



**THE CITY COUNCIL'S
RESPONSE TO THE MAYOR'S
FY 2014 PRELIMINARY
BUDGET AND
FY 2013 PRELIMINARY
MAYOR'S
MANAGEMENT REPORT**

As required under Sections 247b and 12e of the New York City Charter

**THE COUNCIL
THE CITY OF NEW YORK**

Christine C. Quinn
Speaker

Domenic M. Recchia, Jr.,
Chair, Finance Committee

The FY 14 Budget: Building the Future

On January 29th, Mayor Bloomberg submitted his \$70 billion Preliminary Budget for Fiscal Year 2014. The Council began its hearings on the budget on March 4th, and over the next three weeks, Council committees held hundreds of hours of hearings on agency budgets, with testimony from Commissioners and the public. The result of our review of the Mayor's Fiscal Year 2014 preliminary budget is a series of recommendations that would lead to a more balanced set of budgetary priorities for the Executive Budget.

This year's budget builds on the prudence and foresight exercised by the Council and the Administration in setting aside \$11 billion in surpluses during the boom years between 2003 and 2008. Having largely avoided deep cuts to critical programs during the last five years of recession and slow economic recovery, the City is now in a position to construct a budget and financial plan that truly reflects the mix of services and programs New Yorkers most value and rely on. We can maintain a healthy, thriving city and economy by making investments in the best educational opportunities, from early childhood through adulthood; keeping our citizens safe; making our communities vibrant and welcoming; and by protecting the most vulnerable.

This year we have the opportunity to pass a budget that reflects this vision. The Council looks forward to working with the Administration to reassess the city's financial priorities so that the budget process begins by building on a stronger baseline and guarantees these vital services and programs.

The following are highlights of the Council's recommendations for building a better future for New Yorkers:

Public Safety

- ☑ It is imperative that we maintain a strong police force. We urge the Administration to heed Commissioner Ray Kelly's call for accelerating the next police academy class in order to preserve – and ultimately increase – police operational strength levels.
- ☑ In addition, the Council again calls upon the Police Department to aggressively pursue civilianization – a cost-effective way to get more police officers onto the streets.
- ☑ The Council urges the Administration to recognize the lessons of Hurricane Sandy and rescind once and for all its proposal to close twenty fire companies. Upcoming firefighter classes should be expanded in order to avoid having to operate regular tours on overtime.

Education

- ☑ The State Budget's education aid restorations must be used first and foremost to prevent the loss of over 1,500 teachers. The most important resource of all for
-

educating our children is teachers and other school-based staff. The hiring freeze currently in effect at DOE should be lifted immediately for teachers, school-aides, and other school-based staff.

- ☑ The DOE and School Construction Authority (SCA) must urgently accelerate the removal of toxic PCB lighting fixtures from schools.
- ☑ The DOE and SCA must also prioritize capacity in the upcoming Five-Year Plan. There are still too many overcrowded classrooms.

Children and Youth

- ☑ After successfully negotiating nearly \$100 million in additional funding for child care last year – including \$38 million in baseline increases – the Council pledges to renew its commitment to affordable and accessible child care for Fiscal 2014.
- ☑ The Council also urges the Administration to join it in supporting passage of an expanded City child care tax credit in Albany – for the first time extending the City’s credit to tens of thousands of middle-class families who also struggle with the growing cost of child care, and deepening the credit for low-income families.
- ☑ The Council also believes that it is untenable for over half of Out-of-School Time (OST) slots to be funded on a year-to-year basis, and urges that the OST program be fully funded.

Community Quality of Life

- ☑ The Council calls on the Administration to work with us to provide a stable and adequate baseline level of funding to really make public libraries the vital community resources they should and can be. The continual cuts to our Public Library systems ignore the role libraries play as a community resource – a resource that we are not fully taking advantage of. Not only could libraries play a bigger educational role with adequate funding – for ESOL and adult literacy classes, for after-school programs and business start-up courses – but they could serve as “mini-City Halls,” bringing access to City services and resources to the people in a friendly and trusted environment. All it takes is vision and recognition of the tremendous bang for the buck we get with our public libraries.
- ☑ Our City cultural organizations must also be recognized for the value they add to everyday life for families and communities throughout our City. The Council calls on the Administration to fully fund the Department of Cultural Affairs in the Executive Budget in order to sustain the important educational, social, and economic role cultural organizations play in the life of New York City.
- ☑ The Council welcomes the additional funding provided for the Parks Department in the Preliminary Budget and urges the Administration to provide an even stronger level of support for them in the Executive Budget.

Easing the Burden on Working Families and Small Business

Too often agencies have taken a “nickel-and-dime” approach that puts additional burdens on already hard-pressed working families and small business in order to raise revenue as part of their gap-closing programs. This is simply not the right way to make New York City the best possible place to start a business and raise a family.

- ☑ The Administration agreed to delay the implementation of an increase in school lunch fees from \$1.50 to \$2.50. The Council calls on the Administration to withdraw this increase from the Fiscal 2014 Executive Budget in favor of an approach that phases in increases more incrementally.
- ☑ Under pressure from the City Council, the Department of Transportation rescinded astronomical increases in parking rates for permit holders in municipally-owned garages and lots Citywide, capping the increases at 20 percent. The Council calls on the Administration to withdraw any further increases from consideration for Fiscal 2014.

The Council remains deeply concerned about the use of enforcement as a revenue-raising tool as well. Agencies that write violations against property owners and businesses must be subject to greater oversight.

- ☑ The Council calls on the Administration to provide much greater detail on violations and resulting fine revenues in the budget and the Mayor’s Management Report.

Resources

Although the City’s economy is recovering from the recession of 2008-2009, the Council does not anticipate significantly stronger revenue growth in the coming year than what is projected by the Office of Management and Budget. In the course of our budget hearings, however, the Council identified at least \$400 million in resources that are available to fund next year’s budget.

The Council urges the Administration to aggressively pursue the recovery of payments to contractors working on the Emergency Communications Transformation Project (ECTP) who either overbilled the City or under-delivered on the terms of their contract.

The Administration should recognize various budgetary surpluses, such as heat, light and power and tort payouts, and revenues from the sale of City buildings as part of the Civic Center Plan, as part of the Executive Budget.

The Council continues to support efforts led by DCAS, in collaboration with other agencies, to reduce citywide spending by leveraging the City’s purchasing power and implementing strategies to streamline various citywide operations, particularly in fleet management, IT operations, and procurement and energy efficiencies. The Council pledges to work with DCAS to identify additional opportunities to generate savings, and urges the Administration to reduce

unnecessary reliance on outside contractors when work could be performed for less by City employees, and to continue to pursue opportunities to maximize the efficient use of City buildings and other assets.

Table of Contents

THE FY 14 BUDGET: BUILDING THE FUTURE	I
PUBLIC SAFETY	I
EDUCATION	I
CHILDREN AND YOUTH	II
COMMUNITY QUALITY OF LIFE	II
EASING THE BURDEN ON WORKING FAMILIES AND SMALL BUSINESS	III
RESOURCES	III
TABLE OF CONTENTS.....	V
THE ECONOMY AND REVENUES	1
NATIONAL ECONOMY	1
CITY ECONOMY	2
TAX REVENUES	4
TAX POLICY.....	5
FUNDING THE FY 2014 BUDGET	7
SOURCES OF FUNDS FOR FISCAL 2014	7
CITYWIDE EFFORTS TO REDUCE SPENDING	7
COMMITTEE RESPONSES AND RECOMMENDATIONS.....	9
COMMITTEE ON AGING	9
<i>Department for the Aging (125).....</i>	<i>9</i>
COMMITTEE ON CONSUMER AFFAIRS	11
<i>Department of Consumer Affairs (866).....</i>	<i>11</i>
COMMITTEE ON CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL INTERGROUP RELATIONS	11
<i>Libraries (035 – 039).....</i>	<i>11</i>
<i>Department of Cultural Affairs (126)</i>	<i>11</i>
COMMITTEE ON FINANCE	16
<i>Department of Finance (836)</i>	<i>16</i>
<i>Committee on Contracts</i>	<i>17</i>
COMMITTEE ON FIRE AND CRIMINAL JUSTICE SERVICES	18
<i>Fire Department (057).....</i>	<i>18</i>
<i>Department of Correction (072).....</i>	<i>18</i>
<i>Indigent Defense</i>	<i>20</i>
<i>Alternatives to Incarceration.....</i>	<i>20</i>
COMMITTEE ON GENERAL WELFARE.....	20
<i>Administration for Children’s Services (068)</i>	<i>20</i>
<i>Committee on Juvenile Justice.....</i>	<i>21</i>
<i>Human Resources Administration (069).....</i>	<i>22</i>
<i>Dept. of Homeless Services (071)</i>	<i>23</i>
COMMITTEE ON GOVERNMENTAL OPERATIONS	24
<i>Law Department (025)</i>	<i>24</i>
<i>Board of Elections (003)</i>	<i>24</i>
<i>Community Boards (499).....</i>	<i>25</i>
<i>MMR Indicators.....</i>	<i>25</i>
COMMITTEE ON HEALTH	25

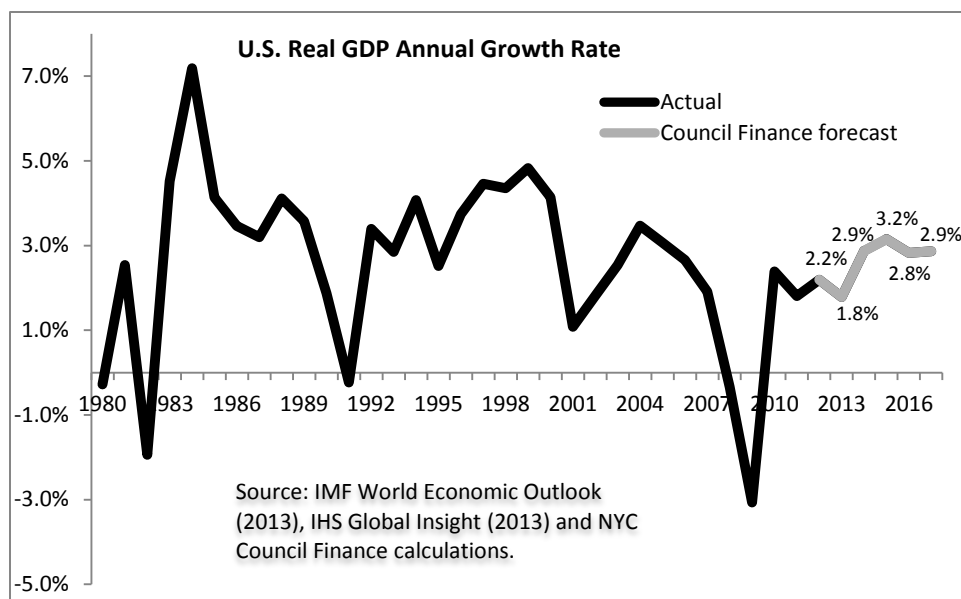
<i>Department of Health and Mental Hygiene (816)</i>	25
<i>Health and Hospital Corporation (819)</i>	26
COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITY, ALCOHOLISM, DRUG ABUSE, AND DISABILITY SERVICES	27
COMMITTEE ON HOUSING AND BUILDINGS	28
<i>Landmarks Preservation Commission (136)</i>	28
<i>Department of Housing Preservation and Development (806)</i>	28
COMMITTEE ON PARKS AND RECREATION	28
<i>Department of Parks and Recreation (846)</i>	28
COMMITTEE ON PUBLIC SAFETY	30
COMMITTEE ON SMALL BUSINESS	33
COMMITTEE ON ECONOMIC DEVELOPMENT	33
<i>Dept. of Small Business Services and Economic Development Corporation (801)</i>	33
COMMITTEE ON TRANSPORTATION.....	33
<i>Department of Transportation (841)</i>	33
COMMITTEE ON YOUTH SERVICES	33

The Economy and Revenues*

National Economy

Economic results for the first quarter of 2013 indicate the fundamentals of the U.S. economy are improving. Most notably, IHS Global Insight's forecast of GDP growth in the first quarter of 2013 has been revised upwards (to 2.3 percent) with a positive outlook going forward. In addition, the latest revision of GDP growth in the fourth quarter of 2012 shows that the economy grew at an annualized 0.4 percent rate as opposed to the earlier reported contraction (-0.1 percent).

This good news is clouded by the impact of the federal spending sequester that began on March 1, 2013. Although it will not derail the recovery, if it persists, the sequester will considerably slow down the economy.¹ The Finance Division expects inflation-adjusted growth in 2013 to be 1.8 percent, which is below the 2012 level of 2.2 percent.



Several conditions in the U.S. economy have improved:

- The housing market is recovering, spurred in part by the formation of new households and continued low interest rates;
- The unemployment rate declined from 7.9 percent in January to 7.7 percent in February 2013;
- The U.S. avoided “falling off the fiscal cliff” in January 2013 by adopting a compromise resolution, which helped to produce the 0.7 percent growth in February consumer spending despite the increase in the payroll tax;
- Revival in the capital goods orders where business investment in buildings, equipment and software spending grew a strong 11.3 percent in the fourth quarter of 2012;
- The current-account deficit is expected to decline to 2.6 percent of GDP in 2013 from 3.0 percent in 2012, mainly due to declines in imported oil;

* This is an update to the Finance Division's Fiscal 2014 Preliminary Budget forecast released as a part of the “Financial Plan Overview, Economy, Revenue, Capital, and Debt Service” briefing paper for the March 4, 2013 hearing of the Committee on Finance.

¹ If in effect through June 30, 2013 the sequester is expected to take 0.3 percentage points off 2013 growth.

- Also benefiting from the lower oil prices, headline CPI inflation is expected to be 1.5 percent in 2013 compared to 2.1 percent in 2012;
- Strong gains in the U.S. equity markets with the Dow Jones Index posting its best first-quarter since 1987 (11 percent gain) and the S&P 500 beating its own 2007 record by 10 percent.

At the same time, there are concerns over whether the robustness of the current recovery can be sustained. These concerns stem in part from: a) political and budgetary conflict in Washington; b) firms hoarding cash rather than spending it on investment; c) the large number of discouraged workers as evidenced by the broadest measure of unemployment rate, which, remains at an unprecedented high of 14.3 percent.²

Finally, there remains a risk that an external shock to the U.S. economy's financial markets will affect the greater economy. A troubling precedent is the Cyprus banking crisis. Cyprus is the first developed economy in recent years to approach default and impose a substantial tax on bank deposits.

Avoiding these negative effects requires a supportive monetary policy. The U.S. Federal Reserve is maintaining its accommodative policy. It has committed to maintaining that policy until unemployment falls to 6.5 percent.

City Economy

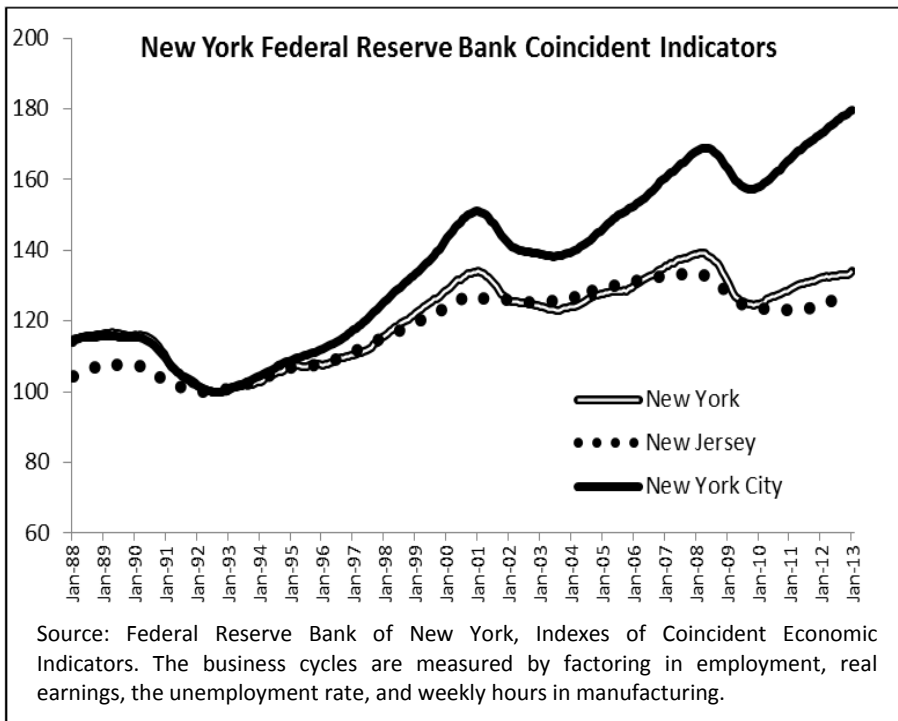
Since October 2009, the City's economy has been trending upwards at a firmer pace than the rest of New York State or New Jersey. Employment growth has been strong. As of February, the City had regained 189 percent of the jobs lost during the recession, with the private sector regaining 183 percent of lost jobs.

The City's economy generated more jobs in 2012 than previously reported. In early March, the U.S. Bureau of Labor Statistics released its benchmark revisions of the Establishment Survey from July 2011 through December 2012, replacing a sampling of business employment with the actual number of jobs.³ It turned out that the City added 79,480 payroll jobs in 2012 compared to 2011, 5,170 more than previously reported. The private sector generated 84,600 positions, 7,300 more than originally estimated.

The news was not all upbeat. February's employment numbers declined (on a seasonally-adjusted basis), resulting in year-over-year private payroll growth of only 50,300. In addition, the City's unemployment rate has remained stubbornly high at 9.1 percent, the same level it was in September 2012.

² Bureau of Labor Statistics, U6 February 2013.

³ This was obtained from the Unemployment Insurance records of all firms.



The revised data also showed that the shift towards lower-paying employment was more pronounced than previously measured. The additional jobs were generated from sectors that tend to be low-paying. Over the 18 months re-benchmarked, leisure and hospitality, which pay an average annual wage of \$36,100, added 6,400 more jobs

than originally counted. However, the struggling financial activities super-sector, which pays an average salary of \$213,000, lost 3,400 more positions than previously thought.

The real estate market is stable and generally improving. Commercial leasing in Manhattan slowed to 23.2 million square feet in 2012, down 23.3 percent from 2011. 2011 was still the most dynamic year since 2000. Market conditions were stable through 2012, with little change in vacancy rates and asking rents. Looking ahead, the likely completion of the One and Four World Trade Center buildings in 2013, plus the properties at Brookfield Place, will add 5.6 million square feet to the downtown market. The additional space is expected to increase vacancy rates from 8.8 percent to over 13 percent.⁴

The metropolitan area’s residential market has finally turned. As of January 2013, single-family home prices in the City metropolitan area posted their first positive year-over-year growth since July 2010 at 0.6 percent. Condo prices in the metro area, which are heavily weighted in Manhattan, soared 10.2 percent.⁵ The Manhattan rental market continued to tighten in 2012, softening slightly in the fourth quarter as some renters became purchasers. Studio rents rose 4 percent in 2012 averaging \$2,027 per month. One bedroom apartments rose 5 percent averaging \$2,773 per month.⁶ Council Finance expects further tightening of the residential real estate market in the next four years.

⁴ Cushman & Wakefield, “Market beat Office Snapshot, Manhattan,” Q4 2012.

⁵ Standard & Poors / Case-Shiller.

⁶ CitiHabitats, “Manhattan Residential Rental Market Report,” Q4 2012.

Looking ahead, the New York City Council Finance Division expects job growth to slow in 2013, adding around 40,100 positions. This is attributed to weak consumer activity due to the higher federal payroll tax, a downsized financial sector and fiscal austerity policies at the federal level. Employment growth is expected to pick up to 62,200 in 2014, and average 76,500 in the outyears.

In 2012, average wages dropped by 0.7 percent, dragged down by slashed Wall Street bonuses. Average wages are expected to rebound with a weak 1.7 percent growth in 2013, accelerating to 2.5 percent in 2014. Average wage growth is expected to average 2.7 percent to 2.8 percent in the outyears as the economy strengthens.

Table 1. Forecast of Employment Gains

Year-Over-Year Growth, in Thousands

	CY12	CY13	CY14	CY15	CY16	CY17
Total Private	84.6	40.1	62.3	74.4	80.4	75.0
Finance and Insurance	-1.1	0.9	3.7	5.1	8.3	7.3
Banking	1.9	0.9	1.2	1.5	1.2	1.0
Securities (Wall Street)	-2.5	0.2	2.5	3.5	6.9	6.2
Retail	11.9	0.9	6.9	7.4	7.5	7.2
Professional and Business Services	21.6	15.0	16.1	21.1	25.3	24.2
Real Estate and Leasing	0.2	0.0	1.6	1.1	0.8	0.5
Information	5.7	0.5	2.5	3.4	4.6	4.8
Leisure and Hospitality	20.9	-1.2	10.3	11.9	13.5	15.0
Arts, Entertainment, and Recreation	4.9	-0.8	2.1	1.9	2.2	2.4
Accommodation and Food Services	16.0	-0.5	8.2	10.0	11.3	12.6
Accommodations (Hotels)	1.3	-0.4	0.4	1.1	1.3	1.2
Healthcare and Social Assistance	7.8	8.1	8.0	7.9	7.8	7.6
Education Services	8.0	4.8	4.5	4.7	4.9	5.1

Source: NYS Department of Labor; Forecast by NYC Council Finance

Tax Revenues

Council Finance's tax revenue forecast moves in the same general directions as OMB's. Council Finance expects tax revenues to grow at 4.6 percent in Fiscal 2013 while OMB projects roughly the same growth at 4.65 percent. This is slightly stronger than the 4.26 percent growth in Fiscal 2012. Council Finance forecasts revenue growth to slow to 3.5 percent in Fiscal 2014 while OMB expects a slightly steeper deceleration to 3.1 percent growth. Both forecast expect collections to pick up in the out-years, with Council Finance forecasting annual growth averaging 4.6 percent, about half a percentage point stronger than OMB.

Underlying Fiscal 2013's stronger growth in collections are an expanded payroll and Wall Street's return to profits. Revenue growth is expected to slow in Fiscal 2014 as employment expansion softens in calendar 2013, consumers respond to the pinch from the higher payroll

tax, and the effects of Washington’s fiscal austerity filter into the City. While Fiscal 2013 benefited from more realized capital gains to avoid higher taxes, Fiscal 2014 will experience the ‘hangover’ of depleted realizations. Revenue growth picks up in the out-years as employment expands at a faster rate, consumers adjust to the old payroll rate, Wall Street makes its adjustments, and higher real property values sustain healthy growth in the property tax.

Table 2. Council Forecast vs. OMB (over/(under))
(million \$)

	FY13	FY14	FY15	FY16	FY17
Total Taxes	(\$23.3)	\$163.2	\$343.4	\$587.7	\$567.9

NOTE: For details see *Hearing on the Fiscal Year 2014 Preliminary Budget: Financial Plan Overview, Economy, Revenue, Capital and Debt Service*, March 4, 2013.

Tax Policy

New York City Middle Class Child Care Credit

The Council has proposed legislation in Albany to expand the current New York City child care credit to the middle class. The credit is intended to help offset the cost of child care for working parents or parents looking for work.

The recent New York City Council study “The Middle Class Squeeze” describes how middle income households in the City are struggling at an unprecedented extent with reduced employment opportunities, higher education requirements and astronomical costs.⁷ Among the most significant costs for a family is child care, which is increasingly a necessity for most working families. On average, families with a child under the age of 5 will spend over \$9,000 per year on child care.⁸

The City credit focuses on children up through age 3 since child care is most expensive during those early years, and many school and preschool programs are only available at ages 4 and older. Currently, the credit is 75 percent of the State credit for incomes of \$25,000 or less, and phases down to zero at \$30,000. Consequently, middle and lower-middle income families are entirely excluded from receiving a City credit. Because of the limited income range covered by the credit, only 23,500 New York City families received the credit in 2010.⁹

If this proposal is enacted, the credit will be expanded to cover middle income households. An estimated 102,800 families are expected to take advantage of the City credit. The credit will be

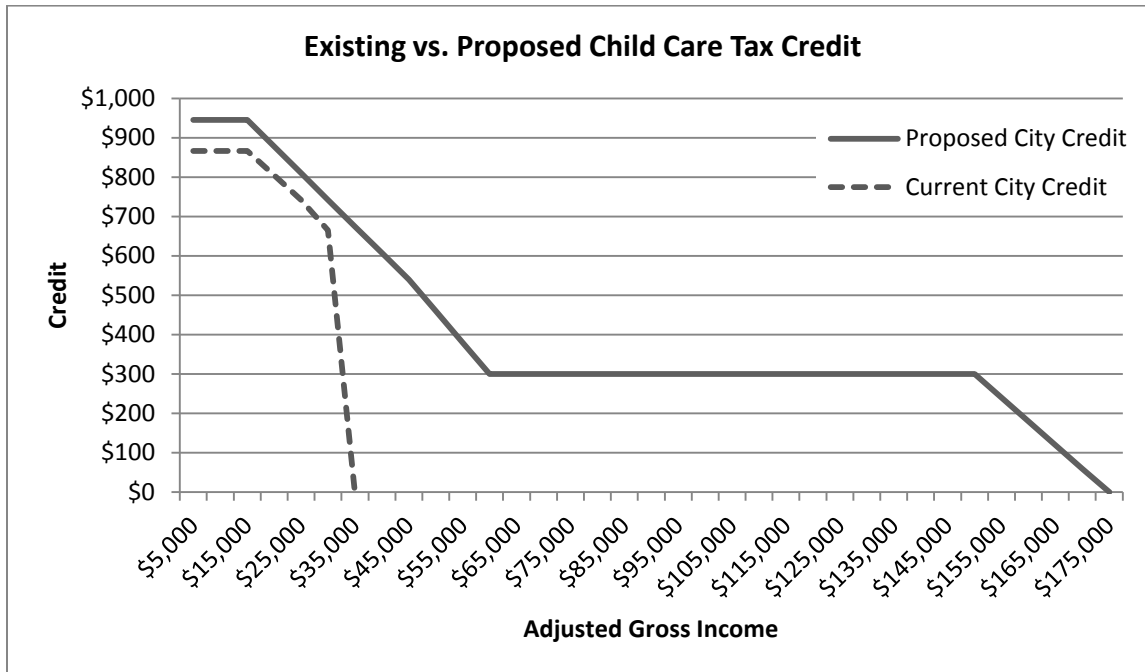
⁷ New York City Council – Finance Division, “The Middle Class Squeeze,” February 2013.

⁸ Council Finance calculations based on national data, for families with child care costs, 2010 date inflated to 2012 levels. Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP), “Who’s minding the kids? Child care arrangement Spring 2010,” Table 6.

⁹ New York State Department of Taxation and Finance, The New York State Child and Dependent Care Credit, Tax Year 2010. Table 3a

90 percent of the Federal credit for adjusted gross incomes of \$45,000 or less, phasing down to 50 percent of the Federal credit at \$60,000. It will remain at 50 percent for adjusted gross incomes of up to \$150,000 and then phases down to zero at \$175,000. The proposed credit will be fully refundable. Families with incomes under \$30,000 eligible for the existing New York City credit will do better under the proposed credit.

The expansion of the credit to the middle class would reduce City personal income tax revenues by approximately \$32 million annually.



Funding the FY 2014 Budget

Sources of Funds for Fiscal 2014

During the Preliminary Budget hearings, various agencies reported on anticipated surpluses and additional revenues that would impact the Fiscal 2014 budget and beyond. The Council intends to collaborate with the Administration on how best to reallocate these resources, which could total over \$400 million, to meet the City's many needs. The following is a list of budget surpluses and revenues not reflected in the current financial plan.

- **Sale of Two City-Owned Buildings.** The City will generate \$230 million through the sale of 346 Broadway and 49-51 Chambers Street.
- **Heat Light and Power Budget Surplus.** DCAS reported that the DEP's heat, light and power funding is over-budgeted by approximately \$30 million and it anticipates an adjustment to the budget that will be reflected in the Executive Budget.
- **FISA Budget Surplus.** The Financial Information Services Agency anticipates a similar budget surplus in Fiscal 2014 as the \$9 million surplus identified for Fiscal 2013.
- **BOE Printing Contract Cost Reductions.** Through Enterprise Contracting, DCAS will use the City's purchasing power to reduce printing costs for the Board of Elections by 30 percent, generating savings of approximately \$5 million.
- **Judgment and Claims Surplus.** The City's judgment and claims payouts for Fiscal 2014 are budgeted at \$768 million, which is significantly higher than the previous 5-year average of actual expenditures of \$613 million. There is potential for a considerable budgetary surplus.
- **Emergency Communications Transformation Project (ECTP) Payment Recovery.** The City stands to recover substantial monies from efforts to seek repayments from contractors working on the ECTP, who either overbilled the City or under-delivered on the terms of their contract. Over \$1 billion has been committed to the project.
- **EDC Cash Balances.** The Economic Development Corporation ended its Fiscal Year 2012 with \$236 million in unrestricted net assets. The Council urges EDC to produce a plan for returning the majority of its surplus to the City, consistent with its contract with the City, and its Memoranda of Understanding with OMB.

Citywide Efforts to Reduce Spending

The Council continues to support efforts led by DCAS in collaboration with other agencies to reduce citywide spending by leveraging the City's purchasing power and implementing strategies to streamline various citywide operations. The Council pledges to work with DCAS to identify additional opportunities to generate savings. Highlights of these efforts to date include:

- **Citywide Procurement.** DCAS has taken advantage of rebates offered through the use of Procurement Cards for various citywide purchases. DCAS will use the City's purchasing power to reduce printing costs citywide.
- **Citywide Fleet Services.** DCAS' Fleet Services Division is working toward consolidating the City's vast fleet of vehicles and has taken a citywide approach to fuel management and vehicle maintenance.
- **Energy Efficiency Projects.** DCAS regularly conducts energy audits and upgrades equipment in an effort to increase the City's energy efficiency.
- **Asset Management.** DCAS is currently implementing the Civic Center Plan which involves the consolidation of City agencies into modern, efficient office space that better serves the City's operational needs and reduces overall space and operating costs.

Consultant Conversion

The Council recommends that every agency conduct a thorough review of its current outside consultants and seek to convert those positions to city positions where feasible. The City's contract budget continues to grow in large part due to the high costs of outside consultants. At its Preliminary Budget Hearing, the Financial Information Services Agency (FISA) reports that the gradual transfer of the management of CityTime from outside consultants to city employees is on schedule and saving the City millions of dollars.

Agency Co-Location

The Council recommends that the Administration continue to explore opportunities to co-locate or even merge agencies whose work requires close coordination with each other. At the Fiscal 2014 Preliminary Budget Hearing, FISA's Executive Director reported that the agency was working on plans to co-locate the offices of FISA and the Office of Payroll Administration (OPA) because of their coordination on several citywide IT systems.

Committee Responses and Recommendations

Committee on Aging

Hon. Jessica S. Lappin, Chair

Hon. David Greenfield, Chair, Subcommittee on Senior Centers

Department for the Aging (125)

Increase Senior Center Baseline Funding

The Council strongly urges the Administration to continue to build on the successful increase of \$14 million in baseline senior center funding in Fiscal 2012. The Fiscal 2013 Adopted Budget included an additional \$3.5 million in Council funding to support senior centers space and facility funding shortfalls; fuel, insurance, and maintenance costs for senior center vans that transport seniors to medical/personal appointments, recreational activities, and other social service sites. This funding is used by DFTA to support core senior center operations, and should be included in the agency's baseline funding – not subject to annual re-appropriation by the Council.

Restore and Baseline Senior Case Management

The Council strongly urges the Administration to restore and baseline case management services at \$6.6 million for Fiscal 2014 and in the outyears. As part of its Fiscal 2011 PEG program, the Department for the Aging (DFTA) proposed a \$6.6 million cut to case management, which would have resulted in layoffs within the provider community and increased the number of cases assigned to case managers. The Council restored \$4 million in funding to case management services in Fiscal 2013, but the Administration did not baseline this funding in Fiscal 2014. While the \$4 million in Council funding went a long way to maintain critical services, a full restoration is needed to ensure that caseloads are manageable.

Case management agencies provide assessment and link homebound seniors with services, including home delivered meals, homecare, information and referral, and other supportive programs. Case management agencies provide the City's most vulnerable, homebound seniors with, at times, the *only* link to services and benefits, as well as monitoring and support from the "outside world."

Fully Restore Elder Abuse Prevention Services

DFTA's Fiscal 2014 Preliminary Budget once again eliminates elder abuse prevention services. The Council recommends that a minimum of \$800,000 be restored and baselined for these services. Elder abuse is an issue that receives very little attention, yet the need to prevent elder abuse in its many forms is greater than ever. About 1,000 seniors annually are seen by the DFTA Elder Abuse provider network, and this network is one of the only means that elderly victims

can report both physical and financial abuse to trained staff that specialize in cases involving seniors.

DFTA contracts with community-based service providers to provide direct services to victims of elder abuse, as well as develop prevention activities. Service providers provide long-term case management services, including: securing orders of protection; providing long-term counseling; accompanying victims to court; examining powers of attorney and other legal documents; working with police to place victims on high propensity lists; and working closely with district attorneys to aid in prosecution of cases.

Increase the Baselined Amount for NORCs

The Council recommends that the Administration increase baseline funding by no less than \$900,000 for Naturally Occurring Retirement Communities (NORCs), which would allow DFTA to fund more NORCs throughout the City. NORCs are on-site collaborations among housing entities, social service providers, and healthcare networks which, by providing critical services such as case assistance and healthcare management, allow seniors to remain in their own homes, which is ultimately far less costly than placing seniors in assisted living facilities or nursing homes.

Currently NORC funding is baselined at \$5.6 million, which funds approximately 28 NORCs in Brooklyn, Bronx, Manhattan, and Queens. In Fiscal 2013, the Council provided an additional \$900,000 to fund 10 NORC supportive service programs, but this additional funding was not baselined in the Fiscal 2014 Preliminary Budget.

DFTA's release of a NORC Request for Proposals (RFP) in March 2013 presents the agency with the opportunity to map concentrations of senior populations in the City to evaluate if there are needs that are not being met, and to expand the NORC program to these areas.

Reserve Funding for Emergencies

The Council recommends that the City create a reserve that can be quickly allocated during emergencies and natural disasters like Superstorm Sandy, so that providers can deliver and maintain vital services to seniors during and after crises. Superstorm Sandy exposed many weaknesses in the City's emergency management response and DFTA faced many challenges in trying to deliver services to seniors after the storm, including gas shortages for vans delivering meals to homebound seniors. In addition, many senior centers operated as warming centers for all community members, not just seniors after the storm. These senior centers absorbed the additional expenses incurred during this time, which proved to be an additional financial strain on already lean senior center operating budgets. It is important to note that DFTA has asked its providers to directly apply to Federal Emergency Management Agency (FEMA) aid so they can be reimbursed for services provided during and after Superstorm Sandy more quickly.

Committee on Consumer Affairs

Hon. Daniel R. Garodnick, Chair

Department of Consumer Affairs (866)

Revenue Budget Detail

The Council urges the Administration to provide additional detail on DCA's fine revenues. The proposed Fiscal 2014 Preliminary budget shows that Consumer Affairs generates substantial fine revenue from enforcement activities (\$10.9 million in Fiscal 2013 and \$11.3 million in Fiscal 2014). The Council would like to see a more detailed breakdown of the numbers and types of violations and related fine revenues, as well as information on collection rates.

Committee on Cultural Affairs, Libraries and International Intergroup Relations

Hon. Jimmy Van Bramer, Chair

Hon. Vincent J. Gentile, Chair, Select Committee on Libraries

Libraries (035 – 039)

The Council strongly encourages the Administration to fully restore and baseline \$106 million to the three library systems. In the age of technology, libraries have managed to adapt swiftly, anchoring themselves in communities as hubs of access. Rather than allowing funding to steadily decline as it has over the last 5 years, the City should be working with the three systems to promote the unique role they play for residents across the five boroughs. We urge the Administration to recognize the key role libraries play in the lives of New Yorkers, and to act to stabilize service and provide adequate funding for the systems.

Department of Cultural Affairs (126)

The Council calls upon the Administration to fully restore and baseline \$54.4 million to the Department of Cultural Affairs in Fiscal 2014 and in the outyears. The Council and the Administration have consistently restored funding to DCLA; the current year restoration of \$48.4 million makes up 25 percent of DCLA's funding for cultural programs and institutions. This funding restored cuts to the operating subsidies of the 33 cultural institutions and maintained funding for the Cultural Development Fund, which provides programming grants to almost 900 cultural organizations in the City.

The Preliminary Fiscal 2014 Preliminary Budget includes an additional reduction of \$8.1 million on top of the \$46.4 million year-over-year loss. This is a significant reduction, threatening the stability of institutions across the five boroughs both large and small. Continuous reductions undermine the Department's ability to create long-term plans, provide quality programming, and access to cultural institutions for tourists and schoolchildren.

Committee on Education

Hon. Robert Jackson, Chair

Department of Education (040)

State Budget Restoration Should Avert Teacher Reduction Plan

The DOE's Preliminary Budget for Fiscal 2014 assumes a \$250 million reduction to State Aid, which the Department would absorb primarily by cutting school budgets. School budget cuts include a \$128 million reduction to pedagogical school staff that would result in the elimination of approximately 1,500 teaching positions through attrition next year. In addition, a \$31 million cut would reduce per session activity and there would be a \$67 million cut to school spending for other than personal services.

Since the Preliminary Budget was released in January, the State has passed the 2013-2014 State Budget, which provides \$8.28 billion for the Department of Education in Fiscal 2014. This is a \$364 million increase from 2012-2013. It is \$162 million more than projected in the Executive State Budget for 2013-2014. In addition, the Enacted State Budget does not include a \$250 million reduction that the Administration anticipated for Fiscal 2014 and included in the City's Preliminary Budget. The City's Executive Budget for Fiscal 2014 should therefore include an increase in State Aid of approximately \$412 million as compared to the Preliminary Budget. The increase should restore all proposed cuts to schools. The projected loss of pedagogical and non-pedagogical positions should be restored and the current hiring freeze should be lifted.

School Lunch Fee

The Administration proposes to increase the school lunch fee from \$1.50 to \$2.50 per meal beginning in Fiscal 2014 for all families who don't qualify for free lunch. The 67 percent increase could generate \$8.8 million in revenue per year. The PEG was initially proposed for implementation in the second half of the current school year, but the City Council objected and the Administration agreed to defer the increase.

Given the financial burden on many families that would result from a 67 percent increase in the school lunch fee, the City Council urges the Administration to impose the increase gradually over the course of several years rather than in a single action. An increase of 25 cents per year over the course of four years, for example, would be less burdensome on low-income families. Moreover the federal guidelines for the school lunch program allow for a gradual increase.

Medicaid Revenue Claiming

The Administration reduced the projected Medicaid revenue in the Preliminary Budget, from \$167 million to \$67 million in Fiscal 2013, and from \$167 million to \$117 million in Fiscal 2014. Committee Chair Robert Jackson expressed his dissatisfaction with the Department's limited progress in collecting Medicaid reimbursements, citing that the DOE is forfeiting too much revenue that the City's public school students need. The DOE should do everything it can to increase its Medicaid revenue, including investing more funds into its efforts to submit claims and expand its pilot programs that have been effective.

Charter Schools Budgeting

The Preliminary Budget includes \$899 million for charter schools in Fiscal 2014, a \$71 million increase from Fiscal 2013. The nine percent increase does not include spending for 26 new charter schools that are slated to open in Fiscal 2014. The Independent Budget Office (IBO) predicts the charter school budget will increase by \$123 million in Fiscal 2014 when these costs are factored in. DOE officials stated the \$71 million increase would in fact grow to at least \$100 million when the additional costs are factored in.

Many Council Members are concerned about the Administration's focus on opening charter schools and the impact related policies have on community school district students. They are also concerned with the co-location of charter schools in buildings with district schools, and the squeeze that is often felt. The Council is concerned that spending on charter schools will drain funding from district schools. It is unclear where the additional funds for charter schools will come from in Fiscal 2014. The Council calls on the Administration not to cut district school funding in order to make up for the gap in the charter school budget.

Urban Advantage

Urban Advantage, developed by the American Museum of Natural History, is a national model for improving students' science education through partnerships between public schools and science-rich cultural institutions. The City Council has contributed nearly \$20 million to the Urban Advantage program since leading the program's launch in Fiscal Year 2005. Several of the program's key components include professional development for teachers and school administrators, classroom teaching resources and equipment for schools, and educational outreach through family events and technical assistance to schools. The program has become integral to the science education curriculum, serving tens of thousands of students every year. As such, the Council believes the DOE should fully support the program and its costs. The City Council provided \$2 million for Urban Advantage this year. The DOE should increase its spending for the program by at least \$2 million in Fiscal 2014.

Full-Day Universal Pre-Kindergarten

Recognizing the critical importance of early childhood education, and the shortcoming of the Universal Pre-Kindergarten ("UPK") program that offered only a half-day of instruction, since Fiscal 2008 the City Council and the Department of Education have teamed up to support full-day UPK programs in CBOs throughout the city. This year the Council restored \$2.25 million to convert 1,090 half-day UPK seats in 56 preschools into full-day seats. These are the only full-day UPK programs offered by CBOs in the City. The Council's fierce advocacy for improved UPK that enrolls more four-year-olds and better serves families helped lead to a major program expansion that is planned for next year. The DOE will open 4,000 new full-day UPK seats in public schools and CBOs next year, and the Council applauds this expansion. Now that the DOE has made full-day UPK in CBOs a core part of its early childhood programs, funding for the 1,090 seats provided by the Council should be baselined.

☑ **Transportation Savings**

The Preliminary Budget includes a \$31 million increase to Pupil Transportation from Fiscal 2013 to Fiscal 2014; spending for Pupil Transportation is projected to reach \$1.16 billion next year. In December 2012 the Department released a Request for Bid to replace general and special education bus contracts that will expire in August 2013, and the DOE is in the process of selecting vendors. The Preliminary Budget does not reflect any potential savings that may be achieved as a result of the bid. However, Chancellor Walcott stated at the hearing that pupil transportation savings would be allocated to schools. The City Council expects the Department to follow through with this assurance and looks forward to seeing a restoration to school budgets in the Executive Plan.

☑ **Unit of Appropriation Structure**

Under the City Charter, each budgetary Unit of Appropriation (U/A) should represent a single program or function. The Council recommends the creation of a new unit of appropriation in the Executive Budget for charter schools, and for budgeting non-instructional functions – primarily DOE’s Networks – in the appropriate unit of appropriation.

Currently, charter schools are grouped in the same U/A with contract schools, Carter cases, and foster care. Functionally, charter schools have little in common with the other items in the same U/A. The Council has recommended creation of a distinct U/A for charter schools several times over the past several years. The Council once again recommends that the Administration move charter schools into its own Unit of Appropriation to improve transparency and accountability. The Unit of Appropriation should include separate budget codes for general education, special education, and pupil transportation.

The DOE’s budget includes funding and headcount for Networks, the agency’s primary school support structure, in U/A 401 – General Education Instruction and School Leadership. However, the Networks do not provide education instruction to students, nor do Network staff hold school leadership positions. The Council calls on the DOE to move funding and headcount for Network staff out of U/A 401, General Education, and back into U/A 415, School Support Organizations.

☑ **MMR Indicators**

Number of Schools. The Preliminary Management Report already includes the number of seats added each year. The Mayor’s Management Report should also indicate the total number of schools in the system, a basic statistic that would allow one to see the growth in the system over time. The total number of schools should be disaggregated by district and charter schools; within each of these categories, the figure should be disaggregated by elementary, PS/IS, middle school, and high school. This information for district public schools should also be easily attainable from the Enrollment, Capacity and Utilization Report, which does not contain this summary data.

School Closures and Co-Locations. School closures and co-locations are two prominent issues in NYC education policy. As such, the MMR should include the number of school closures each

year, the number of co-located schools, and the number of new schools by charter and district public school.

Headcount. The PMMR includes statistics on teachers, such as the number of teachers in the system each year. The MMR should also include headcount for the number of other personnel who provide direct services to children, such as school aides, guidance counselors, and other. These positions have direct impact on students. In addition, because the Department groups Network school support staff together with school staff in its budget, the MMR should indicate the number of Network staff.

Pupil Transportation. The DOE is responsible for busing hundreds of thousands of students to and from school every year. This important agency function is not included in the PMMR. The MMR should include information on pupil transportation, such as the number of bus routes for special education pre-k, general education, and school-age special education students; and the average, minimum, and maximum travel time for each bus route.

School Construction Authority

PCBs

The February Proposed Amendment to the Five Year Capital Plan includes \$271 million to replace PCB lighting fixtures in school buildings. Of this amount, \$93 million is advanced funds that were included in the final two years of the plan. According to the DOE, 85 building-wide lighting replacement projects will be completed by the end of this upcoming summer. Though the DOE has accelerated the plan, there will remain many school buildings with visibly leaking ballasts that will not be completed by the end of Fiscal 2014. Council Members expressed concern that the plan for PCB remediation in lighting is too long. Buildings with leaking ballasts should not have to wait several years to receive building-wide lighting replacement.

The SCA explained that the process of planning for building-wide lighting replacement is lengthy and stated that no additional buildings could be added to the Capital Plan for completion this summer. Some Council Members were suspicious of the response that the door to adding summer projects is closed, saying that the DOE would find a solution if there was a will to speed up PCB remediation. The Council urges the Department look into all possibilities and do everything it can to complete building-wide lighting replacement in as many buildings as possible this summer.

The Council also disapproves of the Administration's unwillingness to revise the ten-year plan, "NYC Schools Comprehensive Plan: Greener, Healthier Schools for the 21st Century", prior to three years into the work. Work done thus far has demonstrated that the DOE's use of Energy Service Companies to complete the plan has been ineffective, costly, and slow. The course of action outlined in the ten-year plan should be altered now instead of waiting.

Capacity

Although the February Amendment includes funding for 34,819 new seats, an increase of 931 seats, many Council Members voiced concern about the DOE's inability to meet capacity needs. Even with the additional seats, the February Amendment falls more than 15,000 seats short of meeting the identified seat need. Council Members were displeased with various Department policies that impact the DOE's ability to relieve overcrowding. For example, the phase-in policy for new schools leaves seats in these schools empty for several years, instead of opening the school to all grades once construction is complete. With such severe, persistent overcrowding, the DOE should not make students wait for relief. In addition, Council Members demonstrated frustration with the DOE's favoritism for charter schools. The Department has on many occasions opened charter schools in buildings despite community opposition or the existing district school's interest in expanding.

Physical Fitness Space

Several Council Members questioned the DOE and SCA about physical fitness space in schools. When asked, the DOE stated that gymnasiums or other physical fitness spaces are included in a new building's design when possible, but sometimes space constraints do not allow a new leased school to have a gym. Councilman Jackson questioned the DOE's decision to reduce funding for physical fitness space by more than \$40 million in the February Amendment. The Department did not have details available at the hearing, but agreed to look into the matter and provide the Council with more information on the cut. As physical fitness is important to children's health and education, the Council asks that the DOE prioritize gymnasiums and other physical fitness space in its capital plan.

MMR Indicators

PCBs. The MMR should include statistics related to PCB remediation, at least until lighting replacement of PCB-contaminated fixtures is completed in all schools. Including these statistics should be relatively simple since the SCA already has the information on its website. The MMR should list the number of building-wide lighting replacement projects finished each year and the number of schools or buildings with visible leaks that have not undergone building-wide lighting replacement. The MMR should also include the average cost per building or school of the building-wide lighting replacement projects.

Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

Department of Finance (836)

DOF Representation at Tax Commission Hearings

The proposed Fiscal 2014 Preliminary Budget includes the hiring of four new staff members for a new Property Assessment Unit to represent the agency and provide information about properties being challenged in the Tax Commission. Presently, only the property owner is represented and the Tax Commission does not always have access to the information in DOF's

records or a rationale for an assessment. The cost of this unit is \$150,000 in Fiscal 2013 and \$301,000 in Fiscal 2014. The Council calls upon the Administration to reallocate these hires to another area and work with the Tax Commission on providing more information prior to hearings instead of having a representative.

Tax Commission New Need to Meet Increased Workload

Over the past years, the Tax Commission has seen an increasing number of appeals to assessments determined by the Department of Finance. In Fiscal 2010, the Commission received appeals for 164,985 tax lots. By Fiscal 2012, this same number had risen to 190,330; a 15 percent increase. During the same period, head count only increased by 2.5 percent (from 40 to 41). To help meet the higher work load and provide better services to tax payers, the City Council supports the Administration providing \$25,000 in new needs to fund evening hour outreach sessions to provide the public with guidance on how to appeal an assessment, and \$100,000 in new needs to support the addition of two fulltime staff to help manage the increased workload of appeals.

Committee on Contracts

Hon. Darlene Mealy, Chair

Emergency Contracting

From Fiscal 2009 to Fiscal 2012 the City spent a total of \$296.4 million on 685 contracts for goods and services via emergency procurement. While the Charter requires emergency procurements to be made with “such competition as is practicable”, emergency contracts are often awarded with little or no competition. Further, in addition to exemption from competitive bidding requirements, emergency procurements are largely exempt from the requirements of local laws. For example, emergency procurement has been explicitly carved out of recently enacted legislation pertaining to minority and women-owned business enterprises, outsourcing, local food purchases, and packaging reduction. Therefore, the Council recommends that the Administration perform comprehensive periodic reviews of emergency contracts to determine whether better planning by the contracting agencies could negate the need for emergency procurement; to develop corrective measures for agencies that have turned to emergency procurements unnecessarily; and to identify budgetary savings in the process.

DOE Contract Budget

The City’s Contract Budget includes Object Code 670 (Payment to Contract Schools) which is for “all payments to contract schools for services related to handicapped children where the Board of Education does not have adequate facilities”. While the Object Code definition specifies that only payments made to contract schools on behalf of handicapped children should be charged to 670, the City charges all payments to charter schools to this code. Charter schools are essentially contracted-out public schools that enroll both general education and special education students. The large majority of students are not handicapped. Further, most charter schools are actually housed in DOE facilities. Finally, charter schools collectively form one of the City’s largest educational programs for which the Preliminary Budget for Fiscal 2014 includes \$899.3 million. The Council therefore calls for creation of a new object code in the

City's Chart of Accounts specifically for charter schools to improve the accuracy and transparency of the Contract Budget.

Committee on Fire and Criminal Justice Services

Hon. Elizabeth Crowley, Chair

Fire Department (057)

Fully Staff All Fire Companies

For the fourth year in a row the Administration has proposed to permanently close 20 fire companies and eliminate the associated 505 fixed posts. The Fire Department projects that closure would increase response times to fires. Particularly in light of the key role played by our firefighters and emergency medical personnel during Super Storm Sandy, the Council remains strongly opposed to engine company closures absent a thorough, impartial, data-driven review of community needs, and urges the Administration to restore \$59.2 million for 20 engine companies and associated 505 positions in the Fiscal 2014 Executive Budget.

Additionally, now that the Department is able to hire new firefighters, the Council is requesting that the Administration develop a plan to hire adequate number of firefighters to satisfy its full headcount capacity and to further reduce overtime expense to staff the 20 companies that are proposed to be closed.

Department of Correction (072)

Reduce Use of Punitive Segregation Housing

The Council calls on the DOC to undertake a comprehensive review of its use of solitary confinement to identify alternative means of punishment, especially for adolescents and mentally ill prisoners, and thereby generate budgetary savings.

During the last two years the Department of Correction has increased its Central Punitive Segregation Unit (CPSU) bed capacity by 44 percent, from 720 to 1,035. Prisoners are sentenced to solitary confinement in the CPSU for a wide range of infractions where they are kept in small, walled cells in specialized housing units for 23 hours each day. The Department operates several specialized housing units within the CPSU for adolescents, adults, and prisoners with a mental illness who are kept in solitary confinement. The punitive segregation housing units require more staffing than general population housing and are therefore more costly to operate.

According to Commissioner Schiro, punitive segregation is warranted for those who fail to follow the rules and is a crucial jail management tool. She has noted that, "unlike other systems, DOC tends to issue sterner sanctions...and relies exclusively on punitive segregation for punishment."

In contrast, many other jurisdictions have reduced the use of punitive segregation in recent years. According to the New York City Jail Action Coalition, Maine and Mississippi have reduced the number of state prisoners in solitary confinement by 70 percent (since 2010) and 75.6 percent (since 2007) respectively. In addition, California, Maine, Texas and New York State, to name a few, have all abolished the use of solitary confinement for inmates with mental illnesses. According to the Urban Justice Center, “isolation further exacerbates symptoms of mental illness and makes people with mental illness extremely vulnerable to psychiatric decompensation and in solitary confinement, people with mental illness are at increased risk of suicide.” At a recent Board of Correction meeting, the New York City Jail Action Coalition stated that, “punitive segregation should never be used against adolescents, [as their] minds and bodies are still developing.”

The Council is pleased that the Department will begin to reduce the size of the CPSU next year; the Preliminary Fiscal 2014 Budget includes an initiative that will generate savings of \$323,000 by eliminating 34 punitive segregation cells for adolescents, and urges the Department to continue to pursue a reduction in the use of punitive segregation.

MMR Indicators

Jail Safety Data. In order to account for fluctuations in the population, indicators related to jail safety were revised to report certain data on a per-1,000 ADP (average daily population) basis. While it is a reasonable performance management methodology, the loss of the associated raw data is both unfortunate and unnecessary. The Council recommends that the Mayor’s Management Report include the actual figures for serious injury incidents; stabbing and slashings; assaults on staff; escapes; and suicides as it would provide the public with important, concrete data.

Inmate Mental Health Outcomes. In the last two years the Department has included a new indicator, “Inmates with a Mental Health Diagnosis” (percent of Average Daily Population). Inmates with identified mental health needs comprise an increasing percentage of the Department’s population and pose unique custodial management challenges. Almost a third of all inmates have been diagnosed with a significant mental health issue. The Administration is implementing new programs that seek to divert the mentally ill from the City’s jails and find better custodial placements for those who do end up in jail. The Mayor’s Management Report should include indicators that report outcomes for mentally ill inmates.

Punitive Segregation. The Council recommends that the Mayor’s Management Report include indicators on the use of punitive segregation. These should include the total number of inmates assigned to, and the average length of time spent in, solitary confinement, disaggregated by adults, adolescents and those with mental illnesses by offense grade. For inmates who serve consecutive sentences for multiple offenses the MMR should report the average length of time spent in solitary confinement disaggregated by type of inmate.

Indigent Defense

Conflict Caseload Reporting

Following resolution of a lawsuit that had blocked implementation of the City's criminal defense plan, the Criminal Justice Coordinator is now moving forward with the plan which, for the first time, will allow the Legal Aid Society and the other institutional providers to handle a portion of the conflict caseload. At present, individual 18-B Panel attorneys handle the bulk of trial-level conflict cases. The Criminal Justice Coordinator intends to let contracts with the institutional providers to handle approximately 26,000 conflict cases annually.

The criminal defense plan should help to lower indigent defense costs, improve the overall quality of services, and bring the provision of these conflict services increasingly under the direct contractual control and oversight of the City. In order to monitor the provision of indigent defense services, the City Council seeks, as part of the Executive Budget, a commitment from the Administration to share with the Fire and Criminal Justice Services Committee the regular reports from the indigent defense providers on caseloads, outcomes, and their efficiency.

Alternatives to Incarceration

The Council commends the Administration for supporting Alternative to Incarceration programs throughout the city and is very happy to learn that the City will increase funding for ATIs from \$7.2 million this year to \$12.9 million next year. The increase will support new programs for misdemeanor offenders and expand available program slots by 48 percent. Judges will have more opportunities to order treatment for substance abuse, mental health and educational and vocational services instead of imprisonment. The Council has long supported ATIs and hopes this expansion will cement the ATI's place in the City's criminal justice system.

Committee on General Welfare

Hon. Annabel Palma, Chair

Administration for Children's Services (068)

Increase Enrollment in Contracted Centers in EarlyLearn NYC

The Council strongly encourages the Administration to fully utilize the empty child care slots in the EarlyLearn NYC program. In October 2012, ACS rolled out the new EarlyLearn NYC program which was expected to serve 42,000 children across the five boroughs. When compared to the previous year, the child care system was set to lose over 8,000 child care seats citywide. In the Fiscal 2013 Adopted Budget, through the collaboration of the Council and the Administration, nearly 2,000 of those seats were restored and baselined, and the City Council restored 4,400 additional seats for one year. At the Fiscal 2014 Preliminary Budget hearing, ACS stated the EarlyLearn NYC program has the capacity to serve 42,000 children but due to challenges with the transition, including Superstorm Sandy, the EarlyLearn system is significantly under-enrolled by roughly 10,000 children. It is vital that the enrollment of the child care system increases

substantially to provide sustainable services to children and families who need it most. The Council looks forward to working closely with the Administration to find ways to increase enrollment of contracted child care centers throughout City.

Increase the Rate for EarlyLearn NYC

The Council urges the Administration to increase funding to EarlyLearn NYC by increasing the per slot rate for child care services. As part of the EarlyLearn NYC request for proposals, ACS would no longer provide health insurance to child care employees, and providers would have to assume that cost as part of their application for an award. However now that the system has been underway for seven months, providers have stated that the current rate is insufficient to cover all necessary costs to operate their programs successfully. Therefore, the Council strongly encourages the Administration to include additional baseline funding to increase the rate for current providers.

Baseline Low-Income School-aged Vouchers

The Council urges the Administration to increase the number of child care vouchers for low-income school-aged children. In Fiscal 2013 the Council restored \$12.1 million resulting in over 4,000 vouchers. Without this restoration communities that rely on Priority 5 and 6 vouchers would have been negatively impacted, reducing quality child care options in their communities. Therefore, the Council calls upon the Administration to restore and baseline funding for the low-income school-aged voucher system.

Disburse Vacation Pay to Child Care Employees

The Council calls upon the Administration to work with current and past ACS-contracted child care providers to ensure that former and current employees who are owed accrued vacation pay, receive those funds as soon as possible. During the Fiscal 2014 Preliminary Budget hearing, Council Members raised concerns about the lack of payments to employees displaced by the implementation of EarlyLearn NYC in October 2012. The Council stands with these former and current employees and urges the Administration to work towards a resolution for this pressing issue.

Committee on Juvenile Justice

Hon. Sara M. Gonzalez, Chair

Collaboration on the Close to Home Initiative

The Council encourages the Administration to work closely with the Council as the Close to Home initiative continues to expand. The Council applauds the efforts of the Administration and its success since the announcement of this initiative. In September 2012, ACS began to implement Close to Home Phase I (non-secure placements) which transferred young people from the New York State Office of Children and Families' (OCFS) facilities upstate to contracted residencies throughout New York City. This effort ensures young people the ability to remain in contact with their families and streamlines their education. Close to Home also provides rehabilitative services and creates an environment where young people have the opportunity to transition back into their communities safely and smoothly.

In the past six months, 50 young people have completed their placements and transitioned back into their communities, where they are now receiving aftercare services. While the Council is confident about the future successes from the Close to Home initiative, it encourages the Administration to continue to collaborate with the Council to generate fresh ideas on how best support struggling young people and their families, and further advance juvenile justice reform efforts.

Juvenile Justice Units of Appropriation

The Council calls upon the Administration to include additional units of appropriation for Non-Secure and Secure Detention related funding under the Administration for Children's Services. In 2012 the Administration for Children's Services (ACS) fully absorbed the former Department of Juvenile Justice. It is critical the Council maintain oversight and retains as much information as possible on the juvenile justice efforts by the City. Currently there are only two units of appropriation highlighting juvenile justice (OTPS and PS). The Council urges the Administration to add four new units of appropriation for further depth and analysis. The new U/A should be for Non-Secure (OTPS and PS) and Secure (OTPS and PS) Detention facilities.

Human Resources Administration (069)

Full Restoration of Teen Relationship Abuse Prevention Program (RAPP)

The Council is pleased to hear that HRA is working with the Office of Management and Budget to restore funding to the Teen RAPP program after funding for Teen RAPP was eliminated by the agency in Fiscal 2011. The Council is asking that the program be fully restored and baselined at \$3 million for Fiscal 2014 and in the outyears.

Teen RAPP educates and counsels teens about domestic violence and services are provided to nearly 45,000 ethnically and culturally diverse students in 65 middle and high schools throughout the City.

Restore Funding for Food Assistance Programs

The Council recommends that HRA restore funding to its food assistance initiatives. Recent data shows that poverty continues to increase in the City, as well as the cost of food; yet, HRA's funding for food assistance programs continues to decrease. The proposed budget for food assistance programs in Fiscal 2014 is approximately \$4 million dollars less than the Fiscal 2013 Adopted Budget, and the Council questions whether the food needs of the City's poor are being met.

HASA: Reevaluate the ACM Work Requirement

HRA has proposed changing its rental assistance policy for HIV/AIDS Services Administration (HASA) clients to institute a work requirement for Associated Case Members (ACMS) who are part of a HASA client's case budget. While the Council agrees that it is important that ACMS who are able to work do so, it is apprehensive as to the method by which HRA is evaluating if an ACM is now required to comply with the new work requirement. As requested in a letter dated April 2, 2013 to Commissioner Doar, the Council would like a detailed description of how HRA will determine if an ACM must comply with the new work requirement, and would like

assurances that no punitive measures, either direct or indirect, will be levied against HASA clients whose ACM is not compliant with the work requirement.

HASA: Supportive Housing Contracts and Case Management

HASA: Supportive Housing Contracts and Case Management HRA cut funding for HASA supportive services, including supportive housing contracts and case managers for another consecutive fiscal year. The Council restored \$5.2 million towards these services in Fiscal 2013, and is dismayed that the Administration did not restore this funding in the Fiscal 2014 Preliminary Budget. The Council believes that these cuts reduces the availability of services and undermines Local Law 49 that was passed in 1997. In addition, the Council does not agree with HRA's claim that services provided by case managers and contracted supportive housing case managers are duplicative, and cutting these services will violate Local Law 49. These services are vital for HASA clients and the Council is asking for a full restoration of these services, and that they be baselined in Fiscal 2014 and in the outyears.

HASA: Broker Fees

As a result of a PEG implemented in Fiscal 2011, HRA now reimburses 50 percent of a broker's fee for housing placement for all benefit recipients, including HASA clients. The Council continues to have serious concerns about this policy and urges HRA to investigate the impact of this policy on HASA clients. The Council also recommends that HRA have a more formal vetting procedure in place for its "unofficial" brokers list, and to work with the Council to devise measures to protect vulnerable HASA clients against unscrupulous brokers.

Dept. of Homeless Services (071)

Rental Subsidies for the Homeless

The Council continues to urge the Administration to develop a solid plan to move homeless families and single adults out of the shelter system and into permanent housing.

The City decided to discontinue the approximately \$200 million-a-year Advantage program without State and federal support in FY 2011. Subsequently, the average length of stay has increased in both the adult and family shelter systems. Between April of 2011, when Advantage ended, and January of 2013, the average shelter length of stay for single adults increased from 258 days to 286 days, an increase of 28 days, or 11 percent; for adult families without children the average length of stay increased from 366 days to 484 days, an increase of 118 days, or over 32 percent; and for families with children the average shelter length of stay increased from 277 days to 375 days, an increase of 98 days, or 35 percent.

As a result of longer shelter stays, the average shelter census in DHS administered facilities grew to nearly 50,000 this January from 37,060 in April of 2011, an increase of approximately 35 percent. Without a housing subsidy program in place these numbers and shelter cost are expected to increase.

The Council strongly urges DHS to utilize existing federal and public housing resources, and work with the Council to develop a City voucher program to transition homeless families and individuals from the shelter system into permanent housing.

Committee on Governmental Operations

Hon. Gale A. Brewer, Chair

Law Department (025)

Pursue Emergency Communications Transformation Project (ECTP) Payment Recovery

The Council urges the Administration to aggressively pursue the recovery of payments to contractors working on the ECTP, who either overbilled the City or under-delivered on the terms of their contract. At the Fiscal 2014 Preliminary Budget Hearing, the Law Department confirmed that it is currently engaged in such efforts. The City has committed over \$1 billion in capital funding for the project which costs over \$50 million annually to maintain.

While funding for the ECTP is included in DoITT's budget, during its Preliminary Budget hearing, DoITT deferred questions regarding the ECTP to the Mayor's Office. It is incumbent on the Administration to keep the Council informed on all fiscal matters related to the ECTP in order for the Council to properly perform its oversight responsibility.

Enhanced Defense of City Lawsuits

The Council supports the expansion of the Law Department's initiative to increase staffing to more vigorously defend the City against civil lawsuits in an effort to reduce judgments and claims against the City and deter frivolous lawsuits. The Law Department continues to see positive results from this initiative, reporting a slight drop in civil rights cases filed and a greater success rate in defending those cases.

Develop Strategy for Electronic Discovery

The Council recommends that the City develop a formal strategy to deal with the impact of the explosive growth in electronic discovery and ensure that each agency is carrying out its electronic discovery obligations. Electronic discovery refers to discovery in civil litigation which deals with the exchange of information in electronic format. The Law Department cites this increase as one of the Department's biggest concerns requiring additional resources year to year. A comprehensive plan will result in cost avoidance.

Board of Elections (003)

Review BOE Funding Needs

The Council calls on the Administration to thoroughly review the Board's Fiscal 2014 funding request and provide the appropriate level of funding necessary for the Board to conduct elections, and otherwise fulfill its responsibilities. The BOE is requesting \$62.5 million in

additional funding for Fiscal 2014, including \$26.4 million for OTPS expenses and \$36.1 million in Personal Services expenses. The Board's projected Fiscal 2014 budget totals \$72.5 million.

BOE MMR Indicators

Currently the BOE does not provide performance data for the PMMR. The Board has testified that it fulfills its reporting requirements through the issuance of its annual report. The Council calls on the Administration to work with the Board to include its performance data in the PMMR.

Community Boards (499)

Restore and Baseline Community Boards' Funding

Community Boards function with budgets that barely provide the minimum resources needed to adequately carry out their responsibilities as mandated under the City Charter. The value of service provided by Community Boards far outweighs the cost savings associated with their Fiscal 2014 PEG. Community Boards should not be subject to the Administration's Program to Eliminate the Gap and \$924,000 should be restored and baselined.

MMR Indicators

MWBEs. The Council continues to be a strong advocate for Minority-and Women-owned Business Enterprises (MWBEs). Indicators on MWBEs should be added to every applicable section in the Mayor's Management Report so that the Council can hold each agency accountable for its efforts to include MWBEs in its contracting plan.

Committee on Health

Hon. Maria del Carmen Arroyo, Chair, Committee on Health

Department of Health and Mental Hygiene (816)

Eliminate Mobile Food Vendor Enforcement Increase

The Council calls upon the Administration to eliminate \$580,000 in proposed new spending for a mobile food vending enforcement unit. At a time of fiscal insecurity, the Council questions the need for a new enforcement team of attorneys who would prosecute vendors who are in arrears for violations. Instead, the Council recommends that the Administration help vendors comply with regulations and work on setting up payment plan options to help vendors who are in arrears settle their debts.

Ramp Up Services for Animal Care & Control Contract

The Council encourages the Administration to work with Animal Care and Control of NYC in aggressively hiring staff and filling vacancies in the animal care and control contract. As a provision of Local Law 59, the Administration received increased funding for the addition of staff in an effort to help expand receiving hours, increase stray animal pick up and reduce feral cat populations. However, the Administration has targeted this contract for reductions due to

under-spending attributed to vacancies. The Council urges the Administration to work diligently and swiftly in hiring staff and accelerating services for animals in New York City.

Restore School Health Services

The Council calls upon the Administration to restore \$4.9 million in Fiscal 2014 which would prevent a reduction in funding for school-based health centers (SBHCs), a reduction in school staff, and the elimination of school vision screening for students in kindergarten and 1st grade. SBHCs can serve as a student's Primary Care Provider (PCP) or compliment services provided by an outside PCP. Many children and families rely upon SBHCs as their medical home. Further, elimination of school vision screening presents a major concern for the Council, as roughly 200,000 students benefit from these screenings each year.

While the Council supports the Administration's decision to allow school-based health centers to bill third party for services, the Council urges the Administration to ensure that the safety and well-being of school-aged children remain protected by not targeting these services for reductions at this time.

Restore Community Outreach, Education and Clinical Services

The Council calls upon the Administration to restore \$1.3 million in Fiscal 2014 to prevent a reduction in lead prevention staff, a reduction in outreach and education staff at the East Harlem Asthma Center of Excellence (EHACE), and a reduction in immunization staff. A reduction in lead prevention staff will diminish surveillance activities for lead poisoning and lead to a decrease in public education activities. Shrinking the size of its asthma education and outreach staff in East Harlem – a neighborhood where asthma rates are alarmingly high – will impair the City's efforts to help and protect residents from this preventable disease and simply result in higher costs for treatment. The elimination of immunization staff could negatively impact the immunization rates citywide.

Health and Hospital Corporation (819)

Restore and Baseline HHC's Operating Subsidy

The Council strongly urges the Administration to restore and baseline \$6 million to HHC's Operating Subsidy, raising its total subsidy to \$21 million. This subsidy serves as a lump-sum appropriation to HHC in recognition of the financial challenges of serving uninsured and Medicaid patients. Despite HHC's cost containment measures, HHC will continue to experience deficits as a result of continued Medicare and Medicaid cuts under the Affordable Care Act (ACA) and New York State's Medicaid Redesign. To absorb the loss of these funds, HHC will be forced to reduce spending across its system, which will translate into service with adverse consequences to HHC patients.

Restore and Baseline Sexual Assault Response Team Funding

The Council strongly urges the Administration to restore and baseline \$1.3 million in funding to the Health and Hospitals Corporation's (HHC) Sexual Assault Response Team (SART) program in Fiscal 2014. SART provides immediate state-of-the-art forensic and counseling services, allowing for sexual assault victims to receive sensitive care within one hour of their arrival at a

HHC hospital. SART programs, which operate around the clock, can minimize trauma to the victim and reduce the risk that evidence critical to law enforcement will be lost, damaged or overlooked. While the Administration restored SART for Fiscal 2013, the Council recommends this vital service be baselined in Fiscal 2014 and the outyears.

Restore Pass-through Funding Reductions to HHC

The Council calls upon the Administration to fully restore \$7 million in pass through funding to HHC in Fiscal 2014. The DOHMH has targeted HHC services such as Child Health Clinics, rapid HIV testing and developmental evaluation clinics for reductions. In the absence of this funding, Child Health Clinics, which provide vital medical attention to children, will be forced to close and/or reduce hours. Due to State and federal actions that have reduced revenues for HHC, the Council urges the Administration to restore cuts made by DOHMH to services funded by pass through funding.

Committee on Mental Health, Developmental Disability, Alcoholism, Drug Abuse, and Disability Services.

Hon. G. Oliver Koppell, Chair

Hon. Ruben Wills, Chair, Subcommittee on Drug Abuse

Restore and Baseline Mental Hygiene Contracts

The Council calls upon the Administration to restore and baseline the \$2.9 million in funding to community-based organizations (CBOs) and HHC for substance abuse, work readiness, and intensive care coordination services. These mental hygiene contracts provide mental and substance abuse services to populations who typically do not seek treatment due to cultural and societal stigma associated with behavioral health services.

Restore and Baseline Mental Hygiene Contracted Services

The Council strongly urges the Administration to restore and baseline funding to DOHMH's mental hygiene contracted services. The Council restored \$2.5 million to Mental Hygiene Contracted Services in Fiscal 2013, and this restoration prevented the elimination of medically supervised outpatient programs, developmental disability clinics, adult respite programs and other mental health services.

Baseline Council-funded Mental Health Services

The Council calls upon the Administration to baseline \$4.6 million for the Children Under Five, Geriatric Mental Health and Autism Awareness Council initiatives. The Council is the only governmental entity providing funding on any level for mental health services for very young children through its Children Under Five Mental Health Initiative.

Committee on Housing and Buildings

Hon. Erik Martin Dilan, Chair

Landmarks Preservation Commission (136)

MMR Indicators

The Fiscal 2013 Preliminary Mayor's Management Report (PMMR) is missing data on the "Average days from completed submission until issuance – Certificate of No Effect," "Average days from completed submission until issuance – Permit for Minor Work," "Average days from completed submission until issuance – Expedited Certificate of No Effect," and "Number of Complaints Received." This makes it impossible for the Council to evaluate the agency's performance in these areas. The Council calls upon the Administration to provide these metrics.

Department of Housing Preservation and Development (806)

Further Detail on Sandy-Related Capital Funding

The proposed Fiscal 2014 Preliminary Capital budget includes an allocation of \$477 million for Hurricane Sandy related work. When asked about the use of funds, the Commissioner stated that it was a placeholder approved by the Office of Management and Budget. The Council calls for further detail on the use of these funds in the Executive Budget.

Committee on Parks and Recreation

Hon. Melissa Mark-Viverito, Chair

Department of Parks and Recreation (846)

Restore and Baseline Funding for Parks Seasonal Workers

Last year, the Council successfully negotiated a \$7.3 million restoration for seasonal workers. The proposed Fiscal 2014 budget does not include this restoration. Because these workers are generally responsible for park maintenance, security and parks cleanliness, the Council urges the Administration to restore and baseline \$11.3 million, which includes \$4 million in enhancement funding for additional seasonal worker positions.

Restore and Baseline Funding for Job Training Participants Program (JTP)

The Council calls upon the Administration to restore and baseline the Council's Fiscal 2013 \$16.8 million restoration for JTPs in the Executive Budget in order to maintain the necessary headcount for park services. As testified by the Commissioner at the Fiscal 2014 Preliminary Budget Hearing, as a result of the fiscal crisis, over the past several years the Parks Department's workforce has not kept pace with its growing capital infrastructure. This assertion confirms the Council and park advocates' belief that the Department's headcount has remained underfunded for years.

Last year, in an effort to meet their PEG targets for Fiscal 2013, DPR and HRA collaborated on a proposal to replace JTP employees with WEP workers for an estimated combined savings of

\$24.1 million in Fiscal 2013. The Council intervened and restored \$16.8 million and approximately 1,730 Job Training Participants were hired by the Department. However, the restoration is not funded in the outyears of the City's Financial Plan.

Because WEP workers receive less training in the day-to-day maintenance functions of parks when compared to JTPs, this proposal undermines DPR's maintenance and operations efforts. WEP workers are not City employees and the primary purpose of WEP is to offer cash assistance recipients various training and more work experience before being placed in full-time, paid employment. This conversion undermines this purpose when WEP workers are placed in the City's parks without training or skillsets that match the jobs available at DPR. If no action is taken, this replacement would hurt the continuity of service provided by JTP employees who are on 6-month assignments as opposed to 13-week assignments for WEP workers, thus severely impacting DPR's parks maintenance and operations.

Restore and Baseline Funding for Playground Associates

The Council calls upon the Administration to restore and baseline \$1 million in Fiscal 2014 and the outyears for playground associates. Since Fiscal 2008, the Council has provided funding of \$1 million annually to support 30 FTE playground associates. These positions provide supervised recreation in local parks and playgrounds.

Restore and Baseline Council Funding to Prevent Pools Closure and Shortened Outdoor Pool Season

The Council calls upon the Administration to restore and baseline \$1.4 million in Fiscal 2014 and the outyears to prevent the closure of four pools and the shortening of the outdoor pool season. In an effort to save \$1.4 million annually, the Department plans to eliminate outdoor pool operating costs in the final two weeks of the pool season and close four pools for the entire season. Although, the four pools are yet to be determined, in Fiscal 2013, Wagner Pool in Manhattan, Howard Pool in Brooklyn, Fort Totten Pool in Queens, and Faber Pool in Staten Island were selected to be closed.

Provide Funding for Tree Stump Removal

The Council calls on the Administration to include a baseline funding of \$2 million in the Executive Budget for tree stump removal citywide. Although the proposed budget includes a baseline funding of \$2 million for tree pruning, for the fourth year in a row, there is no funding for tree stump removal, leaving the Parks Department unable to meet the demand for tree stump removal citywide.

Committee on Public Safety

Hon. Peter F. Vallone, Jr., Chair

Office of Emergency Management (017)

MMR Indicators

The Council recommends that two additional indicators within the CERT section of OEM's MMR entry be included: The total number of existing CERT Teams throughout the city, and the total number of incidents to which CERT teams have responded.

Department of Investigation (032)

MMR Indicators

The Council recommends that an additional indicator table be created for DOI's MMR entry detailing performance data similar to that of the main table but specifically for those city agencies and covered organizations with which DOI has a memorandum of understanding. These include the Department of Health and Mental Hygiene (DOHMH), the Administration for Children's Service (ACS), the New York City Housing Authority (NYCHA) and the School Construction Authority (SCA).

Civilian Complaint Review Board (054)

MMR Indicators

The Council continues to urge that a separate section within the CCRB's MMR entry be created with performance indicators for the new Administrative Prosecution Unit (APU), including; the overall number of cases currently being tried; the number of cases closed and the disposition of those cases; the average time to dispose of cases once they come before the APU; and the number of outstanding cases exceeding 15 months of age (the statute of limitations for the disposition of cases is currently 18 months).

Police Department (056)

Maintaining Police Patrol Strength

The Council calls on the Administration to accelerate the police hiring schedule to maintain the Police Department's average uniform staffing level and its patrol and enforcement capabilities. According to Commissioner Kelly, the average police headcount will fall to 34,600 in Fiscal 2014. This level would be 459 police officers fewer than this year and 321 fewer than Fiscal 2012.

According to the Commissioner, the reason for this reduction in the average uniform staffing level is higher-than-anticipated attrition driven by an unusually high number of officers reaching retirement eligibility in August of this year and February of 2014. The resulting projected uniform attrition rate for Fiscal 2014 will be approximately 2,660, a 66 percent increase above the Fiscal 2013 projected attrition of 1,600.

The Department could avoid the projected loss of police strength by accelerating hiring. The Administration has authorized the Department to hire a class of 550 officers in July 2013. Increasing this class by 600 to 700 additional officers would enable the Department to maintain its current average police headcount through Fiscal 2014. The Police Commissioner has made this request to the Administration and it should be granted.

☑ **Increase Civilian Staffing**

The Council urges that the current 543 uniformed officers performing tasks eligible for civilianization be assigned to enforcement duties as soon as is practicable and backfill those positions with lower-paid civilian employees to complement the ultimate uniform staffing objectives of the Department's hiring strategy. The Department has not civilianized any of its eligible positions within the past year. The Commissioner agrees that civilianization could be a useful tool under the right circumstances, but noted that the high turnover rate of civilian employees made it difficult. Nevertheless, the Council believes that civilianization is an excellent way for the Department to optimize its uniform staffing and achieve the goal of maintaining its patrol and enforcement strengths.

☑ **MMR Indicators**

Stop, Question, and Frisk. The Council recommends that the Mayor's Management Report include indicators detailing the extent of the Department's language, racial and ethnic diversity; the number of Stop, Question and Frisk encounters initiated by officers along with any weapons or other contraband seized as well as separate indicators for both pat downs and full searches.

Overtime Spending. The MMR should show civilian and uniformed overtime expenditures separately.

District Attorneys and Special Narcotics Prosecutor (901 to 906)

☑ **Funding Core Services**

The Council urges the Mayor and the Criminal Justice Coordinator to continue to support the work of the District Attorneys with the fiscal resources necessary for them to properly and completely carry-out their crime-fighting mission. Pursuant to the Criminal Justice Coordinator's Workload Funding analysis and at the urging of the City Council, the administration has increased the Fiscal 2014 baseline budgets of four of the District Attorneys by almost \$20 million collectively. A specialized Financial Crimes Unit has been funded in the Manhattan District Attorney's office, as has a Prescription Drug Unit in the Office of the Special Narcotics Prosecutor. The city's prosecutors all expressed appreciation for the additional funding, but also identified additional needs.

The following specific requests were made at the Fiscal 2014 Preliminary Budget Hearing for the Committee on Public Safety:

- The Bronx District Attorney requested \$371,000 to hire 10 additional staffers, or permanent assignment of 10 police officers, to the complaint room. Police officers are assigned to all of

the other prosecutors' complaint rooms and the administration should similarly support the Bronx office. Arrest-to-Arrestment times continue to exceed the 24 hours limit in the Bronx, which is unacceptable. Additional support for the complaint room should reduce processing times.

- The Bronx District Attorney also requested \$798,133 to establish a Riker's Island unit and \$386,000 to establish a Technical Case Enhancement Unit. The Council urges that these requests be funded.
- The Queens District Attorney requested \$370,000 for Anti-Gun Violence programs, \$260,000 to fund a program aimed at combatting financial crimes against the elderly and \$35,000 to fund a Cyber Crimes Initiative. The Council urges that these requests be funded.
- The Special Narcotics Prosecutor's current priority is to dismantle the hierarchy of drug gangs and break their grip on the narcotics and gun trafficking in the city. They requested \$470,000 to establish a new "Digital Forensics Unit." This unit would allow OSNP to keep pace with the technologies being employed by illegal narcotics organizations to camouflage their activities. They also requested an additional \$250,000 to expand their prescription drug program for a total request of \$720,000. The Council urges that these requests be funded.

Establish a Family Justice Center in Staten Island

The Staten Island District Attorney has asked the Administration to establish a Family Justice Center in Staten Island. District Attorney Donovan has established what he refers to as a "virtual Family Justice Center" but given the volume of domestic violence cases and the needs of victims on Staten Island, the City should support a Family Justice Center in the borough.

Currently, the "virtual" center is staffed by one domestic violence coordinator from his own staff, a position which he fills with his office's current budgeted appropriation as well as federal "Violence Against Women" grant funding. Last year, this coordinator alone made 3,563 victim contacts for domestic violence cases. Over the past three years, Staten Island has experienced a 34 percent increase in domestic violence arrests; of the 13,303 total arrests in 2012, 2,582 or 22 percent were domestic violence related. In 2012, of the 11,256 docketed cases filed in Criminal Court, 2,582 or 23 percent were domestic violence related. Expanding the current virtual center is an absolute necessity if Staten Island is to provide the necessary services due to victims of domestic violence.

District Attorney Donovan has requested funds adequate to provide the domestic violence victims on Staten Island with support services comparable to those offered by the other three Family Justice Centers across the city. Mr. Donovan's total budget request amounts to \$306,471 for operating expenses in Fiscal 2014 and \$245,439 in subsequent years. An associated Fiscal 2014 capital request is forthcoming. The Council strongly urges the Administration to support a Family Justice Center in Staten Island.

Committee on Small Business

Hon. Diana Reyna, Chair, Committee on Small Business Services

Committee on Economic Development

Hon. Karen Koslowitz, Chair, Committee on Economic Development

Dept. of Small Business Services and Economic Development Corporation (801)

Restore and Baseline Funding for Industrial Business Solution Providers

The Council calls upon the Administration to restore \$1.16 million in Fiscal 2014 and the outyears and to also restore and baseline the Council's \$256,000 restoration for the Industrial Business Solution Providers (IBSP), which play a very critical role in helping more than 6,000 business owners and 75,000 people who work in manufacturing to stay and grow their business in the City.

Plan for EDC Surpluses

The Economic Development Corporation ended its Fiscal Year 2012 with \$237 million in "unrestricted net assets", primarily cash and cash equivalents. EDC President Seth Pinsky testified that he anticipated operating losses over the next few years. The Council asks that EDC provide a four-year financial plan as part of the Fiscal 2014 Executive Budget, including a full accounting of planned transfers to the City.

Committee on Transportation

Hon. Jimmy Vacca, Chair

Department of Transportation (841)

Garage and Lot Rate Increases

The Council commends the Department of Transportation in recognizing the difficult economic times facing the City and agreeing to cap increases in municipal parking lots for Fiscal Year 2013 to no more than 20 percent. To assist in easing the burden that Hurricane Sandy as well as slow economic growth have put on the people of New York City, the Council calls upon the Administration to forego any further increases at municipal parking lots for Fiscal 2014.

Committee on Youth Services

Hon. Lewis A. Fidler, Chair

Department of Youth and Community Development (260)

Fully Restore and Baseline Funding for After-School Programming

The Department of Youth and Community Development's Fiscal 2014 Preliminary Budget substantially reduces funding for three of the City's largest afterschool programs, Out-of-School Time (OST), Beacon and Cornerstone programs, which collectively serve nearly 150,000 youth

citywide. The Council is dismayed at the potential impact such a reduction would have on families and children throughout the City and strongly encourages the Administration to consider the following prior to the release of the Executive Budget.

Out-of- School Time (OST)

DYCD's OST program, the largest of the three, currently serves over 56,000 participants. In its Fiscal 2014 Preliminary Budget, DYCD proposes \$83 million in funding for the program, which would provide funding for a little over 21,000 participants, a reduction of over 60 percent when compared to its current level. As a result of the new OST program model introduced last year, slots cost more, but the program's overall baseline funding has declined significantly. In order to prevent a substantial loss of service, the Council restored approximately \$51 million for over 27,000 program slots in Fiscal 2013. Under an agreement with the Administration, the Council was able to restore program slots at the previous lower rate. However, the Administration did not baseline the Council's restoration and in Fiscal 2014, DYCD proposes to further reduce the program by eliminating over 5,000 additional slots, resulting in a total slot loss of over 35,000. The Council urges the Administration to restore and baseline \$81 million in additional funding for OST to maintain the current service level at the new rate.

Beacon Programs

DYCD's Beacon programs are school-based and provide a wide range of services, including after school services, and currently serve approximately 86,000 participants. In its Fiscal 2014 Preliminary Budget, DYCD proposes \$34 million for the Beacon program, a reduction of \$4.4 million when compared to its Fiscal 2013 funding level of \$38.4 million. This reduction is attributed the Administration's failure to baseline \$4.4 million restored by the Council in Fiscal 2013. The funding reduction will result in the elimination of seven Beacon programs and across-the-board reductions to 66 of its 80 Beacon programs. The Council urges the Administration to baseline an additional \$4.4 million for Beacon programs in the Executive Budget.

Cornerstone Programs

DYCD's Cornerstone programs are based in 25 New York City Housing Authority (NYCHA) facilities across the City and currently serve over 5,000 participants. In its Fiscal 2014 Preliminary Budget, DYCD proposes to reduce the program by \$926,000, which will result in the elimination of over 700 program slots. The Council urges the Administration to baseline an additional \$926,000 in the Executive Budget to maintain the current service level.

Fully Restore and Baseline Funding for the Expansion of Runaway and Homeless Youth Services

The Council is disappointed that DYCD's Fiscal 2014 Preliminary Plan does not include adequate funding for the provision of Runaway and Homeless Youth services (RHY). The Empire Coalition of Youth and Family Services estimated that nearly 4,000 young people in the City are homeless, 1,600 of which spent the night on the street, yet the City only provides funding for 253 shelter beds, which is grossly inadequate.

In Fiscal 2014 DYCD only proposes \$5.4 million for runaway and homeless youth services, a substantial reduction of over 50 percent when compared to its Fiscal 2013 funding level of \$12.6 million. This reduction is attributed to the Administration's failure to baseline \$7.2 million restored by the Council in Fiscal 2013. The funding reduction could potentially result in the elimination services for an already underfunded system, including 159 out of 253 shelter beds for runaway and homeless youth, the reduction of essential non-residential services such as drop-in centers, and the elimination of street outreach services.

DYCD is expected to release a Request-for-Proposal (RFP) for RHY services next fiscal year, however planned spending in Fiscal 2014 is not sufficient to maintain or expand RHY services. The Council urges the Administration to restore and baseline an additional \$8.7 million in the Executive Budget to expand the current service level, and to recurrently increase funding by an additional \$1.5 million per year until there are no waiting lists thereafter.

Fully Restore and Baseline Funding for the Expansion of Adult Literacy Services

The Fiscal 2014 Preliminary Budget includes \$2 million for adult literacy services, which includes GED/Adult Basic Education (ABE) and English for Speakers of Other Languages (ESOL) services. The funding is comprised of Community Development Block Grant funding (CDBG) and Community Service Block Grant (CSBG) funding, but no City-Tax Levy (CTL) funding. This allocation is projected to serve approximately 2,000 participants through 19 contracts next fiscal year.

The Council restored \$1 million in Fiscal 2013 to DYCD's budget for the expansion of adult literacy services for approximately 1,000 additional recipients through eleven additional contracts. This will enable DYCD to serve a total of approximately 3,300 participants through 30 contracts by the end of this fiscal year.

Regrettably, the Administration did not increase funding to expand services or baseline the funding added by the Council in its Fiscal 2014 Preliminary Plan. Therefore, the Council urges the Administration to baseline \$1 million in the Executive Budget to maintain the current service level.

Finance Division

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director
Tanisha Edwards, Chief Counsel

Economics and Revenue Unit

Raymond Majewski, Deputy Director, Chief Economist
Paul Sturm, Unit Head
Jonathan Auerbach
Emre Edev
Aleksandr Gevorkyan

Education and Public Safety Unit

Regina Poreda Ryan, Deputy Director
Eisha Wright, Unit Head
Lionel Francois
John Lisyanskiy
Christina Perrotti

Human Services, Health, and Governmental Operations Unit

Latonia McKinney, Deputy Director
Crystal Coston
Crilhien Francisco
John Russell
Dohini Sompura
Norah Yahya

Infrastructure, Housing and Economic Development Unit

Nathan Toth, Deputy Director
Chima Obichere, Unit Head
Ralph Hernandez
Kate Seeley-Kirk
Amy Stokes

State and Federal Budget and Higher Education Unit

Scott Crowley, Deputy Director
James Reyes
Jessica Jimenez

Administration

Nicole Anderson
Maria Pagan
