issues having to do with health in the schools. Student nutrition and man milk and what kinds of milk is actually one of the areas that we are working together on. So we are actively looking at that issue and, as I get your bill and I had your staff kind of dive into that, I

look forward to talking to you more about what that would look like.

COUNCIL MEMBER SALAMANCA: All right. My last question is I know that there is been conversations about and there was an article. Hundreds of school cafeterias just flunked city health inspections. And I've introduced a bill and I'm working with the Chair to get a hearing on it which would require every public school to post a letter grade of their inspections of the cafeteria in front of their cafeteria and in the entrance of the schools. Something similar to restaurants and food carts. You know, parents should now if these cafeterias are failing our kids, if they are not failing our kids. And I think that these reports should be available to the public easily. Is this something that you think I would get resistance from the Department of Education when we get a hearing?

CHANCELLOR CARRANZA: I look forward to seeing what that looks like and, you know, schools-- as long as it's everybody, private, public, everybody there would be one of the things that I would want to be looking for, but I, again-- I want to see the

resolution and then I'm happy to engage in a conversation about what that would look like.

COUNCIL MEMBER SALAMANCA: Thank you, Chancellor.

CHANCELLOR CARRANZA: Thank you, sir.

COUNCIL MEMBER SALAMANCA: Thank you, Chair.

CHAIRPERSON DROMM: Thank you very much. Council member Rosenthal followed by an Ampry-Samuel.

COUNCIL MEMBER ROSENTHAL: Thank you so much, Chairs. Chancellor, always great to see you. President and Commissioner, always great to see you and to your team. First, I want to ask about diversity in schools. Chancellor, you wrote a great op-ed for the daily news. I think it was last week. I was disappointed to see, though, that there were no calls for diversity for people with disabilities. You know, I have a close colleague who went to school who has a physical disability. Went to Bronx Tech. There was only one other student with a disability at the time. So I'm wondering where you are and, perhaps, President Grillo can also feed into that with making our schools accessible. But have you

allocated-- We noticed there was no investment for diversity and integration in the executive budget. That was something the Council had called for. That was something the School Diversity Advisory Group had called for. I wondered what your plans are for funding all types of integration in the schools. And then, a corollary of that is, in my mind's eye is wherever we can find savings in the budget, we should because then we have money for the things like this that are so important. Wondering all the city agencies were asked for cuts. I'm wondering if SCA was asked for a savings or efficiencies. I'm wondering if DDC if they have any, you know, insights about construction? Efficiency is that you could bring back to the SCA. I know you are going back-and-forth and bringing best practices to both places. And if there are, in your mind's eye, there are any sort of best practices for measures efficiencies and contracts, whether it's costs per square foot, change orders, comparisons to the private sector, etcetera, and lastly just whether or not you've considered baselining teachers showings, which is also important to me. So, wrapping it all up with that.

PRESIDENT GRILLO: So, Council member, I'm happy to go through some of the issues that you raised in terms of efficiencies and in terms of best practices. I will say this. SCA's cost per square foot is a fraction of other agencies in terms of per square foot cost. So the efficiencies will go from SCA to other agencies along the way. Part of that, though-- and I've brought this up before to the city Council-- our procurement process-- again, SCA is an authority, so we have some flexibilities that other agencies do not have. The procurement process can be endless and I will say this. You mentioned the work change orders. A change order could literally take nine months to a year to get approval. Now, that may not seem like much, but if you're a small minority contractor who has bills to pay, you could literally go out of business. So someday I would love to have a conversation about procurement reform and how we can make it work for everyone. It--

COUNCIL MEMBER ROSENTHAL: You're saying this is a reality in the SCA.

PRESIDENT GRILLO: No. This is a reality in city agencies.

COUNCIL MEMBER ROSENTHAL: Thank you.

PRESIDENT GRILLO: But the reality of SCA is we have some advantages that others don't and that's why we're able to produce and produce much more efficiently. In terms of accessibility, as you know, in this proposed capital plan, we are proposing 750 million dollars, the largest investment ever made, in accessibility upgrades to our schools. The goal here is to have 50 percent of our schools at least partially or fully accessible. And at least one third of our schools fully accessible. So we have options for those students that have the need.

COUNCIL MEMBER ROSENTHAL: Could you send along-- I don't know if you have an explicit plan for that sort of by school or also type of disability.

PRESIDENT GRILLO: Sure.

COUNCIL MEMBER ROSENTHAL: am wondering if you are going to include hearing loops, for example.

PRESIDENT GRILLO: Right now, so you know, there is an accessibility subcommittee that made up of the SCA, division of school facilities. Space management. Office of student enrollment.

Specialized instructions, and the General Counsel's legal losses. And the goal is to really work to identify the projects, specific projects and make sure that we ensure equity across the districts so that group will meet and continue to meet regularly to prioritize the projects.

COUNCIL MEMBER ROSENTHAL: And I would ask if you would consider including the mayor's office. So people with disabilities in your working group. They have some spectacular--

CHANCELLOR CARRANZA: We do.

COUNCIL MEMBER ROSENTHAL: people who really--

PRESIDENT GRILLO: Absolutely.

COUNCIL MEMBER ROSENTHAL: Thank you. I appreciate that.

CHANCELLOR CARRANZA: Council member Rosenthal, I would only add to what President Grillo so eloquently stated is that this year we also went to make it a priority for students with disabilities in the selection of their schools. So a student with a disability as noted in their IEP gets priority for schools that are accessible. So they go to the top of the list. So, again, we are trying to look at

everything we are doing and making sure we are not being an obstacle to students.

COUNCIL MEMBER ROSENTHAL: I think it would mean the world to the disabilities community for you to include that in your pants and a New York talking points about this. You know, it's a large group of people who feel left out. Thank you.

CHAIRPERSON DROMM: Okay. Thank you. We have also been enjoying my Council member Rodriguez. Now we are going to have questions by Council member Ampry-Samuel followed by Rodriguez and then we are going to have one from Council member Rose.

COUNCIL MEMBER AMPRY-SAMUEL: Good afternoon, Chancellor and everyone else. I was listening to the exchange a little while ago with Council member Kallos about the public-private partnerships and it made me think about other opportunities for students via the career and technical education schools. Then, you know, just also reading your testimony when you talked about, you know, just opportunities for college preparedness, college access, and knowing that some of our students are not on that particular track.

With the partnership for NYC and CTE, DOE created the CTE industry scholars model which launched in 2017. Then students get a professional internship working with the MTA and JT Morgan and Con Ed. To my knowledge, there is currently no funding identified to continue the program beyond this summer when the current three-year contract ends. So can you just speak a little bit too DOE supporting this-- you know, continuing these types of programs and, specifically, the CTE scholars and are there any plans to scale up?

CHANCELLOR CARRANZA: So, thank you for the question. I want to reiterate you are absolutely right. So, a one size is not fit all, especially with students as they are developing what their areas of interest are going forward. Specifically about the program that you mentioned, we have a note and I will follow up with you specifically about what plans there are for that program. But I will tell you, as a rule, I am a huge supporter of our CTE programs and our differentiated approach to providing, not only internships, but externships and paid internships for our students. I have recently met with some CEOs in the financial industry who are on board with helping

us develop an apprenticeship model in a number of areas in our school. They are not only willing to come to the table with, obviously, support, financial support, but they are talking about creating jobs in their organizations where students would then have paid internships for. Huge public-private partnership opportunities for us in that spot. I recently attended-- have the opportunity to visit a school on Governors Island which is preparing students for water-based careers. I didn't know what I was going to see, but it blew my mind because you had students there that are going to be able to walk out of high school earning close to six figures on there going to be able to navigate ships. There are students that are designing the containers and they are welding them and they are part of the billion oyster project and they are putting oysters into the water surrounding New York City and they are able to technically write about this while still loving the welding that they are doing. I have seen students at aviation high school that are getting this incredible experience. So I think it's a big opportunity that students have multiple ways of being able to connect with what their talents are. We are also in

conversations and working closely with the unions in the city so that we create apprenticeship programs and pathways for students in that regard. So a big supporter. I can tell you that we will not cut those programs. If anything, we're looking at how do we continue to grow those programs?

COUNCIL MEMBER AMPRY-SAMUEL: Okay.

So, thank you. I look forward to that follow-up and, Chancellor, we still need to move forward with trying to connect in my district because I know we canceled a few times between our offices. So--

CHANCELLOR CARRANZA: We will make it happen.

COUNCIL MEMBER AMPRY-SAMUEL: Okay.

CHANCELLOR CARRANZA: Thank you.

CHAIRPERSON DROMM: Council member Rodriguez?

COUNCIL MEMBER RODRIGUEZ: Good afternoon, Chancellor. I think that the most difficult piece is that we know this city is not been lacking ideas. The question is how those ideas being dealing with so many challenges. And, no. I'm not going to be asking the [inaudible 02:55:53] Washington. I'm not going to be asking about the

other problem that I have in my community. I hope that, you know, we, the school construction, the deciding thing is moving ahead. I'm not going to be referring to the [inaudible 02:53:11] in school. I know that we have a meeting and we talk about how we need to put everything together to start the process to create that school that is part of the rezoning agreement. However, you just mentioned something, you know, the Governors Island, the school there by the Harbor Foundation. I can give you a typical example. The Harbor foundation was interested to create a new school. We visited the school. We identified one side, [inaudible 02:53:39] close to the water and [inaudible 02:53:42]. Harbor Foundation say we would like to turn this school to Harbor School. DOE has zero interest and moving with that plan. And we're talking about-- I can tell you because my near neighbor is one of those who grad-- now in June. And without really having knowledge of that school, that kid would not be planning today to go to a college that focus on bioengineering. So, the question is how we have to continue pushing the envelope because-- Look, it's so sad to see how we should [inaudible 02:54:18] house in here and our

city where people, they are not showing their color. They are not into like sharing their privilege in a school that raised have a million dollars is a model for any other school in the city, but how can we invest in those? How do we use poverty in the formula to put most resources in those schools that they don't have the same resources. And, for me, one of those areas that is more critical is the elementary school. How-- And if you have the number, that, for me, one of the questions is when a student moves from elementary to middle school, what percentage as today they are reading, writing, and doing math to their level? And because of the amount of time, if you have the number, I would like to know what the number is so that I could have a chance to ask another question.

CHANCELLOR CARRANZA: Yeah. Do we have that number specifically? So, you want to know the percentage of students that are reading at grade level as they transition from elementary school to middle school across the city?

COUNCIL MEMBER RODRIGUEZ: Tell me.
Yeah.

CHANCELLOR CARRANZA: Yeah. We can get you that number.

COUNCIL MEMBER RODRIGUEZ: Look, and that's a critical one because it's like, you know, here we have a vision, goal for-- let's vision zero. We have a goal for con-- and a [inaudible 02:55:45] in our city. And unless we have the goal and we're being able to establish how were we doing 10 years ago-- and of course we're doing better. And don't take me wrong. No one in any other administration has the UPK, Algebra for All, Computers for All. Those are good things. But unless we have the numbers in front of us and all leaders--

CHANCELLOR CARRANZA: Uh-hm.

COUNCIL MEMBER RODRIGUEZ: from teachers to superintendents, borough directors, and you--

CHANCELLOR CARRANZA: Uh-hm.

COUNCIL MEMBER RODRIGUEZ: say here, you know, we were on whatever. 50 percent of the students reading in their level and that numbers today has been reduced to what improves to this number, those numbers should be the guidance.

CHANCELLOR CARRANZA: Sure.

COUNCIL MEMBER RODRIGUEZ: And for me, that's one of the key things about-- like the UPK. You know, I put it in language for a bill that I would like to see the DOE also providing a report to us on what is the results. What are those students going for UPK? Which kindergarten are they going? Which middle school are they going? Because, let me tell you, the middle class parents will know that that's our goal.

CHANCELLOR CARRANZA: Uh-hm.

COUNCIL MEMBER RODRIGUEZ: We know that all of us who are now being joined the middle class community will have-- in middle school, we know that we would like to see kids in their level. So, I would like to get that information and finally provide after school programs to all men trace schools because, if we want to tackle inequality, the middle class family, they all have afterschool programs for their children. We all invest in that. And I think that as we have made progress in other areas, today I would like to know what is our plan to provide to make mandatory afterschool programs for all middle schools.

CHANCELLOR CARRANZA: So, Council member Rodriguez, agree with everything you just said and, as an educator, I know you understand how important that is in our schools. Apropos to my earlier testimony, one of the many reasons that I am very thankful to this Council and the leadership in this Council is, especially our Chairs, has been this, I would say, negligence of funding that has happened from the state of New York. They owe our children 1.2 billion dollars and where people will say, well, you know, you can't just throw money at the issue. Just one time in 30 years as an educator I wish they would've thrown money at the issue.

COUNCIL MEMBER RODRIGUEZ: Uh-hm.

CHANCELLOR CARRANZA: They're still not funding. Then this becomes egregious and our historically underserved communities where you don't have the resources to do the afterschool programs unless you have a community school and you have a CBO and there is some private money that is been raised. After school enrichment program should not be in addition to. They should be part of funding schools. And we can only do that if we have the funding. Now, the city Council and this administration has stepped

up over the last-- over the course of this administration, 4 billion dollars in additional funding has been invested in the public schools in New York City. I don't think anyone can say this Council or this administration hasn't stepped up. It's time for the state of New York to step up and allow us to provide those kinds of wraparound services. Those kinds of enrichment programs. Those kinds are differentiated kind of programs and our communities. So, I agree with you and part of the plan is our continued advocacy in Albany and I echo what Chairman Treyger said. No one should be taking the victory lap around school funding in Albany. There is still much work to be done and the real facts are found in our neighborhoods, as you very eloquently stated.

COUNCIL MEMBER RODRIGUEZ: Sir, if you don't mind? 30 second. Chancellor, we have to disagree. We cannot wait for Albany in order for the city of New York to make afterschool programs mandatory for our children because finders inequality. Middle class school that has a PTA that can raise half a million dollars, a million dollars, they have after school programs. I understand what

you're saying and we've been fighting with this administration, but it's like we're saying that we're going to be ending-- having the most segregated location assisting our-- when Albany makes-- changes the rule. You know, it's unacceptable. Providing after school programs to all elementary schools, not particular programs. Not the Council fighting together. This is not an issue of we're blaming Albany. This is we, the administration, must finally, for one day provide after school programs because the middle and upper middle class families, they have after school programs.

CHAIRPERSON DROMM: Okay. Council member Rose. I am going to say-- I have to go to-- I have to go to a briefing and then I have hearings this afternoon, as well, so I'm going to turn it over to Chair Treyger to do the follow up with Chancellor and President Grillo. Thank you very much for being here. But we have Council member Rose, then Council member-- then Chair Treyger and that'll be it. Okay.

COUNCIL MEMBER ROSE: Thank you, Chairs. And good afternoon. I just want say along the lines of Council member Rodriguez, as you know, we have

been fighting for universal after school for a while now and we've been hammering the youth services committee, DYCD, see the for funding. I would really like to see the education department also make it a priority where we have two agencies fighting to make this a reality as opposed to just putting all the weight on DYCD, especially since these are education programs. I am interested in about-- I want to say kudos about 3K and pre-K seats, my, an issue that has come to my attention numerous times is 3K and pre-K seats for students with disabilities. So, I would like to know, you know, what are the number of seats that are currently available? How many applicants have you gotten for pre-K and 3K seats for students with special abilities and what is the wait list and what is the placement time for them to get?

CHANCELLOR CARRANZA: So, Council member rose, thank you very much. This is a big issue for us, as well. We've been working very closely with not only the state education department, but internally around identifying the number and being very clear about what is the number, what is the anticipated number, and then how many of our students are on the waitlist? I'm masking my staff to get me

the specific numbers that you have asked for in your question because there is a lot of specificity in there. What I do want to say, though, is that we also see this as a priority. And as we have gotten and are getting better at processing requests for students with disabilities, we are very quickly understand the math there's a greater number of seats. I know that we have opened the number of seats this year and we have plans for doing that as we go into next year, but we will get you the specific numbers that you asked for.

COUNCIL MEMBER ROSE: Do you have any idea of what the wait time matters?

CHANCELLOR CARRANZA: I can't say that I--

COUNCIL MEMBER ROSE: No?

CHANCELLOR CARRANZA: I have an idea. I'm sorry.

COUNCIL MEMBER ROSE: Okay. And I just got back from a tour around the harbor. And with the Waterfront Management advisory board and several of the stakeholders on that board are the Governors Island school, the Seaport Museum, and the waterfront alliance, and many others. And one of the things

that we've been talking about on Staten Island-- we fought really hard and I want to thank the DOE for integrating marine electrical engineering into my CTE school because we found out that there are jobs that have gone baking. So, there was talk about us having a middle school or high school on Staten Island that was-- have specifically a maritime emphasis. Could you give me an update, Deputy Commissioner-- yet. Chancellor Grillo on, you know, where that is? Because it seemed to like it was more than a pipe dream. So--

PRESIDENT GRILLO: Absolutely. You know that we-- Thank you, Council member. We had for a long time been searching on the-- in the areas close to the waterfront, obviously, for sites for the middle harbor school. At this point in time, we do not have a site identified. However, we-- if you are call, recently, we bought this area called St. John's Villa which is right over the Verrazano Bridge. Very near the waterfront. We are looking at a master plan for that space. It's very, very large and, again, we will work with the DOE to see what will be programmed for that particular area.

COUNCIL MEMBER ROSE: Is that included in the five year plan? Those seats have already been--

PRESIDENT GRILLO: Our seats are always included in the capital plan where we see a seat need. However, the programming for those particular schools is really something we do in collaboration with the DOE.

COUNCIL MEMBER ROSE: Okay. Thank you.

CHAIRPERSON TREYGER: All right. I think Council member Gibson just has a quick follow-up.

COUNCIL MEMBER GIBSON: Thank you so much, Chair Treyger. I love you even more. Thank you. So I just had a couple of questions, Chancellor. And President Grillo knows that my capacity, I chair the subcommittee on capital and so a lot of our work has revolved around the five year capital plan. Multiple agencies looking at capital projections, not only in the five years, but over the next 10 years. So I understand there is 10 million dollars that is left over for school-based health centers and, Chancellor, when you talk to about health and wellness, I mean, there's nothing more critical than school-based health centers and school nurses, whether they are DOE or DOHMH nurses. But I wanted to ask

specifically about the remained in funding for school-based health centers and where we are. And then, my second question is really around school nurses. Are all of our schools covered with a full-time nurse, whether it's DOE or DOHMH? And for those schools that we do have with the school-based health center, I understand usually that school nurses now replaced by vendors in the school-based health center, usually by a provider which typically would be a hospital or not-for-profit.

CHANCELLOR CARRANZA: So, again, will get you more detail, but--

COUNCIL MEMBER GIBSON: Okay.

CHANCELLOR CARRANZA: my understanding is that not all schools have a full-time nurse, but all schools to have the support of a nurse. So, one of those areas that's not-- not where we all want to be. A matter of funding and priorities. My understanding is all so that you are correct and where we do have community-based health programs in the schools that the medical personnel take that responsibility and it allows the principal, then, to be creative in using that funding for additional supports at that school. We are actually working

really hard to make it so that every school will have a full-time nurse. They don't go anywhere else except that school.

COUNCIL MEMBER GIBSON: Right.

CHANCELLOR CARRANZA: We think it's critically important. Unfortunately, I have to report that not all schools have a full-time nurse, but they have some semblance of medical support.

COUNCIL MEMBER GIBSON: Okay.

PRESIDENT GIBSON: Yes. And, Council member, in terms of that 10 million dollars, those projects have not yet been identified, but we work with DOHMH and DOE on potential locations and, as you know, there need to be a sponsor hospital or the like to manage the school-based health center.

COUNCIL MEMBER GIBSON: Okay. So should we expect some sort of an RFP to come out or will that be continuous conversations with DOHMH?

PRESIDENT GRILLO: Continuous conversations with DOHMH.

COUNCIL MEMBER GIBSON: Okay. And then, in the five year plan, there was a time when we were able to see the different funding breakdown between city, state, and federal and other funding streams,

but that's no longer available to us. So I wanted to understand if the breakdown could be provided in future versions of any proposed plan that we have with SCA.

PRESIDENT GRILLO: The funding in the prior year capital plan is primarily city funding.

COUNCIL MEMBER GIBSON: Okay. But no other sources? Okay. And then, capital projects that the Council members find, we also were looking at future conversations in terms of identifying a mechanism by which the five-year capital plan and the database in which you use could also reflect Council members capital designations, as well. Because I think, for a lot of our constituents that are not familiar with our PB, participatory budgeting, or any other format, they really don't have an understanding of some of the capital work that we are doing to complement the projects that SCA is funding, as well.

PRESIDENT GRILLO: Understood. We're happy to have that conversation with you and see what we can come up with.

COUNCIL MEMBER GIBSON: Okay. And then, in addition, since we are still on the five-year capital, many of the efforts, as one example, is the

capital plan is going to fund 1000 bathrooms to be upgraded and 100 gymnasiums, we don't understand some of the-- obviously, the logic behind getting to that number. But also the larger policy that could come behind them. So, if we are looking to create a five-year plan and we want to replace all the bathrooms, we know it will be much more than 1000. So, I guess, what we are asking as a Council, is if we could have a conversation with you and SCA as we move towards these targets, we can actually have a policy that's driving that particular target and not just a number that we don't know how we got to that number. Does that make sense?

PRESIDENT GRILLO: Absolutely. Happy to continue that conversation.

COUNCIL MEMBER GIBSON: Okay. Thank you. Thank you very much. I have, of course, lots of more questions, but obviously we will continue to work with you through the budget process. There is a lot going on in, one thing, as a Council member that I will always do is speak up, complement, and criticize on behalf of the Bronx and district 9. We have done amazing work in the Bronx and I know all of you know that and I want to continue to keep us moving

forward. Our children deserve it so much and, as I travel to schools and I look at some of the conditions, some of the resources, I am always happy to help, but I can't for the whole bill and I shouldn't have to foot the whole bill, but the reality is that I want to make sure that our principals and educators see the work events happening and understand that we are here to help them through a lot of the work that is happening. All of the academic achievements. All of the partnerships. I was at a school last week in my district and district 9 and it was a partnership with the high school and we were building bookshelves. Amazing. In the gym. And each classroom is not going to have a bookshelf. And little things like that really make a difference and I appreciate those partnerships because, a lot of times, our schools don't have all the support. And bringing in the private sector, local CBO's, and other partnerships has really an important part of this conversation. So I look forward to this budget conversation that we will be having over the next few weeks. Extended learning time, breakfast in the classrooms, and everything else we talked about. Fair student

funding. I definitely hope and expect us to get a lot of these achievements in this adopted budget. So I think you all and thank you so much, chair Treyger, for indulging me to speak of for you. I think you. Then, once again, thank you to the staff.

CHAIRPERSON TREYGER: Thank you, Council member. And don't you worry. We're going to be very vocal in front and center on budget negotiations on education matters. Chancellor, just to follow up on some items, you mentioned earlier that you budget what you get and that adding social workers as a matter of money. Did you submit a new need request prior to pre-lamb budget or prior to exec budget to OMB for more money for more social workers?

CHANCELLOR CARRANZA: I'm going to go back and look at exactly what we submitted.

CHAIRPERSON TREYGER: And I would appreciate that if you can get back to us on that. And just to-- if you could share anything with regards to what you submitted to OMB that you have not received a positive response from OMB about? Do you have anything to share at this time?

CHANCELLOR CARRANZA: I think, and all of the areas that we have discussed today there is a

need that we have had ongoing conversations with. I actually joked with my OMB colleagues and that, you know, the financial outlook seemed to be very robust and then I got here and not so much. So, there-- we would build upon things that have been funded and a much more robust way, if there were more resources at that budgeting time. So, again, I'm always looking for additional resources that we can invest in our mutual areas of priority.

CHAIRPERSON TREYGER: Yeah. And just to equip you with, you know, these informational tidbits. There is a lot of money in the budget right now, Mr. Chancellor. So, feel free to submit a very robust to list to OMB that this Council will support you on 100 percent. Because-- if you want to respond to that.

CHANCELLOR CARRANZA: No. Just to say thank you.

CHAIRPERSON TREYGER: Okay. Carter cases, just to kind of dig deeper a little bit on this. Does DOE track the number of Carter cases by disability classification or instructional setting needs? And, if so, can you provide this breakdown in writing? And, just to note, we asked this question

at pre-lamb and the answer we got from DOE were very vague. For example, we were told that some of the common programs recommended are integrated co-teaching. I believe DOE schools provide integrated co-teaching, so why is that being contracted out?

LINDSAY OATES: Thank you for that question. So we have been digging into our data on this topic and, you know, there are a lot of different data points along the way and-- but I think it is fair to say that our data shows that there are speech and language impairments that are predominantly associated in our-- or predominantly related to Carter case settlements, as long as other significant health impairments and other types of print-based language disabilities, learning disabilities that are predominantly made up of the Carter cases, in addition to autism cases. And, as we know, autism is, unfortunately, something that is growing in our community and so we see a lot of Carter cases that are related to children somewhere along the spectrum.

CHAIRPERSON TREYGER: Right. But I'm just trying to understand-- I appreciate that answer. I'm trying to understand why would someone--

why would a child be contracted out to the private market for an ICT class when we provide ICT classes and our school system?

CHANCELLOR CARRANZA: Yeah. I want to understand that, too. So let me get back to you because I need to ask that question, as well.

CHAIRPERSON TREYGER: Thank you, Mr. Chancellor. I want to discuss school safety. When will DOE and NYPD be releasing their updated MO you which the department has promised is coming soon for years?

CHANCELLOR CARRANZA: It's going to happen before the start of the school year. So we will start the new school year with updated MO you and that will happen very quickly.

CHAIRPERSON TREYGER: So, before the start of the new school year? And that's a commitment from you, Mr. Chancellor?

CHANCELLOR CARRANZA: That is my commitment.

CHAIRPERSON TREYGER: I do appreciate that this is the most clear stance we've received, then, ever, so I do want to-- because, for years even prior to your arrival, which is been hearing--

I just want to list a couple of examples about what the Giuliani era MOU type of the impacts has and also coupled with the fact of the inadequate supports we have in our schools, what is happening to many of our kids. And these are realized cases that were actually brought to our attention by an outstanding organization called Advocates for Children. I will not read the names of the students, obviously. Just the initials, but J.T., a seven-year-old student with a disability in Brooklyn, was handcuffed in school by school safety agents after school staff were unable to support him. They sent him by EMS to a hospital without his parent. N.P., an eight-year-old student with a disability in Queens, was handcuffed in school and then sent by us to a hospital. He became so traumatized by the incident that he has been afraid to attend school. He is been on home instruction for months while his parent searches for an appropriate school placement. M.S., a 15-year-old student with a disability in the Bronx, was handcuffed and then arrested for behavior related to his disability that was unsupported and unnecessarily escalated by school staff and school safety agents. S.H., a 10-year-old student with a disability in Queens, brushed a blunt

scissor against another student in class. For precinct officers appeared at the school to investigate. The precinct was about to file felony charges against the student, but Advocates for Children staff successfully advocated with the school safety division high ups to intervene and get the precinct to refrain from bringing such charges. So, while the city has invested in mental health awareness and support, there continues to be a large gap and access to direct mental health services and behavior supports for students who need help the most. What, if any, plan does the DOE have to expand direct mental health services and supports for students with significant mental health and behavioral challenges?

CHANCELLOR CARRANZA: So, we, as I have spoken, are working very closely with the Commissioner of the Department of Health. We are looking at how we are able to synergize our funding streams so that we're amplifying the services that we have. We've created the division under Deputy Chancellor Lashawn Robinson where we're consolidating and being very thoughtful about how we're training those individuals in our school system. We have had

a number of conversations around mental health services and the provision of mental health services to our students and our families and our schools in a direct way, especially around thrive and how that is working in our school system. So there are a number of things that we're doing to try to build capacity to make sure that what you just described never happens again in our schools. Absolutely unacceptable. So that is really the passion and the energy behind our efforts to really build a much broader, deeper bench to be able to meet the needs.

CHAIRPERSON TREYGER: Mr. Chancellor, I appreciate that. It just-- I would just flag for you that, in my questioning to senior Thrive leaders or officials, first of all, I have not received answers to my litany of questions to them. Secondly, there was confusion in the panel that I questioned. They were not aware that there was a freeze on social workers and counselors in our schools. Third, they acknowledged on the record that the Thrive school community mental health consultants are not licensed credentialed to provide direct services to our children. They're basically a referral for services. So when folks use the word access, and the splinting

it to me, Mr. Chancellor. That's not-- No. The schools need direct services inside the school. I am sure they, mental health consultants plays some role, but, quite frankly, if we are tight on resources, which I know we are not, I would redirect that towards direct services in schools with licensed social workers. I just want to flag, also, Mr. Chancellor, a diverse group of stakeholders, including city agencies, unions, parents, students, and advocates, the mayor's leadership team on school climate and discipline recommended in a July 2016-- again, prior to your arrival. Just flagging for you. Printed in a July 2016 report-- it is the same mayor, so new Chancellor, the same mayor. Report how the city should sell this gap with regards to the lack of direct services for students. A mental health continuum involving school partnerships with hospital-based mental health clinics and call-in centers to help students in crisis and school response teams that help students get direct mental health services. The city Council's response to the prelim budget recommends this critical investment of at least 11 million dollars per year to launch and sustain the mental health continuum in 100 high need

schools. There is ready-- there's a ready to go plan just waiting to get off the ground. Will you and the Mayor partner with the city Council to find the funding for this mental health continuum?

CHANCELLOR CARRANZA: Happy to come to the table and discuss specifics.

CHAIRPERSON TREYGER: Thank you, Mr. Chancellor. And many of the painful examples I mentioned earlier could have been prevented had such a structure been in place. I want to just-- We gave some SCA-- President Grillo, I have a chance to speak to you, yet. First of all, I want to just note a great member of your team who we deeply, deeply admire here in this Council. We read some news that she will be heading to the Department of Buildings to be the new commissioner, Melanie LaRocca. And I want to just publicly commend Melanie. She has done an outstanding job at SCA. Her response time is impressive and it is not always easy to impress Mr. Treyger. But her response time is impressive. She gets answers. She gets to the bottom of things. She cuts red tape where necessary. So I just want to publicly, you know, thank-- I know she's not here. She might be watching, but I want to thank Melanie

for her service and I'm sure that you would agree that you're losing a key member of your team.

PRESIDENT GRILLO: Council member, you just reminded me why I will miss her greatly. She is extraordinarily talented and she will do a terrific job at the Department of Buildings.

CHAIRPERSON TREYGER: Right. And as-- she's not-- It's hard to replace people like Melanie, but who will be the new Melanie LaRocca?

PRESIDENT GRILLO: This is going to be tough. It may take several people to be the new Melanie LaRocca. So, we're working on it right now .

CHAIRPERSON TREYGER: And so, you're not concerned about any type of capacity issues to--

PRESIDENT GRILLO: No--

CHAIRPERSON TREYGER: keep--

PRESIDENT GRILLO: I will say this. Melanie is extraordinary and does a wonderful job, but I have a super team at SCA and Melanie joined us about five years ago, but we did exist before and we got work done and so we will continue on.

CHAIRPERSON TREYGER: Okay. We just-- Remember, we never want to turn into the Parks Department turning eight years to build a bathroom in

a park. So, that's a separate committee. Separate hearing. But we understand the new investments in the next-generation network in the executive budget is associated with maintenance for the capital investment and broadband being made in the capital plan. Is there any maintenance or warranty included in the capital projects procured as part of the DOE's investment in technology and infrastructure and how does the maintenance warranty differ from that being funded in the executive budget?

PRESIDENT GRILLO: I'm going to turn this over on the technology piece to the deputy Chancellor. Oh. I'm sorry.

LINDSAY OATES: I'm sorry. Can you repeat--

CHAIRPERSON TREYGER: I can repeat it. Sure.

LINDSAY OATES: the question? I'm not quite following.

CHAIRPERSON TREYGER: Sure. I'll say it very-- Yeah. We understand the new investment in the next-generation network in the executive budget is associated with maintenance for the capital

investments and broadband being made in the capital plan. Is any maintenance on warranty--

LINDSAY OATES: I see.

CHAIRPERSON TREYGER: included in the capital contracts Park cured as part of the DOE's investment in technology or infrastructure? How does the maintenance warranty differ from that being funded in the executive budget?

LINDSAY OATES: Yeah. So, thank you. Thank you. So that's an important question. So, but there are many components of the next-generation network, but a big portion of that work have been replacing the circuits that are the sort of nodes leading to the schools. And so, it is actually, you know, replacing and upgrading the circuits in those schools and then replacing the equipment in the schools. And so, there are-- it's not sort of the typical maintenance that you might get with, you know, if you sign up for a new phone. We can follow up with the specifics associated with that, but the project is, you know, is replacing those circuits in the street.

DEPUTY CHANCELLOR GOLDMARK: Yeah. And I'll just--

CHAIRPERSON TREYGER: Yeah.

DEPUTY CHANCELLOR GOLDMARK: add, as we're puzzling through [inaudible 03:26:30] that we also had to update some of our maintenance contracts because they weren't long enough and I believe that's part of what we did in expense. But we have to get back to you with the specifics of the--

LINDSAY OATES: Oh, yes. If you're referring to the transition between the Verizon circuit, then the-- Yes. So there was-- We were switching over between two vendors. We moved off of Verizon circuits-- Thank you, Karen-- to light tower, which I believe actually has a different name now, but I'm just going to say light tower. And so there was an expense component to continue the Verizon contract because, as you can imagine, with the number of schools in our system, the transition period to transfer over from one vendor to another took a little bit longer and so there was a piece that was expense funded for that transition where there was sort of a dual funded piece while we were in the transition year. We are done with that process now this year and so next year we do not need the funding to continue with the Verizon contract

going forward. And we can share the specifics with you offline.

CHAIRPERSON TREYGER: I would appreciate that. And do you have numbers with you? How much the DOE spends annually on internet service provision in schools?

LINDSAY OATES: I do not have that number with me, but we can provide it to you.

CHAIRPERSON TREYGER: I would greatly appreciate it and, quite frankly, I think it's high time for us to meet with these-- whether it's light tower or new tower or whatever tower because a peeve of mine is continuously still visiting schools that have problems with getting onto internet and I'm now hearing that schools are so desperate that, in some cases, they are purchasing throttle devices to make sure kids don't log onto internet in their schools so they can secure enough broadband to send emails, to tweet, and back and forth. That's how bad it is in some of these schools. It's just-- it can't continue. So we need to hold whatever tower accountable and Verizon. Yes. I'm hearing, also-- just to flag for you. We've heard that the DOE and Apple, the company Apple, are currently in a dispute

that is resulting in Apple being unwilling to ship technology products to New York City schools. Schools are concerned that they will lose out on purchasing technology with expense dollars they had earmarked for this purpose. Can you provide an update on the situation?

LINDSAY OATES: I'm happy to provide an update. So I would slightly disagree with the dispute language. We've been in the process of registering their contract. That contract was actually registered late last week. Schools have been ordering all along throughout the process of negotiating their registration with the comptroller's office. Happy to say that that contract is now been registered and they should be shipping out equipment to the schools that order. And they should receive that by-- before June 30th.

CHAIRPERSON TREYGER: When was that contract registered?

LINDSAY OATES: Late last week. I don't know the exact date. Thursday or Friday.

CHAIRPERSON TREYGER: That's when I was contacted by a number of schools, not just one. That what I'm hearing is that the DOE was, apparently,

late on payments to Apple and Apple said we're not going to ship our products to DOE schools until these issues are resolved. Is this news to you or?

LINDSAY OATES: So, as you know, we can't actually make a payment until the contract is registered. We have been allowing schools to continue the ordering process. Unfortunately, Apple was not willing to work at risk and so they-- now that we have a registered contract, we're making those payments to Apple and those pieces of equipment will be shipped to schools and they should be delivered very soon.

CHAIRPERSON TREYGER: All right. And just flagging, Ms. Oates, that it's now May. When were they supposed to have those computers delivered?

LINDSAY OATES: So, orders have been placed throughout the spring and, as you may know, it may take-- takes a little while, sometimes, to get contracts registered. The good news is that it is registered and those payments will be made and that equipment will be shipped and schools will receive their orders. Their-- They will get their equipment.

CHAIRPERSON TREYGER: So, if there's any delays in schools, I can send them to your office and sure that they get their computers.

LINDSAY OATES: Yes, sir.

CHANCELLOR CARRANZA: Yes.

CHAIRPERSON TREYGER: Okay. Has the DOE filled the vacant Chief Information Officer position and, if not, when do you expect--

CHANCELLOR CARRANZA: Interviews are happening now and that should--

CHAIRPERSON TREYGER: Oh--

CHANCELLOR CARRANZA: happen very soon.

CHAIRPERSON TREYGER: Okay. And the last thing we'll flag here is Teacher's Choice. Now, this was something when Mayor DeBlasio was Council member DeBlasio was a big supporter. Mr. Chancellor, this is sort of been another peep for us and the Council, again prior to your arrival, but just flagging this for you, as well, that right now Teacher's Choice is sort of at the mercy of discretionary funding in the City Council. It's about a 20 million dollar investment we make on the Council side just to make sure that teacher's choice is in place. To me, would rename it, being a former teacher and under-- when I

taught under the Bloomberg administration, it was down to 75 dollars per teacher. We've increased it now 250 dollars, which is good. The issue is sustainability of teacher's choice and I call it actually like an economic and social isolation prevention program because, if we did not have these critical resources, many of my students would not have day-to-day supplies in the classroom. My department, when I use to teach, would pool money together just to make sure we bought enough supplies at Staples to get our kids all the supplies they needed because many of them did not come prepared for social economic reasons. And so, every year, it becomes a budget dance tactic around Teacher's Choice. Are there any plans to, finally, once and for all, baseline Teacher's Choice so it's just a part of our routine budget and does not become a part of the budget dance between the Council and the administration?

CHANCELLOR CARRANZA: So, that particular program along with a number of other, I would say, issues that go to helping our teenagers and helping our schools directly are all part of the discussion we are having internally about how we make that

happen so that it's not subject to the budgetary process. I am to the cost of doing business, you will. Right? We wouldn't think of not having the electric bill as part of the school, so there are certain they-- this is one of those things that we are looking at how we can get this baked into the budget.

CHAIRPERSON TREYGER: Okay. Well, there will be more budget negotiations around because this should not be at the mercy of discretionary items. This needs to be baselined. And we will just close out by saying-- Also, I want to say this is the last budget hearing for one of the most outstanding city Councils central staffers that I have ever, ever had the honor of working with.

[applause]

CHAIRPERSON TREYGER: The city Council's loss is NYU's gain. She's going for her doctorate and hopefully one day she will also help run this any, as well. But she is an outstanding, outstanding financial analyst who-- talk about the Melanie LaRocca of the Council.

[laughter]

CHAIRPERSON TREYGER: Who gets back to us in two seconds and many of our sharply worded question and crafted and-- by the outstanding staff. I want to give a big shot out to Caitlin O'Hagan.

CAITLIN O'HAGAN: Thank you so much, Chair.

[applause]

CHAIRPERSON TREYGER: But don't worry. She's not leaving yet. She starts, I believe in the fall. So, we'll have her through budget negotiations. Sorry, Mr. Chancellor. But we have a lot of work to do. The number presented in the executive budget are not acceptable to the city Council. There is money in the budget. We will get more resources and money for our school. That is a promise that we will make. And, with that, this is official adjourned.

[gavel]

[gavel]

CHAIRPERSON DROMM: Okay. We will now resume the city Council's hearing on the Mayor's Executive Budget for fiscal 2020. The Finance Committee is joined by the Committee on economic

development, chaired by my colleague, Council member Paul Vallone. It's just us here now.

[background comments]

CHAIRPERSON DROMM: Oh. Council member powers is here. Okay. Great. I didn't see him there. We just heard from the DOE and SCA and now we will hear from James Patchett, President and CEO of the Economic Development Corporation. In the interest of time, I will forgo an opening statement, but before we hear testimony, will open the mic to my colleague and cochair, Council member Vallone.

CHAIRPERSON VALLONE: Thank you, Chair Dromm. Thank you everyone for coming today to our hearing. First of all, I want to thank our president and EDC staff for a detailed response to our questions in the preliminary budget hearing following our first hearing. However, I am a little bit disappointed EDC took so long to respond to the questions that we had within to ensure that our fiscal 2020 budget meets the goal the Council has set out. We need our active engagement in the process of turning over the information. Agency responses provide to us the critical information needed to set the content for the Council's preliminary budget

response to the Office of Management and Budget. Today, I'll need a quick turnaround from today's hearing and the proper negotiations so we can continue to have a proper physical resolution. Today, we will be hearing from the New York Economic Development Corporation on their fiscal 2020 executive 10 year strategy commitment plan, capital budget, and the fiscal 2018 investment projects report. Some areas I would like EDC to provide further information on include new projects in the pipeline, projects and managers for other agencies, contributions to the general fund and ferry expansion plans. In order to help foster reciprocal dialogue with the committee members. We ask that you follow up with any of the Council members due to the time limits today who are unable to complete their questions. In the preliminary budget response, the Council called on the EDC to release the capital plan for NYC ferry that provides information for all capital spending on barges, gangways, and ferry landings at the project level. All capital spending on landings should be disaggregated by budget line and the fiscal year. We are disappointed to find out that the Council's push for transparency and the

presentation of the executive commitment plan is still the same as it was in the preliminary plan. I would also ask that we continue conversation with other agencies that may have current plans at any marinas within the city. It is my hope that they are left ferry ready for future use. Case in point is conversation and we have been having about city fueled marina and other projects that are undergoing capital projects through the Parks Department so that we can leave to marinas ready for future use. It is essential that the budget that we adopt this year is transparent, accountable, and reflective of the priorities and interests of the Council and the people we represent. This hearing is a vital part of that process and I expect NYC EDC will be responsive to our questions and the Council members. I'd like to, once again, thank James Patrick for coming today and preparing his testimony. I would like to thank NYC EDC staff who has consistently been responsive to our ongoing requests. We would not be able to analyze the city's budget at such a detailed level without your cooperation. So, once again, thank you. Also like to thank my staff and the staff of the

finance division for the help in preparing for this hearing. Thank you, Mr. Chair.

CHAIRPERSON DROMM: Thank you very much. I'm going to ask counsel to swear in the panel.

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

PRESIDENT PATCHETT: I do.

LEGAL COUNSEL: Thank you. You may proceed.

PRESIDENT PATCHETT: Good afternoon, Chairs Vallone and Dromm and members of the Economic Development and Finance Committees. My name is James Patchett and I am the President and CEO New York City Economic Development Corporation. I am pleased to testify here before you to discuss funding in EDC's budget and provide updates on some of our most impactful projects. I am joined today by my colleagues Kim Vaccari our Chief Financial Officer and Lidia Downing, our Senior Vice President for Government and Community Relations. For the FY 20 executive budget, the administration has allocated money for the following EDC led projects: 180

million dollars to further the Long Island city investment strategy, which outlined the plan for several city agencies tempering open space, infrastructure, street improvements, and a new school to Long Island city, the fastest-growing neighborhood in the five boroughs. 136 million dollars to revitalize aging Park infrastructure to ensure Battery Park is protected by future floods caused by climate change and 105 million dollars to make waterfront improvements necessary to keep city-owned property in a state of good repair. We also received 29 million dollars to make improvements to our over 66 million square feet of assets. We look forward to engage in the Council as these projects continue to advance. Projects like these are pivotal to keep New York's economy thriving in, today, and data shows that the city's economy is as strong and diverse as it's ever been. Between March 2018 and March 2019, the city created roughly over-- roughly 80,000 jobs. We are now home to 4.6 million jobs, a record high. An average weekly wages were up, too. They nearly 1.8 percent from the inflation-adjusted average the year before. But, unfortunately, not all the latest economic data has been positive. Right now, just

over 15 percent of jobs in the New York Metro area are classified as opportunity employment or jobs that are accessible to workers without a bachelor's degree. This is the second lowest percentage of any metro area in the US behind-- just ahead of Washington DC. Moreover, from 2012 to 2015, real GDP growth was relatively slow in the New York Metro area compared to other high output counties nationwide. Santa Clara County in the heart of Silicon Valley had an annual growth rate of 9.2 percent. Denver, Colorado's capital, is currently undergoing a renaissance and had an annual growth rate of 4.8 percent. In contrast, New York counties growth rate was 1.1 percent, just behind Middlesex County in New Jersey. This makes it clear that if the city doesn't continue to make investments in our economy, trouble could be on the horizon. That's why today I would like to explain the steps EDC is taking to keep New York's economy among the strongest in the world, one that is inclusive, resilient to setbacks, and growing at a consistently upward trend. To do this, we are working to strengthen neighborhoods and improve the lives across the five boroughs through strategic investments and targeted initiatives, programs, and

developments. While many New Yorkers know that we are the organization that brought NYC ferry to life, revitalized the Brooklyn Army terminal, and kicked off the lower Manhattan coastal resiliency project, we have hundreds of transformative projects that were born out of partnerships with local communities.

Here's a snapshot of our work and how we are better preparing the city for the future. In Queens, EDC is delivering over 220 homes in downtown Far Rockaway less than two years after the neighborhood's rezoning was approved. 100 percent of these units will be affordable. The development will also include 20,000 square feet of commercial space and 7000 square feet of community facility space. This investment shows we are making good on our promise to downtown Far Rockaway to improve the lives of residents and bring new opportunities to a neighborhood that has long experienced this investment. On Staten Island, EDC is helping ensure that Charleston, a part of the borough that currently does not have a public library, finally gets one. We are managing the design and construction of a 10,000 square-foot library that will include community space with after our access, and children's room, and 18's room. We

look forward to welcoming hundreds of neighboring neighborhood children into the first-rate space and helping to foster a lifelong love of reading. In Manhattan, EDC just opened the new Essex Market at Essex Crossing. EDC led the relocation revitalization of the original market into the new 37,000 square foot state-of-the-art facility that is triple the size of the previous location. The neighborhood is a bastion of diversity and that's reflected in this market. M&O's Barber shop is run by an Uzbek immigrant, Ne Japanese Delicacies is owned by a native of Japan, and Devitowitch (sp?) Bakeries and Bagels are made with the Ukrainian recipe passed down for generations. We are proud that all 21 vendors that operate in the old market will move to the new location and ensuring that we keep its special character. In Brooklyn, EDC is supporting 21st-century manufacturing in New York City through the Future Works Makers Space of the Brooklyn Army terminal. This is a membership-based workshop that houses equipment, including a water jet, laser cutters, 3-D printers, and metal shop, among other amenities. Future Works Makers Space allows aspiring entrepreneurs, small businesses, and

hobbyists to use these tools without incurring the costs of purchasing them themselves, leveling the playing field for local residents interested in this industry. And in the Bronx, EDC is working to bring the Universal Hip-Hop Museum to life. This new cultural attraction, the first of its kind in the city, will occupy 50,000 square feet and pay homage to local legends. The Universal Hip-Hop Museum will be part of Bronx Pointe, the new mixed-use development that will include affordable housing, retail space, and a community facility. In addition to bringing this institution to life, we are also bring arts education programming to Hunt's Pointe, infusing even more culture into the complex. Every one of these projects will have an outside impact on our city's long-term economic success. By looking at neighborhood needs block by block, EDC works to ensure communities across the boroughs get their fair share of investment and everyone can contribute to and benefit from our collective success. We also have a number of citywide economic development projects that are meant to level the opportunity playing field. One of these is LifeSci NYC internship program, born out of Life Sci NYC, which

is a 10 year 500 million dollar initiative in New York's life sciences industry. The internship program is designed to develop and ready the city's next-generation of biotech leaders. This is especially important as the city's investment is projected to create roughly 16,000 industry jobs. Most importantly, the program is designed to reflect the diversity of the five boroughs and ensure dedicated students have an entry point into the field regardless of their background. To guarantee this happens, we traveled to over 50 college and university campuses across the city to encourage local students pursuing careers in the sciences to apply. One of the students we met at our outreach was Sarah Marie Satori, who lives in the last year of her Master's degree in Chemistry at St. John's University. Walking into St. John's my annual career fair, Sarah Marie thought that most jobs available to chemists were outside of New York City and that the likelihood of her finding a job was slim. But then she spoke with one of our representatives who convinced her to apply for an internship in Kenos, a startup that has developed new technology to disinfect medical facilities and ensure patients can

be treated in the safest environment possible. Sarah Marie applied and was offered the opportunity and the rest is history. She is now the lead scientist for the company and is thrilled she is able to work as a scientist and a humanitarian field here in New York City. We want to help more New Yorkers like Sarah Marie reach their potential through our programs and career pipelines. That is why we have made investments in a range of workforce development programs from the tech talent pipeline to the Workforce Center at the Brooklyn Army terminal. They have proven to be life-changing for many. Of the thousands of investments EDC makes every year, investments and New Yorkers are unquestionably in the most meaningful. Thank you for the opportunity to testify and I welcome any questions you may have.

CHAIRPERSON DROMM: Thank you very much and we appreciate you coming in and giving testimony. I do have some questions on the citywide ferries service. In our budget response, the Council called on the EDC to provide a comprehensive budget and performance report for the New York City ferry with each financial plan. The Council also called on ABC to release the capital plan for New York City ferry

that provides greater and clear details on how the ferry system is being funded. But despite the councils call for transparency, the executive capital commitment plan did not provide any additional information as requested by the Council. So, why won't EDC provide transparent reporting to us on the ferry spending?

PRESIDENT PATCHETT: Happy to provide whatever information you would like that we have available. I mean, I can give you-- I think in our response we provided a landing by landing cost. I think what you may be talking about is the way it's reflected in the city's budget over which, you know, it's not up to us. That's OMB and city who determines what goes into the city's budget. But in terms of our reporting to the Council, we are happy to provide whatever details you would like. I have here a landing by landing cost of how much it cost to build each of the individual landings. It adds up to about 91 million dollars and it's broken down individually by landing. And we also have a per vessel costs that we are happy to share with the Council. So, whatever specific information we have, we are more than happy to provide.

CHAIRPERSON DROMM: So, I think one of the things that we are interested in is how much is being spent per passenger to subsidize the routes?

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON DROMM: According to a recent Citizen's Budget Commission Report, the city is spending 10 dollars and 73 cents per passenger. The report indicated that the future route to Coney Island may require a subsidy of over 24 dollars per passengers. Why is this subsidy so hard for that and can the city do-- what can the city do to reduce the cost of the subsidy?

PRESIDENT PATCHETT: So, I-- Yeah. I certainly understand the concerns. What the CBC budget looked at was a single year and they did take the operating costs for that year and divide it by the ridership. That being said, the way that the contract was structured was that it was a fixed annual payment per year. Baseline annual payment and then include in the years in which the system was not fully up and running. So, the year that the Citizen Budget Commission looked at was a year in which we were only operating four of the six lines, but we were paying the same fixed annual payment. It's

certainly true that the number was higher on a per passenger basis that year. But once we are fully up and operational, we expect to have it average subsidy per rider of between seven and eight dollars. Our initial projections were six dollars 60 cents per rider, which we've talked about from the very outset, but that was before the additions of Coney Island, Staten Island, and Throgs Neck which we think are important additions to the system. And there's no question that, as you add additional, you know, it is slightly more expensive per rider, so that drives it up a little bit from the initial \$6.60 to the between seven and eight dollars.

CHAIRPERSON DROMM: So, why is it so expensive for Coney Island, for example? Up to 24 or more dollars per passenger?

PRESIDENT PATCHETT: So, I mean, Coney Island is quite far away. I mean, candidly. And that's-- that's actually out--

CHAIRPERSON DROMM: [interposing]
Further than the Rockaways?

PRESIDENT PATCHETT: What's that? No. It's not farther than the rockaways. It's similarly-- it's actually slightly closer than the

Rockaways. They are both fairly expensive per rider, but I think what we certainly see is that the folks that have the least transit options are the ones who are farthest away from the center of the city and we just don't accept the fact that they are far away should mean that they don't have access to quality trends and options. And the reality is, as we seek to reach more and more parts of the city, whether by ferries or buses or other forms of transit, it's going to be more expensive. You know, express buses cost, you know, a very similar amount per rider and that's because they are traveling from a very long distance. So, people are paying ones, but they are traveling for much longer, so the cost per rider is just higher.

CHAIRPERSON DROMM: Are you saying that the cost for express bus service is close to the Coney Island figure the 10 dollars figure?

PRESIDENT PATCHETT: I'm saying it's close to the average for this is and the express bus average across all of the system is similar to the express bus or similar to the cost for the ferry system in the aggregate per rider.

CHAIRPERSON DROMM: What's that average?

PRESIDENT PATCHETT: It's in the vicinity of seven dollars. Similar to our number.

CHAIRPERSON DROMM: What's the breakdown between the revenue streams from fares to concessions to city subsidies?

PRESIDENT PATCHETT: The break-- Sorry. Can you say it again? I apologize.

CHAIRPERSON DROMM: Sure. What is the breakdown between the revenue streams from fares to concessions to city subsidies?

PRESIDENT PATCHETT: Sure. So, our net-- so net of fares and concessions are total operations in FY 18 were about 45 million dollars. We are expecting fiscal 19 to be about 53 million dollars. So, in total we can about 50 million dollars in revenue per year and-- from fares. And a very nominal amount for concessions.

CHAIRPERSON DROMM: Okay. How many New Yorkers are being served by the ferry service?

PRESIDENT PATCHETT: So, in the aggregate today, we have served close to 9 million

riders and we are projecting that by 2023, we will be serving approximately 11 million per year.

CHAIRPERSON DROMM: And can you break that down by routes?

PRESIDENT PATCHETT: I can. I can't right now, but I certainly have that data.

CHAIRPERSON DROMM: Okay.

PRESIDENT PATCHETT: I may have it in my notes.

CHAIRPERSON DROMM: Okay. So maybe you can get back to us. And--

PRESIDENT PATCHETT: Happy to follow up. Yes.

CHAIRPERSON DROMM: And before I was talking about the ongoing reporting for each financial plan-- that's what we were looking for from you.

PRESIDENT PATCHETT: The which?

CHAIRPERSON DROMM: Ongoing reporting for each financial plan moving forward.

PRESIDENT PATCHETT: Okay.

CHAIRPERSON DROMM: Does EDC solicit community input on new potential ferry landing sites and how do you vet proposed sites?

PRESIDENT PATCHETT: Absolutely. We did a comprehensive community outreach effort as a part of the recent expansion study that we did. We did meetings in-- convened by the borough presidents in every borough. We got proposals from every-- solicited proposals from every community board across the city. We put out an individual survey that people could submit ideas from across the city. We ultimately evaluated over 30 potential locations and Wade did a comprehensive analysis of each of those. My team is out in the field all the time. We've been out-- As part of the Coney Island launch, we have been out in Coney Island on a regular basis and in the evening meeting with the community to talk about the specific location of the landing upon the time it's implemented.

CHAIRPERSON DROMM: Okay. Thank you. In 2015, EDC committed to doing a comprehensive and holistic form of the entire suite of city run commercial incentives. At the time, EDC reported that this reform exercise was already underway and was targeted for completion for the 2016 state legislative session. Does EDC believe that the city has a responsibility to review its economic

development tax expenditure programs to assess efficacy, efficiency, and relevance even if the city then has to go to the state to have recommended changes made?

PRESIDENT PATCHETT: Yeah. I believe it's our collective effort, the city, and also I know the Council is interested in this and we have worked together on this in the past to look at how the programs can be modified. I know it's an active conversation in Albany right now and we insert sought reforms in the past and in previous years that have not been made.

CHAIRPERSON DROMM: What is the current status of the 2015 report?

PRESIDENT PATCHETT: I can't speak about the 2015 report, but what I can tell you is that, you know, certainly there is an active engagement in the current legislative session about what changes might be made.

CHAIRPERSON DROMM: Okay. The Council passed local law 18 of 2017 which mandates annual evaluations of city economic development tax expenditure programs by IBO. Some programs subject to review would require information from EDC and the

law requires EDC to share requested information with IBO. It is the Council's understanding that EDC and IBO are in the process of negotiating an MOU that would both protect the privacy of EDC's clients and permit IBO sufficient information to conduct the mandated review. What is the current status of the MOU you and is there anything holding up the finalization of the document?

PRESIDENT PATCHETT: I don't-- To my understanding, it's-- the MOU conversation predated my time at EDC. I don't believe that there was a conclusion around that. However, it doesn't preclude IBO from advancing their audits that they are authorized to do under the law that was passed by the Council. So we will share with them any and all information and, in practicality, that's regardless of MOU and when not actively pursuing it, but we will participate and provide whatever data we can to IBO as a part of any analysis that they want to undertake.

CHAIRPERSON DROMM: So, you're committing to an agreement with IBO on the MOU?

PRESIDENT PATCHETT: No. I'm saying we don't need a-- I don't believe we feel that we

actually need an MOU. They are-- They have-- Under the law that the Council passed, they have the right to perform audits and we'll provide the information to them that they need for those audits.

[background comments]

CHAIRPERSON DROMM: So you are discussing that with IBO right now? The MOU?

PRESIDENT PATCHETT: No. There's no current conversation about MOU. We don't believe that an-- I don't know that IBO believes an MOU is necessary at this point. They have the right to engage in audits without an MOU and that's, as far as we're concerned, how they are going about it today. It's not necessary. They have a legal right to do it. We don't need then MRU in order for them to perform that.

CHAIRPERSON DROMM: At the preliminary budget hearing, EDC testified that it would increase payments to the city by 30 million dollars in fiscal 2020. In its response, the Council called on EDC to increase its payments by an additional 10 million dollars for a total contribution of 40 million dollars in fiscal 19, that this is not reflected in

the executive budget. How did EDC arrive at the 30 million dollar figure for fiscal 19?

PRESIDENT PATCHETT: For fiscal 20?

CHAIRPERSON DROMM: Anyway. Yeah.

PRESIDENT PATCHETT: Okay. So, yeah.

So that was-- I think that you're referring to the peg plan that the Mayor put out. Every agency was given a target for ways to contribute to the overall city deeds. You know, were not actually an agency, but, regardless, OMB gave us a target of 30 million dollars. I cannot speak to how those numbers were set, but we committed to meeting it and we're still committed to meeting it.

CHAIRPERSON DROMM: What impact would contributing an additional 10 million dollars have in EDC's operation?

PRESIDENT PATCHETT: I mean, I have been evaluated and it, but certainly, you know, 10 million dollars in programming, in all likelihood, it-- one of our efforts, whether it was workforce development programming in one of our industrial centers or, you know, neighborhood planning or impacts on the ferry service. They really depends. We haven't looked at

cutting an additional 10 million, so I don't have a specific plan for it right now.

CHAIRPERSON DROMM: Why is the contribution to the general fund declined over the past few years? For example, in fiscal 2014, the contribution amount was 126 million. It then dropped by 30 million in fiscal 2013 and 16, resulting in a total contribution of approximately 96 million. For fiscal 2017 and 18, the amount dropped even further to 7 million. Can you offer some insight on the decline for us?

PRESIDENT PATCHETT: Sure. Well, I think probably the most significant factor is we have, I think, in broad agreement with the Council, moved away from selling city property, which has been a large source of revenue for the city to leasing it. So, as opposed to their being one time large payments and purchasing the property, we are entering into long-term leases which guarantees long-term public control of the assets. So, I think it's the right policy outcome for the administration. I think the Council would agree, but it means that as opposed to those one time large upfront payments, you have smaller payments over time.

CHAIRPERSON DROMM: In fiscal 2015, EDC showed a net loss of 25 million. To what was this loss attributed?

PRESIDENT PATCHETT: So, we budgeted for a 25 million dollar loss. We always budget conservatively. We believe that we should be able to come in pretty close to even, but, just to be conservative was why we had that number.

CHAIRPERSON DROMM: Okay. Thank you. In fiscal 2018, EDC has a net income of 14 million. How was this funding utilized?

PRESIDENT PATCHETT: So, I think-- you know, we are a not-for-profit, so to the extent that there is net income, we use it to invest in future programs. It's what allows us to budget in future years for a potential loss, so in the event that we need to have a loss or else we have a recession, we also have a balance of cash available that we keep to deal with those circumstances. It's just good financial planning to make sure that you have cash. Another significant advantage of that is that, because EDC has cash on our balance sheet, and allows us to advance capital construction projects more quickly because we can outlay funds prior to

completing the full process, which allows us to get capital construction projects in many communities under way more quickly.

CHAIRPERSON DROMM: I know in your previous answer to one of my questions you mentioned revenue sources, but what are the revenue sources EDC use is to fund its contributions back to the city?

PRESIDENT PATCHETT: There's a few major sources, but primarily land sales is one of the major factors. Another one is lease payments. He has both a maritime and a master contract with the city and all of those payments-- the specific payment requirements are dictated in there as they have been for some time.

CHAIRPERSON DROMM: Okay. The fiscal 2020 executive plan includes 3.1 million in fiscal through 23 in baseline funding for the graffiti free and clean New York City program. This program, which was initiated in 1999, provides graffiti removal services and pressure washing of highly trafficked sidewalks in the city's commercial corridors. How does the graffiti-free New York City determine cleaning schedules and routes and will these schedules and routes be expanded in 2020? And I'm

asking this a little bit selfishly because we have a big graffiti problem in Corona and Jackson Heights Elmhurst area--

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON DROMM: due to gang activity and we really need help with that. I asked the PD about this, as well. So can you just shine a little light on that for me?

PRESIDENT PATCHETT: Absolutely. It's actually primarily through interactions with Council members and through 311 complaints that we respond to graffiti removal. We certainly have primarily-- We've historically targeted a lot of commercial corridors that have been a focal point of graffiti that we have seen. We need to get the consent of the business owner to remove the graffiti because, in some cases, it's art. So you have to be careful. But if there is an interest in your community that you have a particular target area, provide us-- and we should follow up about it directly because we can have a team out there within the next couple weeks to meet with your office and identify locations that need to be addressed.

CHAIRPERSON DROMM: Sometimes the business owners are afraid that if they take it down, particularly if it's gang related, that there could be revenge from the gang.

PRESIDENT PATCHETT: Hmm--

CHAIRPERSON DROMM: Do you know how that's dealt with at all because we've actually had businesses turn us down.

PRESIDENT PATCHETT: I'm going to honest with you. I'm not an expert in that and I don't want to presume to be. But we'd be happy to work with you and PD to come up with the best way--

CHAIRPERSON DROMM: Yeah. I think when the--

PRESIDENT PATCHETT: to approach this.

CHAIRPERSON DROMM: when PD finally went there, then I think they felt better about it, but initially they were not-- they were hesitant to remove it. We had a similar issue with the post office, not because of fear, but because it's a federal building and we couldn't get the permission there.

PRESIDENT PATCHETT: Yeah. Well, we're prepared to do the work, regardless. You know, we're

obviously not concerned about that, but we obviously need to be sensitive concerns about business owners' own safety and we don't want to do anything that would jeopardize that.

CHAIRPERSON DROMM: Okay. Thank you. And I'm going to turn it over to Chair Vallone for further questions.

PRESIDENT PATCHETT: Thank you.

CHAIRPERSON VALLONE: Thank you, Chair Dromm. We've been joined by Council members-- our majority leader, Laurie Cumbo, is here. We've been joined by Council members, Carlina Rivera, Carlos Menchaca, Mark Gjonaj, and Peter Koo. And will take the questions from the councilmembers after this round of questions. And I just want to start off-- kind of like to break it down into a little bit of different areas because we have a unique situation with your budget and compare the size, the scope, and the different boroughs--

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: revenue, capital, all that. So, in the big picture, I guess, in the executive budget, EDC had a 10 year capital strategy and you provided 3.9 billion in fiscal 2020 to 2029,

so that's our upcoming decade which 269 million of that is larger than the preliminary 10 year strategy of 3.7 billion. So I just want to get your thoughts on the expansion of the original 10 year capital to where we are now.

PRESIDENT PATCHETT: Sure. So, it is in the areas that I highlighted in my testimony. In particular, the funding for--

CHAIRPERSON VALLONE: The 180 million, 136, and the [inaudible 04:05:37]?

PRESIDENT PATCHETT: Yeah. But not all of-- It's our budget [inaudible 04:05:40]. Not all of that necessarily shows up in our budget. So some of the funding for the Lyon City (sp?) efforts are in agency budgets. The money for all of the waterfront improvement, which is the 105 million dollars, that's all in our budget, and that 29 million dollars to make improvements to our assets, that is all in our budget.

CHAIRPERSON VALLONE: How would we find, I guess, some of those interagency budget items? Because on so many of the projects EDC works with is through cooperation with other agencies. How is that reflected in this budget?

PRESIDENT PATCHETT: So, you know, they show up in other budgets. I think it would be-- we would be happy to summarize the specific line items of the ones I highlighted, which are the major ones where they show exactly what line items they show up in and in whose budget because, again, sometimes it varies. It's not uncommon, like was alluded to previously to-- for EDC to be performing capital work, for instance, on behalf of the Parks Department and the funding is frequently in the Parks Department's budget, but EDC is doing the work.

CHAIRPERSON VALLONE: Is that reflected in the Parks'--

PRESIDENT PATCHETT: Yes.

CHAIRPERSON VALLONE: budget or is that reflected in EDC or--?

PRESIDENT PATCHETT: That would be reflected in the Parks budget.

CHAIRPERSON VALLONE: So if EDC is doing work for a Parks capital improvement project, it will only reflect it in the Parks' budget?

PRESIDENT PATCHETT: That's correct.

CHAIRPERSON VALLONE: How is there any interagency auditing of the project? Cooperation on

the project timeline and the project, how is that handled?

PRESIDENT PATCHETT: Oh, absolutely. There's extensive amount of work. I mean, effectively, when we are doing this for the Parks Department-- intake as an example, you know, we basically view the Parks Department has the client. So, they are-- they have a project they are designing. They have a certain amount of budget set aside for it and we identify contractors. We help them work through a design process. They can meet their budget. We value engineering, if it's necessary and then we bid it out. We hire contractors. We lower the bids-- level the bids to get the best possible outcome, and then we proceed with construction and manage it ourselves while keeping the Parks Department, for example, regularly updated about the process.

CHAIRPERSON VALLONE: How many Park-- since we're talking about Parks, many projects would you determine or when is EDC brought into a Parks project that EDC would then take over or manage versus atypical parks capital project?

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: Which we are all very frustrated over and would like to see that timeline go a little faster.

PRESIDENT PATCHETT: Right. So, it's an important question. So, I mean, I think if you just look at the scope of things, my capital construction group, which is focused on, you know, building out these large-scale construction projects for other agencies, is just over 30 people. Compare that to the size of DDC or even the capital construction group at DOT or parks, it pales in comparison. So we have a pretty small capacity of projects that we can actually take on. The way that-- You know, we are set up under our founding documents, as well as our contracts with the city to perform projects that are focused on economic development efforts. So, where we are able to take on projects that have a direct nexus with economic development and primarily in neighborhoods where we are doing more comprehensive planning.

CHAIRPERSON VALLONE: So, would the park be-- the location of the park be secondary to the overall goals? So, if we are doing a waterfronts project and there happens to be a park alongside one

of the Council member's districts included in that, then that park would be included in the waterfront development or it would be individual on its own?

PRESIDENT PATCHETT: Yeah. I think the way that we think about it-- and, again, if it's a-- you know, just, again, take the example of downtown Far Rockaway. So, in that neighborhood, EDC undertook a comprehensive rezoning in partnership with Council member Richards. Since we are doing a comprehensive plan for that neighborhood which includes housing, commercial space, and, you know, new investments and infrastructure, we are taking on some infrastructure responsibilities as a part of that effort. Similarly, as a part of the Inwood planning effort. So, when we are involved in a comprehensive effort for a community, there is a direct economic development component and we are able to participate in capital construction projects.

CHAIRPERSON VALLONE: So, the scope of the project, would it be calculated through EDC or than through the community involvement of project or the revitalization of that neighborhood? A lot of the councilmembers would, from day one, have always asked the inclusion of that. And the determination

of the pipeline of projects and how those projects are determined--

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: in order for EDC to reflect this year and going forward. I think a big part of fact, whether it's Parks or DOT or SCA--

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: is inclusion of the Council member's districts and how those projects are determined.

PRESIDENT PATCHETT: Uh-huh.

Absolutely. I mean, I think we certainly are prepared-- We want to work with the councilmembers about identifying the priority projects for them. Obviously, we-- as I said, we have a relatively limited staff. We can't do-- You know, we're not DDC. They're responsible for most capital construction projects, but we'd be happy to work projects that have a nexus of economic development and are priorities of yours.

CHAIRPERSON VALLONE: Well, I think we could use an example in your testimony. The 105 million to make the waterfront improvements.

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: I mean, they're-- there's-- My district is not exclusive of anyone else's, but there's a huge amount of waterfront--

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: along the city. So 105 million is clearly not going to be enough to address what we want to do, but I would think this would be almost an initial step in the right direction. How do we expand? How do we bring this to outer boroughs? How do we go beyond lower Manhattan with a project such as this?

PRESIDENT PATCHETT: Right. So the funding that's in the budget, so-- is really a reflection of EDC's historic role where we manage much of the city's waterfront. Not all of it, but certain parts of it. Certainly Parks Department and DOT manage other components of it. But, as a result of aging infrastructure and the impacts of waves and salt water, many of the waterfront areas have been damaged significantly over time and piles that were driven decades ago need to be reinforced on a regular basis. So this funding is primarily targeted towards ensuring that that waterfront infrastructure is safe. So we to a regular survey of all of the waterfronts

across the city, not just our assets, but also those managed by DOT and parks. We take a look at the piles and where we identify places that are in serious need of repair, we seek funding from the city to address those repairs because we-- you know, we recognize climate change is happening. We recognize the fact that infrastructure on the waterfront is just one of many needs for infrastructure and investments in states that could repair across the city, but we just want to make sure that we're not letting our waterfronts just collapse into the East River.

CHAIRPERSON VALLONE: So, when was the last time a survey was done--

PRESIDENT PATCHETT: We--

CHAIRPERSON VALLONE: of the state of our--

PRESIDENT PATCHETT: We do them--

CHAIRPERSON VALLONE: waterfronts?

PRESIDENT PATCHETT: annually.

CHAIRPERSON VALLONE: Annually?

PRESIDENT PATCHETT: Annually.

CHAIRPERSON VALLONE: And where do we find the results of that?

PRESIDENT PATCHETT: I mean, we're happy to share them with you.

CHAIRPERSON VALLONE: Well, I would think that would be critical, especially as we're looking forward. So, you-- It's 100 to make improvements who are 66 million square feet of assets. So we're talking across the five boroughs?

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: So what would be the next step, then, once we determine what needs to be done?

PRESIDENT PATCHETT: Well, so we do-- So, that's-- the 29 million is in reference to our property as opposed to the waterfront assets. So, EDC manages over 66 million square feet for the city and we do a comprehensive evaluation similarly of our assets and where we need to make investment and we-- you know, we make sure-- this is like repairing roofs that are leaking at public markets. It is investing in our industrial campuses to make sure that, you know, that they are resilient and that they are-- that they are efficient from a green perspective. That they are not leaking air out of

the windows. Those with the sort of efforts we are undertaking. It's a big portfolio.

CHAIRPERSON VALLONE: Well, I think we found a topic for another day on--

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: where we can expand the survey and also post Sandy the amount of infrastructure damage that we took and how much federal and state did not touch certain areas like co-ops--

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: and condos were exempted and I have-- we have many areas where they are still struggling to rebuild from that--

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: without city or state funding and I think this is critical, especially if you're doing an annual survey of our waterfronts.

PRESIDENT PATCHETT: Yeah.

CHAIRPERSON VALLONE: Let me just take a quick stab and then I'll turn over-- We used to have out budgets combined with SBS, with our small business. Now that's separate, but a portion of SBS'

fiscal executive budget is represented in EDC's budget which has noncapital related expenses. The fiscal 2020 executive plan includes 5 million for fiscal 2020. For example, the financial district and a sea port climate resilience mastery plan, this plan will develop long-term visions for lower Manhattan. Can you tell us more about these projects and a little bit about SBS' budget and your cooperation with EDC at this point?

PRESIDENT PATCHETT: Right. So, because we're not a city agency, we are a contractor, effectively, to SBS. A not-for-profit contractor to SBS through our both-- as I said, our master contract and our maritime contract. There's a lot of reasons for that history that I can't even provide all the background because it was, literally, 25 years ago. But what I can tell you is-- Or more. What I can tell you is as relates to the 5 million dollars, that funding is specifically allocated for evaluation of an area in Lower Manhattan between the Brooklyn Bridge and Battery Park to take a look at what sort of comprehensive resilience efforts are necessary in order to prepare for the combined risks of sea level rise and storm surge. We've identified

is that we definitively need to build something to-- that goes out into the water to address the challenges of the-- those combined challenges and we're undertaking a master planning effort with the community to identify what the best approach to that is.

CHAIRPERSON VALLONE: Well, some of those have been green lighted to go ahead. Some have been held off. Most of those communities, I think, especially ours included, are ones-- especially when you talk about waterfront and ferry expansion, are ones who are crying for that expansion. I know Council member Gjonaj successfully brought that and we were trying to do the same thing because when you have deserts like ours in Northeast Queens and many parts of Queens without a subway system, ferry systems can be run better, as Chair Dromm has mentioned and looking and trying to find out until it's fully operational. You mentioned that it's not yet fully oper-- When do you envision the ferry system to be fully operational?

PRESIDENT PATCHETT: So, we have our full original system build out at this point. We launched our sixth route last summer. We've now

announced the addition of two new routes, one to Staten Island and one-- Sorry. One to Staten Island and one to Coney Island and then we are adding an additional stock in Throgs Neck as a part of the Soundview Route. We anticipate launching-- adding the Staten Island route next year and the other two routes the year after.

CHAIRPERSON VALLONE: Is there beyond 2020? The next phase of what you envision the ferry system to be?

PRESIDENT PATCHETT: So, we are prepared to do another evaluation above and beyond those studied. Above and beyond those locations. At this point, we are primarily focused on implementing those locations and we just completed an expansion study earlier this year or last year. And so, we will be focusing on-- on the current expansion for now, but after that, we are prepared to work with the Council on what a future phase might look like.

CHAIRPERSON VALLONE: Well, I think you did a successful work in reaching out to the boroughs. You came to Queens extensively and all the Queens delegation and borough president went over all of the sites. I think you have sites there that

almost made the grade and are possibilities, so I think we can-- we don't have to reinvent the wheel on where the next site location can be.

PRESIDENT PATCHETT: Uh-hm.

CHAIRPERSON VALLONE: I think it's a matter of getting it to work, allocating the funds, making certain sites. And that's why I brought up the existing capital projects with Parks and/or, I think, Citi Field Marina is a perfect example because, although it's not many-- it's helping all of the districts around it where there's a capital project ongoing, but we can leave that ferry-ready instead of going back and doing another capital project. That's my goal in leaving the communities along the waterfront ready for that next phase, whether it comes or not, or maybe we get partners that could work. We have US Open. We have Citi Field Marina. There's many partners throughout the city that could bring it, but I think that's a perfect site that can be left ready for that next expansion. And I'm hoping you can look at that.

PRESIDENT PATCHETT: Makes sense.

CHAIRPERSON VALLONE: All right. I'd like to turn it back over to Chair Dromm.

CHAIRPERSON DROMM: Sure. That'd be a great way to get to a Mets game, right?

[background comments]

CHAIRPERSON DROMM: Before I turn it over to my colleagues, let me just ask what tax expenditure programs are currently being discussed at the state level?

PRESIDENT PATCHETT: You know, I'm not a regular visitor to Albany, but I understand that there's a comprehensive conversation going on there about many different tax expenditure components, both in the city and across the entire state.

CHAIRPERSON DROMM: So, maybe we can talk about that later on.

PRESIDENT PATCHETT: Sure.

CHAIRPERSON DROMM: About what those specific programs are.

PRESIDENT PATCHETT: Yeah. Happy to.

CHAIRPERSON DROMM: If you're not willing to say here.

PRESIDENT PATCHETT: Well, it's not-- I just-- It's just not that I'm not willing to say. It's the-- you know, our role is on policy. I'm just not directly and personally engaged in the

conversations. I understand there to be a lot of conversations happening in Albany. Albany remains a mystery at times to me, candidly.

CHAIRPERSON DROMM: Okay. All right. Thank you. We're going to go to questions from Council member Powers, followed by Koo.

CHAIRPERSON VALLONE: And we've also been joined by Council member Francisco Moya and Brad Lander. I think we had Carlos Menchaca before, but just in case we didn't, I wanted to make sure [inaudible 04:20:35].

COUNCIL MEMBER POWERS: Thank you. Thank you to both Chairs for your questions. I wanted to just follow up on-- you talked about Life Sciences in your testimony and I know that last year, early last year, the EDC had put out a request for proposals and information related to Life Sciences. Can you give us an update on where you are in terms of-- you identified a few locations, if I recall. I think one was either in or across the street from my district and--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER POWERS: can you tell us the update on siting of facilities related to life

sciences and where you are in terms of those responses?

PRESIDENT PATCHETT: Absolutely. So, you are correct. We did put out an RFEI. It was request for expressions of interest, not an RFP which is the more formal procurement process. And what we said at the time as we were going to, you know, look at the proposals that we had and then evaluate whether or not to put-- either to award under the RFEI or put out a new RFP. We remain in conversations with respondents about the sites that we put out and there were three sites. You're correct. One was in East Harlem. Another one is, as you say, across the street from your district in Council member Rivera's district, and the third one was in Lyon City. You know, I don't-- we're making significant progress on other components of our life sciences program and so I don't-- we don't feel an enormous amount of urgency to awards necessarily under that, but we are in, you know, real conversations with people and, you know, would love to put together the right project. But, you know, it's city-owned property and we also had city funding

available. So we want to make sure if we do award, then it's a project we can all be proud of.

COUNCIL MEMBER POWERS: And can you tell us how you chose those three locations as your potential sites?

PRESIDENT PATCHETT: Yeah. I think we just-- We looked-- So, you know, the most natural thing that we focused on was a connection to the existing medical records or which is on the Eastside and runs, you know, from NYU all the way up to Mount Sinai and beyond on the east side and so it's long been our belief that the east side of Manhattan, as well as Western Queens, where the most logical locations for an expansion of life sciences corridor. And that still makes sense to us. So we identified the best sites that we had in those geographies.

COUNCIL MEMBER POWERS: Gotcha' (sic). Thank you for that. And, you know, that area that I represent has the Alexandria there with the new third bill and third phase coming on. NYU, Bellevue, Feay (sp?), OEM. I mean, all-- it's a great location for life sciences center. We also have the Hunter College property that we are discussing that the city owns and is an area for redevelopment. Then it just

strikes me that that is a prime location to do a very big project tied into other facilities there. And I'm wondering if the EDC has looked at that property as a potential location for a life sciences or another use?

PRESIDENT PATCHETT: The Hunter College site?

COUNCIL MEMBER POWERS: Yes.

PRESIDENT PATCHETT: We have certainly looked at it. You know, we do believe it has potential as a life sciences location. It's, obviously, very large site and also the funding for relocating the existing use that Hunter has on there has not been identified from the state, yet. So, to me, that is a pretty critical question to determine what we are going to do with that site. You know, we can't determine life sciences or any other use until we know that they uses that are currently there and are critical have a new home.

COUNCIL MEMBER POWERS: Great. Thank you. Thank you.

CHAIRPERSON DROMM: Okay. Good. And we're going to have to keep everybody to their time limit because we have two very important meetings

after this. I do. Council member Koo followed Menchaca.

COUNCIL MEMBER KOO: Thank you and thank you, Chair Dromm and Vallone. My question to you, President James Patrick-- How are you? How are you? Yeah.

PRESIDENT PATCHETT: Good to see you.

COUNCIL MEMBER KOO: Is of the six existing ferry routes and my two upcoming new routes, none of them includes Northeastern Queens. From where the number seven train ends is the transit desert where commuters do not have a lot of options in public transportation. So, are there future plans for expansion of services to Northeastern Queens? For example, to flushing for the constituents in Queens who need more transportation options?

PRESIDENT PATCHETT: Right. No. It's a very important question. Thank you. And good to see you, too, councilmember. You know, as Chair Vallone was mentioning a few minutes ago, we certainly recognize the value of the ferry service for communities all over the city and, certainly, Northeast Queens is an area that we remain focused on and, certainly, from our perspective, we would love

to see an expansion to that neighborhood. We think there is a need for additional transit service there. We share your desire for that. You know, we did a comprehensive study. You know, we worked, you know, closely with your office and you in the council member and the borough president and identified an ideal location and, I think, as the Chair noted, Parks is undergoing a capital project there currently and so I think, as a follow up, we will talk to parks about if there's a way for us to, during the course of that capital construction project, make adjustments that would make it possible to add a ferry system there in the future. Thank you.

CHAIRPERSON DROMM: Okay. Thank you.

Car--

[background comments]

CHAIRPERSON DROMM: Council member Menchaca followed by Gjonaj and then Lander.

COUNCIL MEMBER MENCHACA: Thank you, Chairs. And hello President Patchett. It was great this weekend. I know you mentioned the Future Works Space. I think it was--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER MENCHACA: an incredible example of incredible work that EDC is doing on the ground to actually grow the presence of a space, a maker's space. This is a company coming from Staten Island. A very kind of on the ground local feel because of their leadership and so I just want to say kudos to you and your team for making that incredible successful. I will mention that we were able to use a plasma cutter and, if you know what a plasma cutter is, it exists in the Brooklyn Army terminal. I guess in Staten Island, as well. But it's an incredible thing what happens when you supercharge a high pressured gas in an electric arc and then, like butter, cut metal. And we did--

PRESIDENT PATCHETT: That was fun.

COUNCIL MEMBER MENCHACA: that which is really, really fun. I have a question in my short time to really think about what is happening at the Brooklyn Army terminal. If you could talk a little bit about the success there. I think so many jobs have been created because of the investment and I think that just proves that when you can push a level of commitment to engagement and kind of leadership, which is what you are bringing and your team is

bringing. You get really beautiful stuff. So, if you can give us a little bit about Brooklyn Army terminal and then go a little bit north to South Brooklyn Marine terminal and talk a little bit about the contract. This has been something that, I think, in a lot of ways has been a multi-prong approach from community, the City Council, the Mayor's Office, and if you can give us a sense a about what's happening in SBMT, the contract. And we'll leave it there and, again, I want to say thank you, again, for your incredible leadership in Sunset Park.

PRESIDENT PATCHETT: Thank you. Thank you, Council member. You know, we have a great team, as you referenced, at Brooklyn Army terminal on the ground who are doing great work and it's because of a partnership with you and other members of the community that we've been so successful. Absolutely. So, we have about 4 million square feet at the Brooklyn Army terminal and we have about 4000 people working there. It's a great story. We've committed to making those, you know, jobs in our core industrial fields and I think that's been great. We love-- We really love the industrial sector because it creates a pathway for accessible jobs. People who

don't maybe have the traditional forms of education, pathways to middleclass opportunities, and I think it has-- it's been a great partnership in terms of activating the public space, making the full campus accessible to people, doing community programing and trainings at the Brooklyn Army terminal. The new space that we had an opportunity to open this weekend which is going to be available to the community. I think it's all, you know, as part of our partnership, we're really proud of the recent 100 million dollar investment. It opened up a new half a million square feet. That's a great step. That's 1000 jobs right there. I think we're thrilled and it's also an investment in a building that had, obviously, been disinvested in for decades. It's been a great partnership. You know, moving north to South Brooklyn Marine terminal, this is a great-- it's been a great partnership with you and the congress members and other local elected, as well. You know, we really believe in the potential of this as a continued maritime waterfront facility for job creation. You're going to be working closing with the local union to make sure they are high quality jobs, as well, and also trying to make sure we're

creating connections and partnerships in the local community. We are on the verge of executing our contract there and we are hoping to see some real activity and jobs created later this year, so we won't be in regular touch with you to keep you updated.

COUNCIL MEMBER MENCHACA: Thank you.

PRESIDENT PATCHETT: Thanks.

CHAIRPERSON DROMM: Thank you. Council member Gjonaj.

COUNCIL MEMBER GJONAJ: Thank you, Chairs. Thank you, President Patchett. In your own testimony, you point out that 15 percent of jobs in New York City in the metro area are classified as opportunity employment or jobs that are accessible by workers without a bachelor's degree. The second lowest percentage of any metro area in the US just ahead of Washington DC. I bring up two projects. One, the [inaudible 04:30:38] metro center in the Bronx, which currently has thousands of employees with--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: thousands of more visitors daily and the infrastructure that are needed for its continuing expansion.

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: The second project is the White Stone Cinema which has come to you and has had initial conversations about the IDA--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: component of it. This is a thou-- 1400 estimated new jobs on top of the 1000 construction jobs, fully equipped with solar roofing for 2.3 million megawatts of electricity for car charging stations. It's an urban warehouse, something that I would imagine we would be willing to embrace and support. 1 million square feet of warehouse space on 15 acres.

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: Where else can you find that in a major city?

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: And I don't know if the conversations are ongoing, but I'm certainly concerned about the viability of the project. The others-- of the 523 projects between for the 10 year

capital project, 2019 to 29, only 48 have been in the Bronx. What are the dollar amounts associated with these projects? And I'd love to hear about the advancement of the other B borough, Brooklyn.

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: but I'm more concerned about the borough of the Bronx. Remember that borough?

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER GJONAJ: The one with the highest rate of poverty and--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: so many other annoying issues that require more support and more attention. My last question to you is the ferry expansion. A commitment from you as to when will the Ferry Pointe Park commence as well as a possible extension to Hunts Pointe, something that we've all been excited about. It's adding an extra stop on a route. I don't think it's going to create that much of an issue, but this will allow more frequent errors to come into the Hunts Pointe terminal, as well as enjoy the rest of the borough of the Bronx.

PRESIDENT PATCHETT: Okay. I've got a list. Okay. So, let's start with the Hutch Metro Center. We agree. It's a fantastic job center in the Bronx. We certainly believe that jobs in the medical profession can be a significant opportunity for career advancement and there is a huge cluster of jobs in that area, as I know you well know, in the medical profession. And we are really excited about the possibilities of working together on that. You know, we are also--

COUNCIL MEMBER GJONAJ: Yes. But I believe they asked you for-- they've had conversations with you about a ramp. There's only one point of entry.

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: Which--

PRESIDENT PATCHETT: Well, this is--
Right.

COUNCIL MEMBER GJONAJ: has created quite a log jam, as you can already imagine, for the thousands visit there daily.

PRESIDENT PATCHETT: Yeah. So that--
Right. So that's a state project, I believe, but we are in conversations with them and we would be happy to be helpful. I think the White Stone Cinema

project, I mean, I think what you are referring to there-- you know, we certainly believe in the excitement of the importance of freight jobs in the city. It's something we believe in. Quality jobs. You know, I think the questions heard from other Council members today and over the course of our conversation is how to balance the IDA program, which is a tax incentive, with the benefits that the public is getting. And so, certainly in the conversation around White Stone, as well as another discussions, we would want to make sure that we were getting something that would not happen otherwise and it would really create job opportunities for local people. So that's the fundamental question about that and I'm not familiar with the latest with them, but those would be the questions we would ask of any project. And I'm sure everyone on the Council would agree with that. You know, I think-- you know, you asked about the Bronx in general. You know, I agree, historically, there has been a lot of focus, you know, obviously, on economic development in Manhattan and, recently, Brooklyn. We have focused a lot on the Bronx. You know, we are continuing to make significant investments in Hunts Pointe in Council

mem-- in partnership with the Council member Salamanca in the markets there. We are-- We just completed an effort to raise on the lower concourse. We are bringing in a thousand units of housing and also community facility space there, building out the adjacent Parkland. We are working to rebuild the Orchard Street Pavilion or the Orchard Beach Pavilion which is a really important project, I know, for the borough and in epicenter of people where-- or people go from all over the borough to enjoy themselves. And we'd be hap-- We certainly believe in the future of the Bronx and we want to continue to invest there. You know, most recently, we had the-- we went through the successful public approval process for Spofford (sp?) to tear down the former juvenile detention center and build a job center, as well as affordable housing. I mean, there's no project I could be prouder of in the entire city. Those are all great opportunities in the Bronx and we would be happy to do more.

COUNCIL MEMBER GJONAJ: It's about economy. Housing is great. I'm glad that you're helping, but this is about job creation, permanent job creation.

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: These are some major projects that could use the support for a borough that certainly needs it and, if that's the statistic--

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER GJONAJ: for the city--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER GJONAJ: I can assure you, in the borough of the Bronx, it's gonna be a lot less than 15 percent.

PRESIDENT PATCHETT: I appreciate that.

COUNCIL MEMBER GJONAJ: We could use the help and I'm looking forward to partnering with you. Thank you, Chairs. Thank you, President.

PRESIDENT PATCHETT: Thank you.

CHAIRPERSON VALLONE: Thank you, Council member Gjonaj. And Council member Brad Lander.

COUNCIL MEMBER LANDER: Thank you, Mr. Chair. Mr. President, we've talked many times in the past about your work doing capital project management for other agencies.

PRESIDENT PATCHETT: Yes.

COUNCIL MEMBER LANDER: So, I guess a couple of things. One-- And we are working very

hard in the Council this year to push forward with the administration on more capital projects management transparency and we've had good conversations with OMB separately with the Mayor's Office of Operations and separately with DDC. So there is a dialogue underway. It's not yet clear to me that there is enough coordination on the administration's side about what that situation should look like should the better tracking systems sit in FMS. Should it be built off the thing the Mayor's Office of Operation is doing? Should it be built off the new software that DDC is developing? And I think what you said here is pretty interesting that the projects that you manage actually appear in the budget lines over the agencies they are on and not in yours. So, some work will have to be done to make sure we know which agency is managing the project as well as who's paying for it. If we really--

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER LANDER: want to understand where it's being done well. So, I guess if you could, one, just remind the members some of the reason why agencies seek EDC as a capital projects

manager. You have a good culture of management, but you also have some structural and legal advantages. Are you in some dialogue with any of those other agencies about improving both transparency and performance and what thoughts would you have about how we should do that in the way that really brings us-- you know, some of the things that I think that you have been able to do at ABC and capital projects management and push those out more broadly across the full range of the city's capital projects management system.

PRESIDENT PATCHETT: Right. Thanks for the questions. Good to see you. So, I think the two most significant factors that we have that are structural benefits that we employ and are successful in advancing capital projects more quickly are, one, our approach to retainer contracts. So that is where we-- we solicited a series of construction managers who are pre-procured and then we have individual construction projects. We can do a solicitation within those which allows us to significantly shorten the procurement process. We still me all of the legal obligations that were intended by a procurement and we're still totally transparent about it, but it

has the advantage of not having to start from scratch every time you do an individual project, but rather trying to say, this is the approach in which we do capital projects and getting people set up in the system and ready to go so that when we're going after specific projects, we're not starting at the starting line, but we're significantly advance. The other thing that we have the advantage of doing is we have the ability, because of our financial situation, to start making payments under a contract before we have necessarily unlocked all of the funds from the city. So we can begin design before having a fully registered CP which is a huge advantage because, obviously, appreciate the process that we need to go to, which is really important with the city and ensuring that the budget is appropriately allocated. But I think, generally speaking, most of those conversations, there's no question as to whether or not the project is going forward, so our belief is we know we are going to need a design for this project and we should start that now as opposed to having to wait to figure out the exact I's dotted and T's crossed. So, those are the two major structural advantages, to answer your first question. And the

second question is about, you know, interagency coordination. Enough, we have, you know, as we talked about this time, DDC did recently do-- take a new approach or put out a new blueprint for how they would approach capital construction and we did certainly talk to them about that process. We're not actively engaged in a conversation with other agencies about how to improve the process. We would be happy to do that. You know, as I said, we have some unique tools and we have a relatively small bench, so, you know, it's like ED-- you know, certainly, you know, it's not as though EDC could to all the capital construction projects for the city, and I know that's not what you are suggesting, but we would be happy to provide expertise and guidance about what could potentially be done differently.

COUNCIL MEMBER LANDER: Thank you.

PRESIDENT PATCHETT: Thank you.

CHAIRPERSON DROMM: Thank you. Council member Moya followed by Salamanca.

COUNCIL MEMBER MOYA: Thank you, Chair Dromm, Chair Vallone for the opportunity to be here today. Thank you, President Patchett, for your testimony here today. Just a quick question,

yesterday we had another construction worker die on a construction site. That brings it to about 70 now in the last two years. Truly an epidemic of what I see that is happening in that industry here in the city of New York. Can you just tell us what are the steps that EDC is taking to ensure that projects that are being done here with capital dollars are using reputable contractors without a history of wage theft of safety violations?

PRESIDENT PATCHETT: Uh-hm. Yeah. No. it's a really important question. Thank you for your leadership on this issue. So, the-- You know, I note that the Council recently passed some comprehensive reforms on safety training, specifically across the city. From our perspective, you know, with-- for the vast majority of our projects are we are working with union contractors who are, obviously, very well trained and prepared to address safety issues. And, in particular, we go above and beyond that. You know, we need to a comprehensive background check for all of our contractors who are going to be doing construction work. That includes looking at the issues that you identified and we are prepared to terminate our

relationship with anyone who has-- who doesn't live up to the standards that we expect.

COUNCIL MEMBER MOYA: Thank you. But chose to we-- why can't we have responsible contractor language now on our RFPs to go out--

PRESIDENT PATCHETT: Uh-huh.

COUNCIL MEMBER MOYA: given that we know these individuals are, these contractors are? I think it's a no-brainer that the city should not be doing business with anyone that has safety violations and wage that asked that week insistentlly see. I know that you are doing what you can--

PRESIDENT PATCHETT: Yeah.

COUNCIL MEMBER MOYA: but I think it's important that we now take it to another level and just have bad as part of what we need to as ascending going forward. I just think it would solve our problem more than just doing the extensive research on things because we know who they are already and I think that that would be an important step in truly making sure that we are cleaning up this industry where we are seeing so many construction workers dying on these sites. And I just hope that we can work together to make that a reality.

PRESIDENT PATCHETT: Yeah. Absolutely happy to work on it. You know, safety is of paramount concern and one death on a construction site is certainly too many. Thank you for your leadership.

CHAIRPERSON DROMM: Thank you. Council member Salamanca.

COUNCIL MEMBER SALAMANCA: Thank you, Chair. Good afternoon, Mr. President. First, I want to thank your team for working with our-- my office and working with the local stakeholders in the Hunts point community on the Hunts point vision plan. You know, I'm looking forward to our continued work and ensuring that-- There's a lot happening in Hunts point. You know, we have the Metro North Spofford, the [inaudible 04:44:15] NYC that may be coming. You have the market and there's other house and opportunities that are coming to our communities and I wanted to show that all these projects are in one plan. They are not-- We're not working off of different projects where other-- where we don't know what's happening in these other projects. But some damn mind I have kept a very close eye on is the-- the Vernon C. Bain which is the barge, the

jail that's in the Hunts point community adjacent to the fish market. And I've come out publicly asking that this administration close down the barge. You know, I know it's part of the mayors borough days to jail plan, but, you know, closing down the barge, in reality, is part of his plan. This would happen at the end of the process, which is 10 years, which I think is unacceptable. So, should the mayor realize that he is going to shut down the barge while he is still mayor? There's been a lot of conversations about what can happen with that piece of land and something that many businesses in the community has in that immediate area have asked for is a ferry service in Hunts point. Has EDC had any conversations or, you know, preliminary conversations about bringing in a ferry service to the Hunts point community?

PRESIDENT PATCHETT: So, I think, first off, I know you've been a significant advocate around this issue of the prison barge and I certainly understand your concerns. Obviously out of my jurisdiction, but I certainly understand your advocacy and I know your community appreciates it. From our perspective, you know, we would be always

happy to take a look at additional locations. As we were discussing earlier, we are currently in the process of expanding the ferry service. We are looking at the possibility of expanding to potential-- to future locations in Staten Island, Coney Island, and also in Throgs Neck, which is going to be-- that final expansion will be complete over the course of the next approximately two years and we will be engaged with the Council, absolutely, at near the end of that process to look at potential future locations and we would be happy to look at Hunts point as a possible location, as well.

COUNCIL MEMBER SALAMANCA: All right. My last question. The Spofford Project.

PRESIDENT PATCHETT: Yes.

COUNCIL MEMBER SALAMANCA: Exciting project. Got rid of a juvenile detention center building 740 units of 100 percent of affordable housing. Light manufacturing. Bit these projects-- The Spofford Project, because of how big it is, it will be built in phases. Phase 1 just got-- it's going through its closing with HPD, but my concern is I have about 12 to 15 projects waiting on a pipeline

for HPD to do the closing and they have just pushed them all back to another six months.

PRESIDENT PATCHETT: Uh-hm.

COUNCIL MEMBER SALAMANCA: But Spofford is-- they are closing the Spofford project and disclosing for HPD. There are two other phases and I am concerned that HPD may delay this project. Is EDC in conversations with HPD to ensure that there are no delays in these closings? These future closings?

PRESIDENT PATCHETT: We share your priorities.

COUNCIL MEMBER SALAMANCA: Okay.

PRESIDENT PATCHETT: We're in regular conversation with them. We want to see this project can completed. Obviously, you know, HPD has to take a citywide lens, but there could not be a project that I am prouder of to be a part of and Spofford.

COUNCIL MEMBER SALAMANCA: All right. Thank you. Thank you, Mr. Chair.

CHAIRPERSON VALLONE: With that, President Patchett, I want to thank you. We've also been joined by Council member Cornegy. We are just about to close out the meeting. Robert, do you have any quick questions for-- All right. I just want to

thank you for today. I know we have great teams helping us which make a sound so good. I have Aliyah next to me which makes me sound really good, so I'm thankful for that and I wanted to turn it over to our Chair to close us out.

CHAIRPERSON DROMM: Thank you very much and thank you to this panel. This concludes our hearing for today. This finance committee will resume executive budget hearings of fiscal 2020 tomorrow, Tuesday, May 21st, 2019 at 10 a.m. in this room. Tomorrow, the Finance Committee will hear from the libraries, the Department of Cultural Affairs, the Department of Sanitation, and the Metropolitan Transit Authority. As a reminder, the public will be invited to testify on Thursday, May 23rd, the last day budget hearings, at approximately 2 p.m. in this room. For any member of the public who wishes to testify, but cannot make it to the hearing, you can email your testimony to the finance division at financetestimony@council.NYC.gov and the staff will make it a part of the official record. Thank you. This hearing is now adjourned.

[gavel]

[background comments]

C E R T I F I C A T E

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



Date June 17, 2019