

HEALTH AND HUMAN SERVICES COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Health and Human Services Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Thursday, October 10, 2008 at 2:00 p.m.

Members Present:

Legislator Kate Browning, Chairperson
Legislator Jack Eddington, Vice-Chair
Legislator Tom Barraga
Legislator John Kennedy
Legislator Wayne Horsley
Legislator DuWayne Gregory

Also in Attendance:

Presiding Officer William Lindsay
George Nolan, Counsel to the Legislature
Paul Perillie, Aide to Majority Caucus
Linda Bay, Aide to Minority Caucus
Barbara LoMoriello, Deputy Clerk, Suffolk County Legislature
Gail Vizzini, Director of Budget Review Office
Craig Freas, Budget Review Office
Janet DeMarzo, Commissioner, SC Department of Social Services
Linda O'Donohoe, SC Department of Social Services
Dr. Humayun Chaudhry, Commissioner, SC Department of Health Services
Ben Zwirn, Assistant County Executive
Bruno LaSpina, CEO/Haven House/Bridges
David Hilgendorff, Executive Director/Suburban Housing
Debra Alloncius, AME Legislative Director
Lydia Sabosto, AME Executive Vice President
Gregory L. Noone, Thursday's Child
Noelle Campbell, Gerald J. Ryan Outreach Center
Naycha Flonval, Gerald J. Ryan Outreach Center
Bob Lulley, Gerald J. Ryan Outreach Center
Ursuala Lulley, Gerald J. Ryan Outreach Center
William F. Brisotti - Gerald J. Ryan Outreach Center
Anita Fleishman, Pederason-Krag Center
Thomas W. Goodhue, Long Island Council of Churches
Kathy Malloy, John J. Foley Skilled Nursing Facility
Pastor Roy Kirton, Circle of Love Ministry
Jacqueline Best, Health/Community Mental Hygiene
All Other Interested Parties

Minutes Taken By:

Lucia Braaten, Court Stenographer

[THE MEETING WAS CALLED TO ORDER AT 2:03 P.M.]

CHAIRPERSON BROWNING:

Good afternoon. We will start with the Health and Human Services Committee with the Pledge of Allegiance, led by Legislator Eddington.

(*Salutation*)

Good afternoon, everyone. We are going to do things a little bit different. We need to go through the agenda, but -- okay. So we are going to go through with the agenda and then we will have our speakers come afterwards. I don't believe anyone's here. Is there anyone here to speak on any particular bills on the agenda? I don't believe so. Okay. So then we can start with that.

TABLED RESOLUTIONS

Tabled Resolutions: ***I.R. 1771 - Directing the Department of Public Works to issue Public Health Nursing Task Force RFP (Presiding Officer)***. Do I have a motion?

LEG. EDDINGTON:

Motion to approve.

CHAIRPERSON BROWNING:

Motion to approve, Legislator Eddington.

LEG. BARRAGA:

Second.

CHAIRPERSON BROWNING:

Second, Legislator Barraga. All in favor? Opposed? Abstentions? Motion carries. ***(Vote: Approved 5-0-0-1 Not Present: Leg. Kennedy)***

INTRODUCTORY RESOLUTIONS

Introductory Resolution 1813 - Directing the Department of Social Services to seek condemnation notification agreements (Beedenbender). I will make a motion to approve. I believe I am a cosponsor. Second, Legislator Eddington. All in favor? Opposed? Abstentions? Motion carries. ***(Vote: Approved 5-0-0-1 Not Present: Leg. Kennedy)***.

1862 - Amending the Adopted 2008 Capital Budget and Program and appropriating funds in connection with the water quality model - Phase V (County Executive). I'll make a motion to approve.

LEG. BARRAGA:

Second.

CHAIRPERSON BROWNING:

Second, Legislator Eddington. All in favor? Opposed? Abstentions? Motion carries. ***(Vote: Approved 5-0-0-1 Not Present: Leg. Kennedy)***

1879 - To implement Welfare to Work Commission recommendations (Kennedy).

LEG. GREGORY:

Motion to approve.

CHAIRPERSON BROWNING:

Motion to approve --

LEG. EDDINGTON:

On the motion.

CHAIRPERSON BROWNING:

-- Legislator Gregory, and --

LEG. HORSLEY:

I'll second that.

CHAIRPERSON BROWNING:

On the motion. Is -- I'm trying to think who's here. Would someone like to kind of talk about -- okay. Greg, okay. We have a second?

LEG. HORSLEY:

Yeah, I'll second it.

CHAIRPERSON BROWNING:

Second, Legislator Horsley. There are some questions about it. I know that, you know, there's been some discussion about staffing levels and whether you can actually accomplish this. Can you speak on that?

MR. BLASS:

Sure. Thank you, Madam Chairwoman, Members of the Committee. The issue of evening hours for the now four Social Services Centers was very amply studied in April of 2007, and that study was made part of the record, and we have a copy of it that we can give you. But the conclusion was based on the difficulties with flex time, issues that had been raised with respect to staff, the increasing number of applications handled in our caseloads, that it really does not lend itself to working in Suffolk County anyway, unless we have some appropriations that will go with it. The study is still timely, and I would refer all members of the Legislature to that study before a final decision is made in this regard.

CHAIRPERSON BROWNING:

Okay. Thank you. You know, one of my questions was -- is, you know, has this been negotiated with the Union? Is the Union in agreement with it, and -- you know, because you're changing their work hours.

MR. BLASS:

Right. The Union had also addressed the Legislature on this last April and took a position against it. One of the commendable purposes of the resolution is to see if applications could be made by people who are not otherwise available. The Nassau experience is often cited. Nassau County, of course, only has one center. We would point out that it still hasn't been established in Nassau anymore than it has been in our study that it would make a difference, or are the people who use Nassau's evening hours simply availing themselves of another time. It's not been established that, but for evening hours, a certain population simply cannot take advantage of the services of the Centers, which would have to be available on a lower scale of quality of services anyway, because the State WMS System and other facilities are not operating at those hours.

CHAIRPERSON BROWNING:

Okay, thank you. And I do believe, I was just told, that the Welfare to Work Commission was going to be here next month to do a presentation on this, so I think -- did we have -- I would propose to make a motion to table.

LEG. GREGORY:

I just wanted to make a comment, Madam Chair.

CHAIRPERSON BROWNING:

Okay.

LEG. GREGORY:

I support this bill. I understand that the Administration is against it. I think, as we go through this economic crisis that we've all read about and we've seen on television -- I have constituents coming to my office on a daily basis and are taking off from work to apply for assistance. Many of them never had to apply for assistance and they're losing money going to our centers, so -- to be told no when they go. So, when they come to us, and, you know, they end up in a worse-off position than when they came to us originally, because they don't have the assistance. They still need the assistance, but, yet, they lost income, because many of them were hourly employees and not salaried employees.

So, I think, if we can make ourselves as a government more accessible and available so that people, constituents, can come to us on their non-work hours, I think that's a no-brainer. Sure, there's a cost associated with that. I don't think it's as much as your report suggests, but I think it's incumbent upon us to do what's in the best interest of all our constituents. Given the economy and the situation the way it is. We shouldn't be making them worse off than when they come to us for assistance. And I think this is just a small step in the right direction. I think we should move in that direction, because we don't know where this is going to bottom out. Many more people are going to be applying for assistance. You know, we're asking for a one night a week for a couple of hours. I think it does the community and the residents of Suffolk County a great service.

MR. BLASS:

Thank you.

CHAIRPERSON BROWNING:

Okay. I absolutely agree, because I can tell you, I had a constituent, not even just for herself, but for her mother, who physically can't get there and was turned away three times. You know, early in the morning she went, she took time off work. She went three times and was turned away, and one of the times that she was turned away was because she was told, "Well, we don't have enough staff to take care of you." So, you know, that's a problem. You have a woman taking time off work, losing pay. She actually had to keep her kids out of school to get there in time.

So, you know, I think this is a good idea. You know, I do know that it needs to be worked out. I think, especially with the winter coming, with HEAP and everything, and we need to come up with some kind of solution for, you know, people to be able to come after work so that they can be serviced. And, like DuWayne said, even if it's only one day a week, you know, we have to start somewhere. You know, they can't afford to take time off work, but we're telling them, you know, you're not going to get your service. It's just not working. So, I think -- you know, I do understand.

I know the Welfare to Work Commission does want to present their report. You know, I would, at this time, support a tabling motion for one cycle, but we really need to work something out, especially with the winter weather coming in. Do we -- what do you want to do?

LEG. GREGORY:

The sponsor is not here and the cosponsor. I'm okay to table for one cycle.

CHAIRPERSON BROWNING:

Okay.

LEG. GREGORY:

But I think we should move forward with it as soon as possible.

CHAIRPERSON BROWNING:

Okay. So I made the motion to table; second, Legislator Eddington. All in favor? Opposed? Abstentions? And the motion's tabled.

(Vote: Tabled 5-0-0-1 Not Present: Leg. Kennedy)

MR. BLASS:

Madam Chairman, if I may, I would be very pleased to take the name of that constituent you referred to.

CHAIRPERSON BROWNING:

Absolutely.

MR. BLASS:

And Deputy Commissioner Hernandez --

CHAIRPERSON BROWNING:

Yeah.

MR. BLASS:

-- and I will try to find out what the problem was.

CHAIRPERSON BROWNING:

Actually, we have already called Roland.

MR. BLASS:

Okay.

LEG. GREGORY:

And on that note, I did, too. I had a constituent, Velma -- I forget her last name. She went there, she was turned away by Ms. {Viraldi}, I think, I believe her name is. She called, we contacted Roland. Roland said everything is worked out. We sent her back there, she was berated, and then she left. She lost almost two days work.

MR. BLASS:

I'm very sorry to hear that.

LEG. GREGORY:

You know, it's ridiculous, you know, and this is a woman who has -- she has the custody of her cousin's daughter. Her mother disappeared, she was an addict, six years ago, and all they're trying to do is, she's trying to get assistance. I mean, I'm not going to go into the details, but the point is she went there three days -- three times and she lost two days work. And here's a woman, she works at Head Start, she helps people in need, and here she is, in need herself, she's living with her mother. She's a 44 year old woman who doesn't even have a home, you know, and it's -- and we're taking money out of her pocket to go for assistance, and she's not getting that assistance.

CHAIRPERSON BROWNING:

Well, and I think, too, the staff are stressed because of the workload that they have, so it's a combination of things that absolutely needs to be addressed.

MR. BLASS:

I will talk -- I will talk to Roland about that, Legislator Gregory. I'll see what happened with that .

CHAIRPERSON BROWNING:

Thank you. ***I.R. 1883 - Amending the 2008 Adopted Operating Budget to transfer funding from current appropriations to the Long Island Home d/b/a South Oaks for the development of a Countywide Prevention Resource Center (County Executive).***

LEG. EDDINGTON:

Motion.

CHAIRPERSON BROWNING:

Motion to approve, Legislator Eddington; second, Legislator Horsley. All in favor? Opposed? Abstentions? Motion carries. **(Vote: Approved 5-0-0-1 Not Present: Leg. Kennedy)**

I.R. 1884 - Amending the 2008 Adopted Operating Budget to accept and appropriate 100% additional State aid from the New York State Office of Mental Health to various contract agencies for a Cost of Living Adjustment (COLA) and for Personalized Recovery Oriented Services (PROS) revenue shortfalls (County Executive). I'll make a motion to approve and place on the Consent Calendar; second, Legislator Eddington. All in favor? Opposed? Abstentions? Motion carries. **(Vote: Approved 5-0-0-1 Not Present: Leg. Kennedy)**

1885 - Amending the 2008 Adopted Operating Budget to accept and appropriate 100% additional State Aid from the New York State Office of Mental Health to Pederson Krag Center (County Executive). Same motion, same second, same vote. **(Vote: Approved 5-0-0-1 Not Present: Leg. Kennedy)**

1886 - Adopting a Local Law -- okay -- a local to enact a grading policy -- I hate to say it, I can't say this. A grading policy for food establishments. I will make a motion to table. Would anyone from the Health Department like to comment on this? No? Okay. I'm making a motion to table.

LEG. EDDINGTON:

Second.

CHAIRPERSON BROWNING:

Second, Legislator Eddington. All in favor? Opposed? Abstentions? Motion is tabled. **(Vote: Tabled 6-0-0-0)**

Okay. So that is the agenda. We will go to -- we have our public portion, we have some speakers. Gregory L. Noone, you are first.

MR. NOONE:

Thank you very much. There we go; is that better?

CHAIRPERSON BROWNING:

That's better.

MR. NOONE:

Good afternoon. Thank you. Last year I stood before this Committee to plead on behalf of the over 3,000 Suffolk County residents who are living with HIV and AIDS. I stand before you today and offer this report and humbly ask for your help once again. The uncertain and frightening economic crisis that our nation is presently undergoing increases the urgency and the demand for the Thursday's Child AIDS Services Access Program.

Last year, you, the Members of the Legislature, and the County Executive's Office, came to the rescue of Thursday's Child. You understood that the AIDS crisis affects thousands of our neighbors and friends. You understood that this health crisis called for action, for help, and mostly for compassion. I report to you today that Thursday's Child, as the old nursery rhyme states, still has far to go.

Enclosed in your information packets are several documents. The first and foremost is my initial report on service unit delivery. When we asked you to fund this new service, the AIDS Services

Access Program, we honestly did not know what to expect. We were and are still reeling from the disastrous cuts in Federal funding for HIV services suffered in 2007 that affect the entire region.

The second document, Exhibit D, is a two-page program description of the contracted services to be performed by Thursday's Child on behalf of the Suffolk County Department of Health Services. The Service Unit spreadsheet clearly shows that this program is working. Some aspects are far exceeding expectations, and others are close to meeting target goals. Even I was surprised to report on the numbers. A hundred and twenty-five unduplicated clients received 663 units of service since January. These shockingly high numbers prove that this program is a success, but could do so much more with your help. What the numbers do not tell you are the stories of real people, real people that are hurting, that are scared and need Thursday's Child to remain open. This safe space created in our small office is one where men and women come to talk about their health, their families, their hardships, and also to their hopes, dreams and their futures.

I stand before you today and request funding in the amount of \$150,000 for Fiscal Year 2009. The County Executive has already come to our support and increased his contribution line from 12,000 to \$31,000 in his budget proposal. I ask for this increase knowing full well of this region's and the nation's economic crisis. Indeed, it is for that very reason that Thursday's Child must be fully funded and staffed. What is not reported in your information packet is that so much more needs to be done and can be done. What you must know is that behind each of these numbers is a person, a family, real people facing life-and-death decisions each and every day. I am proud to represent these people, men and women who are often among the very least powerful in society, yet are beautiful to me and deserving of respect and dignity. I beg another few seconds.

CHAIRPERSON BROWNING:

Sure, go ahead, finish up.

MR. NOONE:

I promise that much more can be done with a very small amount of your support. The office cannot keep up with the demands of client calls, scheduling, counseling, service provision, filing and reporting. So much more needs to be done. With your help, our office will continue to provide much needed help, as well as do more. If fully funded for 2009, this agency will coordinate with the Health Department a new campaign to increase HIV awareness testing and counseling sites throughout the County.

The fight against HIV only begins when a person knows his or her status. Suffolk County and New York State offer free, anonymous and confidential HIV testing. I urge you to support Thursday's Child and its efforts to broaden awareness and increase participation in testing, counseling and treatment of this disease.

This health crisis is in its third decade. So many battles have been fought, many won, many lost. Just a few short years ago, people living with AIDS had few places to go when they were sick and dying. According to the New York State Department of Health's own website, Suffolk County presently has 73 nursing homes and only one has designated certified AIDS beds, the Foley Nursing Home in Yaphank.

On behalf of all people living with AIDS in this County, we are grateful for this service. Please know that we are also grateful to you, members of this Committee, and of the Legislature for your time and dedication.

If I may offer one more statistic as appropriate, as the holiday season approaches. Last year, Thursday's Child coordinated and provided holiday gifts to 248 children from over 95 different families. Please help us remain open another year. Support our efforts and our cause of helping our neighbors in need. I stand ready to meet with each of you at your own convenience and look forward to talking to you and telling you about the success of your efforts this year. Thank you.

CHAIRPERSON BROWNING:

Thank you, Greg. And don't go anywhere. Legislator Kennedy has a question for you.

LEG. KENNEDY:

Good afternoon, Mr. Noone, and thank you for coming to us. I have to commend you. I know that it is not an easy task that you do. I have a familiarity with a clinic similar to yours, and I do have it on my list to come down to visit you in Patchogue. But I am always interested in the full range of care for folks that are HIV and AIDS positive. And the beds at John J. Foley -- I suspect that there is this illusion out there that people who are afflicted with AIDS or HIV no longer suffer the shorter life span that was prevalent when the illness first manifested itself in the early '80's. I'm told by people who are familiar with direct care that the new medication regimes work for maybe 60, 70% of those folks that are affected. However, there is a significant number of people who don't respond to the drug protocols and they, therefore, need this specialized in-hospital care; is that true?

MR. NOONE:

Absolutely. Although I don't -- cannot speak to certain statistics, I do know of several of our clients that have incredibly wonderful and positive experiences going through their particular health crisis and have received lifesaving care and have since been discharged from John J. Foley Nursing Center and they speak nothing but praise of their staff, and also with the comorbidities and the high prevalence of Hepatitis C and other diseases associated with HIV and AIDS that require long-term care have been addressed at that Nursing Center and I have heard nothing but positive results from them.

(Applause)

LEG. KENNEDY:

That's good to know. Thank you. Thank you.

LEG. GREGORY:

Madam Chair.

CHAIRPERSON BROWNING:

Thank you, Greg.

LEG. GREGORY:

Madam Chair.

CHAIRPERSON BROWNING:

Oh, okay. Legislator Gregory.

LEG. GREGORY:

I've had some brief conversations with the Office of Minority Health and -- well, first off all, I'd like to thank you for coming down today, and I believe your organization fills a very much needed void in Suffolk County.

MR. NOONE:

Thank you.

LEG. GREGORY:

You're the only organization that does what you do, from what I understand; is that correct?

MR. NOONE:

That does this particular type of social support services with the goal of supporting a health services benefit, yes. We have very good allies, one of whom was actually in your District, the Long Island Minority AIDS Coalition. However, they are funded presently, mostly through Nassau County Department of Drug and Alcohol Addiction. So, yes, while we have many memoranda of agreement

with various medical and social services providers across the County, we are the only ones that are doing these services directly that have a broad depth of services.

LEG. GREGORY:

Okay. My concern that I have is, and I've seen some studies within the past six months or so that indicates that particular pockets in Suffolk County, Wyandanch, Brentwood, I believe Mastic/Shirley and some others, where there are minority teenagers that have a higher incident rate of HIV -- testing HIV positive compared to other regions in New York State, including New York City, and I would like to see, you know, some collaboration between your organization, the Office of Minority Health and the Department of Health, and reaching out to those teens. I know that they do hip hop. There's some program, hip hop something, just to bring awareness and bring kids to -- I would love to see you do something with them, because that's our future and we need to bring awareness and to provide programs to reach out to them.

MR. NOONE:

And, if I may, you're absolutely correct. And one of our most proudest associations with Thursday's Child is our increasing and growing collaboration with the Suffolk Family Health Centers. In fact, Ms. Barbara Martens, who was the social worker at the South Brookhaven Family Health Center West in Patchogue, was working with the hip hop group and to get Thursday's Child involved and bring the message out, and one of our main messages is, too, that people must know their status and they must get tested. And the reason why Thursday's Child is significant and remains unique is that people can come -- the stigma and discrimination and fears surrounding this disease has not abated nearly that we had hoped. Therefore, the need for this safe space is greater than ever.

I would love to be able to say that I could control the New York State Department of Health and force an AIDS curriculum down there to that -- all for a positive health, but, in the meantime, we have to work with what we have. Some school districts are fantastic. The Smithtown School District, where Mr. Kennedy and Ms. Nowick represent, have fantastic health program, and then there are others down in Ms. Browning's District that are slow to react, and their Health Departments are very nervous about parental reaction to talking about sex education. It is a very difficult subject, one that must be treated carefully and with judgment, including parents' participation when possible. And, in fact, the Long Island Minority AIDS Coalition is holding a Harm Reduction Conference just next week, which we're also proudly going to attend.

CHAIRPERSON BROWNING:

Thank you, Greg. It's good seeing you again.

MR. NOONE:

Thanks, Kate.

CHAIRPERSON BROWNING:

And next is Mary Finnin.

MS. FINNIN:

Good afternoon. I'm Mary Finnin. I'm here today as a senior, a taxpayer, and also a former HIV primary care coordinator for the County. And I'm very pleased to speak after Greg, and I would support his recommendations. We have worked closely with that agency when I was working as a primary care coordinator, and they did provide a unique service to our patients, and we serve between five and six hundred patients in the clinics.

I would like to primarily speak today to oppose any cuts, closing or privatization of any of the County Health Programs. The fundamental power and responsibility of government is to protect the health and safety of residents. Maintaining our health centers and the John J. Foley Skilled Nursing Facility as a public service is a moral responsibility of this government, County Government. I ask you, please don't let one individual in this County destroy the great programs that we have developed for the residents.

We need all of the programs more than ever. More people are losing their jobs, their homes, their health insurance, and we have an increasing number of seniors coming of age. Please, protect the residents of this County and maintain our programs. I think actually we need to look at increasing our County programs, not decreasing them. Thank you for your time.

CHAIRPERSON BROWNING:

Thank you, Mary.

(Applause)

CHAIRPERSON BROWNING:

And next is Noelle Campbell.

MR. CAMPBELL:

Good afternoon. We're here on behalf of the Gerald J. Ryan Outreach Center. We recently learned in the 2009 Budget that we would not be reinstated for our \$50,000 grant. This grant is very important, because it supports our Summer Camp and After School Program, as well as the Gerald J. Ryan Outreach Center. We're located in Wyandanch and we provide very vital crisis intervention services to the community of Wyandanch. Wyandanch, as you know, is a poor community here on Long Island, and we are able to act as a mini Social Service Center. Given the fact that Social Services in Wyandanch is going to be relocating, they're in the process of doing that now, and as well as the fact that we were the Outreach that was burned down in December, losing this money is vitally important to us, because it helps us operate our day-to-day functions of meeting those in the community.

We see over -- about eleven hundred people currently, men, women and children, that come in for emergency food, clothing and shelter needs and utilities assistance, and we heavily rely on this money, particularly for our Summer School and After School Program. The After School Program, currently there are about 40 students enrolled, and for the Summer Camp, there's about 150 children. Given to the community of Wyandanch, again, it's of great need. And so, even though we talk of who is this going to impact, it's going to impact children, and although that might be a very emotional issue, it's a real issue for us.

And so we are pleading on the behalf of -- you perhaps can reinstate the \$50,000. And of course, we, like everyone else here, we need the money, we need more of it, and given the economy and what we see coming through our door for those that are coming in and saying, "You know, we need you, we need you more than food and clothing," but, again, we're seeing those that are suffering, how they're going to pay their light bill, how are they going to meet there shelter expenses, so it is of great, great need. So we hopefully can, you know, be reinstated, and we thank you.

CHAIRPERSON BROWNING:

Thank you. No? Good to go? Okay. Naycha Flonval. And I see you have some good support back here in the room.

MS. FLONVAL:

Hello. My name is Naycha Flonval. I'm the Director of the Summer Camp and the After School Program. After School Program serves the community, takes the children off the streets. We have -- we provide certified teachers and tutors. The After School -- the Summer Camp, which registration is very small, it's not even \$17 per day, but the majority, over 90% of the kids that come to our camp can't afford to pay the registration fees. We provide them breakfast in the morning, we give them lunch, we give them educational opportunities. We have all certified teachers over the summer that brings in the educational component which the School District -- we support the School District, but a lot of the kids come in and they're below level, which we try to bring up over the summer. It's not that much money for the amount of children that we serve, and without the money, we wouldn't be able to take them on trips, to bring them to the pool and other

experiences that they might not have with their families. Thank you.

CHAIRPERSON BROWNING:

Thank you.

LEG. GREGORY:

I have a question.

CHAIRPERSON BROWNING:

Okay, Legislator Gregory.

LEG. GREGORY:

I was told by a little bird, I won't tell who told me, but they may be sitting behind you, that there was actually someone who went through their summer camp who's actually gone through, and gotten their Masters.

MS. FLONVAL:

Oh, that's me.

LEG. GREGORY:

Is that you?

MS. FLONVAL:

Yes.

LEG. GREGORY:

Oh, okay. I didn't know, I didn't know that.

MS. FLONVAL:

I was a camper when I was in 5th grade.

LEG. GREGORY:

Okay.

MS. FLONVAL:

I went from a camper to an Assistant Teacher; from a Counselor, Assistant Teacher, Assistant Director, and now I'm the Director of the Summer Camp, so I've been there for over 16 years.

LEG. GREGORY:

Wow.

MS. FLONVAL:

But I finished, I'm a teacher. I went to Saint Joseph's and I have my Masters.

LEG. GREGORY:

Okay.

LEG. EDDINGTON:

Congratulations.

CHAIRPERSON BROWNING:

Thank you. Congratulations.

(Applause)

And I think, if you had brought your fiddle with your father, it might have worked, you'd get more support. Next is Anita Fleishman.

MS. FLEISHMAN:

Good afternoon. I can't beat that story. I'm Anita Fleishman, and, actually, I'm standing before you in a dual role today, one as the Chair of the Suffolk County Mental Health Coalition, and the second as the Chair -- as the Executive Director of the Pederson Krag Center.

I first want to thank you for passing 84 and 85, it's very much needed. We've been waiting a long time for it, but that's to be discussed at another session, I guess, with regard to the timeliness of our contract and our payments being made, but mostly is the face of mental health in Suffolk County at this time.

There obviously is a direct correlation between the economic woes of Suffolk County and the country and our waiting lists as we see them in our outpatient clinics, hospitals, emergency rooms. So, at this time, when budgets are being prepared, we ask you to keep in mind funding of our outpatient system here in Suffolk County. It is -- the need is tremendously growing. We're seeing more and more people in crisis because of what's going on around the country, and these people are going to be exercising a more costly form of treatment if they cannot get into our outpatient services.

So I thank you for your attention, and I ask you to reconsider budget cuts or additions to our -- to all of our budgets this year and next year. Thank you.

CHAIRPERSON BROWNING:

Thank you. And next is Thomas Goodhue.

MR. GOODHUE:

Hi. I'm Tom Goodhue, the Executive Director of the Long Island Council of Churches, which is our region's largest ecumenical and interfaith organization. I do hope that you will reinstate the funding for the LICC in our Riverhead Office, but I really want to plea even more strongly for you to find some way to solve the problem with DSS that a few of you have talked about earlier.

It is not just a problem that clients are not able to get services from DSS without being turned away at the door at three o'clock, one o'clock, or sometimes nine o'clock in the morning, it's worse than that; it's that people are taking a day off simply to go to DSS to get a denial letter saying that DSS cannot help them, and they are turned away without having received the letter, the paperwork that they need for us to be able to help them often, for Catholic Charities to be able to help them, for the United Way of Long Island to be able to help them. The DSS is essentially a gatekeeper, and people often must apply for DSS assistance before they can qualify for other programs. If they can't even get in the door, which is often the case now, DSS becomes a barrier, even when DSS simply needs to tell them, "No, we can't help you." It is something where I don't really pretend to know why it is so difficult to solve this problem, I really don't. I don't really fully understand why flex time is so hard to do, and I don't really care. I think Suffolk County needs to experiment with some ways to solve this problem, whether that is Wayne Horsley's idea that we should perhaps make it possible for people to work four ten-hour days, or whether it is to open at eleven o'clock sometime and stay open until seven, or whatever is the experiment that is needed. Perhaps we need -- we need more of the experiments to make it unnecessary for people to go to DSS in the first place, you know, like gain the waiver from the State on fingerprinting people at DSS to get food stamps. But somehow it is important for the Legislature to solve this problem, because right now people are losing income at work to go and have to wait on line for hours just to collect a letter that says DSS won't help them. And when they can't get food stamps that are 100% funded by the Feds, what it means is that Suffolk County is losing money every time somebody is not able to access those services. And even if somebody gets in the door at seven o'clock who would have otherwise perhaps taken the day off, in a sense, ultimately, Suffolk County is losing tax revenue if people are losing income to take time off from work. So, any way that you can find to solve this problem and any experiments toward that are something that we would strongly support. Thank you.

CHAIRPERSON BROWNING:

Thank you. Kathy Malloy.

MS. MALLOY:

Good afternoon. Thank you for allowing me to speak. My name is Kathleen Malloy. I'm a 30-year Suffolk County worker and today I'm representing AME.

Yesterday I attended a United States Presidential Issues Forum at the State University at Farmingdale presented by the National Coalition of 100 Black Women, the Long Island Chapter. They are in partnership with over 20 Long Island Civic Associations and presented the United States Presidential Issues Forum at the College. Their mantra of 2008, "Inform, Engage and Act." Yesterday's issues forum was entitled "Health Care Access, the Quality Health Care Dilemma." Panelists included representatives from Nassau County Health Care Corporation, Stony Brook University, and Suffolk County Department of Health Services Commissioner, Dr. Humayun Chaudhry, and they pointed out that more than 45 million Americans are uninsured, and many of them are, in fact, employed, and 78% of the uninsured are American citizens. Health Commissioner, Dr. Chaudhry's report was "Access to Health Care, a Suffolk County Public Health Perspective." He agreed with Presidential Candidate Obama, that health care is indeed a right.

Dr. Chaudhry pointed out the nine divisions of our Suffolk County Health Department, with the number one division being Public Health. He said his Department had 436 million in their 2008 budget, which included serving the many Suffolk County residents through services received at our nine health clinics located throughout the 912 square miles of Suffolk County. As a matter of fact, he reported serving the needs of 80,000 residents this year alone, and we're only in October. When I got up to speak, I thanked Dr. Chaudhry for providing those County Health Centers, because although I was always employed, I found it less expensive to have my children vaccinated at the clinics. The cost was less than a copayment.

I pointed out the number nine on his list of nine divisions was the John J. Foley Skilled Nursing and Rehabilitation Facility. I asked Dr. Chaudhry what was the difference between the public health service made available throughout the clinics and the public health services provided to the disabled of all ages, and the elderly and the poor, which is also provided at the John J. Foley Skilled Nursing Facility. I asked him, as Commissioner of the County's Health Department, as a public servant, and providing services to the public, how the County could consider taking away that public service from the residents and taxpayers of Suffolk County. Dr. Chaudhry blames the national economy, together with State funding. He also blamed the New York State Department of Health, which he said has been encouraging counties to close public nursing facilities. What he did say was that more at-home care is being looked at, and that hospitals will not be the center of care in the future. Our future is today. We have close to 300 disabled residents, some very severely. May I speak less than another minute?

CHAIRPERSON BROWNING:

(Nodded Yes).

MS. MALLOY:

Thank you. At John J. Foley, where the median age is only 43, quite unlike any other nursing facility I have ever been in. I cannot imagine what kind of home the Administration thinks is equipped to take them home, and many out there have no families to go home to.

AME represents almost 300 longtime John J. Foley workers, many of whom have 20 to 30 years there and have made it their career to serve the needs of the public. These are the people who have the education, the training, the State certification to take care of the residents who need that one-on-one quality care. And isn't that the County's job, to serve the needs of the public? Thank you.

(Applause)

CHAIRPERSON BROWNING:

Thank you, Kathy.

CHAIRPERSON BROWNING:

And Pastor Roy Kinton, I think. Did I say that right?

PASTOR KIRTON:

It's Kirton.

LEG. GREGORY:

Kirton.

CHAIRPERSON BROWNING:

Kirton.

PASTOR KIRTON:

Good afternoon. My name is Pastor Roy Kirton. I am the Pastor of the Circle of Love Ministry in Copiague. I am also the President of the Ministerial Alliance of North Amityville, with the compilation of about 30 some-odd churches, and we provide food for about 300 families a week. I am here on behalf of the MICAH effort, trying to allow more flexible hours for the Department of Social Services. And I thought I would just take a picture, because I'm kind of in the trenches, and to let you know what's going on.

I know we're talking throughout the world today that this is Black Friday, all the things economically going on, but let me just give you a picture from the North Amityville area. I walked into my office about two days ago and, as I went to put the key into the door, there was a Latino man who said, "Pastor, I need a job. I don't know how I'm going to handle it. I'll be back for my food later, but I do need a job." I walked out to our pantry that was servicing probably about 80 families and now we're up to over 120. I looked into faces of Irish-Americans, Polish-Americans, African-Americans, and you could see the distress in their faces, and something has to be done, something has to be done.

We are all volunteer staff, and sometimes we put in as much as 60 hours a week, and we don't mind doing it, because we feel that we provide a very vital service to the community. But now we are asking the Legislative body and the County Executive if they could collaborate with us in assisting these people. We are living in very stressful, distressing times and we need the help of this Legislative body to provide flexible hours for Social Services. The challenges are great.

I am also the Executive Director of Safe Harbor Mentoring Program, a program that sees 150 inmates in the Counties on a weekly basis and we assist men and women who are coming out of incarceration. And I sit with men and women probably on a weekly basis talking about their journey and their struggles of finding employment, finding housing, and various things like that. And I will tell you that these -- the numbers are greatly increasing. And so we do need some flexibility about that, and I am here to appeal to you today as someone that is in the trenches seeing what's going on day-to-day in the communities, that the communities need your help in being able to provide services. So I thank you for your time.

CHAIRPERSON BROWNING:

Thank you. And don't go anywhere. Legislator Kennedy.

LEG. KENNEDY:

Pastor, I want to thank you for coming out today. I introduced this bill for evening hours at Social Services specifically because I had heard, not only from the Welfare to Work Commission, but from church-based advocates such as yourself that they are struggling to go ahead and work with

parishioners who have particular needs, and, yet, they're finding it difficult to go ahead and actually access our Social Services Departments and personnel outside of the normal business times in order to actually make those connections. Tell me a little bit about how you're seeing that occur with your parishioners and the folks that you minister to.

PASTOR KIRTON:

Well, not only do we assist our parishioners, but the pantry is open to the total community. And many times, when our pantry even shuts down, we'll get a knock on the door from community people and they say, "Look, I just got home from work. Could you, please, I just need a bag. I am -- you know, I have nothing in my refrigerator. I need assistance." And so we have to kind of be flexible in our time, in our hours and devote -- and to put a Biblical example, it's probably -- it's kind of like feeding the 5,000. I mean, we come and we hope we have enough, and, thank God, we -- by the end of the day, we're down to the last bag and someone is helped. But we have the great fear of feeling that one day we're going to come to this place that we won't have enough, and then what happens next? And to see little children coming in with their parents and various things like that, it is very stressing, and the look on their faces, it's incredible.

LEG. KENNEDY:

Now, in addition to doing direct assistance by providing food for folks, do you help with accessing food stamps, some of the forms and paperwork for food stamps, or for HEAP assistance, or for some of the other things that our departments do as well?

PASTOR KIRTON:

We would direct them to Catholic Charities, to the United Way, to the other organizations, and then many times they just need to sit down and be counseled about various things, so we do provide that kind of service also.

LEG. KENNEDY:

Okay. And you spoke about some of the inmate discharge process as well. I imagine you must be trying to link some of these inmates with some of the resources in the community as well?

PASTOR KIRTON:

We are.

LEG. KENNEDY:

Vocational?

PASTOR KIRTON:

We are. And, as you know, the recidivism rate is about 70% and, you know, we're trying to reduce that rate. And if someone does not have a job, if they can't, you know, get a hold of services and their whole life has been based on crime, you know, we can -- we know where they're going back to. And so we try to hold their hand and take them through and walk them through to get them the services that they need. And so many times these people have to work during the day and they do have to take time off and possibly risk losing their job, you know, to get other services.

LEG. KENNEDY:

That seems to be much of the driving force. I want to thank you for coming out today, Pastor.

PASTOR KIRTON:

Okay. Thank you.

CHAIRPERSON BROWNING:

Thank you, Pastor.

PASTOR KIRTON:

All right.

CHAIRPERSON BROWNING:

And we do have two presentations today. I appreciate you coming to give us some time and talk to us about what you're doing. Cheryl Felice from AME, AME President, would like to speak on John J. Foley.

Okay, Cheryl, you can start whenever you're ready.

MS. FELICE:

Thank you very much. Thank you, Legislator Browning, for inviting AME to speak on behalf of our members at J.J. Foley. Before I start our presentation, however, I would like to speak to some of the comments that were made earlier today at your Committee meeting with reference to the extended hour bill, which I believe is Legislator Kennedy's bill, and that most of you spoke in favor of extending the hours at DSS centers.

We have four units within Social Services out of the approximately seventeen hundred members that are in Social Services. It's divided up into four individual units; one is DSS, one is the Child Support Enforcement Bureau, the other is Family Services that covers the Adult Protective Service and Child Protective Services, and then the fourth one is Medicaid. So, out of those four units, we have four individual Unit Boards and Unit Presidents. We have just started commencing meetings with the Commissioner's Office to go over some of the issues that the Department has and that the members have, so that we can come together in cooperative Labor Management work groups and work out some of those issues.

When the issue of extending the work hours in DSS was brought up within the last year, the opposition the Union had at that time was simply that there -- the workers could no longer do more with less, and we were not convinced that the staffing levels could support the extended hours, because the caseloads, as you mentioned, Legislator Browning, were at such a rate that the workers couldn't handle the normal workload. But what -- after hearing the testimony today, and certainly your wishes -- and Legislator Kennedy, we had a conversation this week as well, looking for support from AME for the bill. And after talking with Debbie Alloncius, who's our Legislative Director here at the Legislature, we appreciate that you tabled it one cycle, because with the budget on the agenda, and with J.J. Foley a priority for us, you know, one more thing we couldn't handle at this point.

So what we will -- what I will do is have those four Unit Presidents meet with Kathy Malloy, who is our DSS person on the Executive Board, and who, by the way, is on the Welfare to Workfare (sic) Commission. Last year, when that Committee came into existence, it was recommended that AME be a part of the talks, so that, again, we knew -- we could know what your concerns were and we could share and offer suggestions back to the Committee to come up with solutions.

So I will commit to you today that those four Unit Presidents will meet with Kathy, will consider your resolution and discuss with the Committee, and then also your Committee, ways in which we can accommodate your needs. Okay?

CHAIRPERSON BROWNING:

Thank you.

MS. FELICE:

You're very welcome. Secondly, what I'd also like to say is that before I have -- I came before you, you heard from a number of members from J.J. Foley, and also a number of members from AME. They spoke from the heart. They spoke of how passionate they are about the work they provide at J.J. Foley, and also about the residents that they care for. So I speak in -- you know, in supplement to them and to strengthen their voices, because those are the people that are the ones who are doing the work and delivering services to those who are most in need. And many of your constituents here today were the constituents that have utilized the services of J.J. Foley and quite successfully. You know, we continue to advocate that as a crown jewel, and we hope by the end of

the budget process that you will echo those feelings.

Notwithstanding, we know you have a tough task before you. We know the U.S. economy is not helping matters as we speak. But, nevertheless, the process is in your court right now as we speak. So AME did take the time to go through the HMM report on the Nursing Facility and compare it back to the 2004 Task Force Committee, and offered you our take on the comparison between the two. The report has been distributed to all of you, and I would just like to, you know, just to remind you that the one section of J.J. Foley that really hasn't been marketed and/or advertised enough was the five million dollar state-of-the-art rehabilitation wing, and something that really could benefit in creating a new revenue source for J.J. Foley, and one we hope you take a look at during your budget process.

We also wanted to report to you that the independent auditing firm of HMM, when it was hired to conduct an operational study of the facility, in our opinion, was already predisposed to the financial failures of the institution. The report begins and ends with the potential demise of this facility, and nowhere does it list its assets and its contribution to the residents and taxpayers of Suffolk County.

The report also goes on to -- the HMM report also goes on to say that staff members were encouraged to communicate solutions and solutions to the offset of the losses incurred at the facility. And, no -- I'm here to testify to you that no member of our Bargaining Unit was ever consulted by the HMM consultants. They were never given an opportunity to speak on the matter, in fact, claim no knowledge of even knowing when HMM was in the building.

The firm claims they have a significant depth of knowledge of current regulations in the Nursing Home, and we hope this Committee ensures that those regulations pertain to public facilities. Another important note: Nowhere in the report does it identify that one of the members of the 2004 Task Force was the President of HMM, Horan, Martello and Morrone, the firm that did the study most recently. Nowhere did it disclose that the same person who was on the Task Force was the President of the company who offered you the second report.

Another item we'd like to point out is the fact that the HMM report compares labor costs of the nursing home with those of other nursing facilities, but, yet, doesn't identify those nursing facilities specifically, or offer those Collective Bargaining Agreements. And those of you who have asked for AME Collective Bargaining Agreements, they were put in the mail to you today.

We believe that had HMM or the County simply followed the recommendations made by their own 2004 Task Force Report four years earlier, these facts and figures would be significantly different today. The Task Force reported an establishment of a Marketing and Development Unit with appropriate staffing, to utilize it as a critical step in ensuring that the Nursing Home increases revenues, also a recommendation in 2004 that was never implemented.

Currently, John J. Foley has one single Administrative Coordinator who was supposed to reach out and recruit new patients, does not have a staff, and does not have the wherewithal to recruit all the different users who could take advantage of J.J. Foley. At the time of the 2004 Task Report, J.J. Foley had only seven vacant beds. As of this report, conducted on 7/24/2008, there were approximately 29 empty beds, begging the question, who's marketing this facility?

You've spoken a lot about bed holds, Medicaid bed holds, so that the facility can get paid for those residents who had to be transported to a hospital for a period of time. Only if the facility is 95% at capacity will they get paid for those Medicaid payments, otherwise losses in Medicaid is what J.J. will experience. As long as J.J. Foley beds remain unfilled and unmarketed, those Medicaid reimbursements will be lost forever. Again, marketing was strongly recommended in the 2004 budget, but never implemented.

What's also pointed out in the 2004 Task Force Report is that J.J. Foley's patients tend to be younger than many other private sectors, also requiring more programs for those residents, and a higher

level of care, none of which had been discussed and addressed as a key factor in the HMM report. Additionally, any staffing changes would need to take into consideration the clinical aspects of operating the facility.

In a statement made by AME in December of 2007, we noted that the situation at John J. Foley continues to get worse every year, and at the time of our report in December, 2007, nursing vacancies at the Facility was at over 25%.

New York State legislation mandates that overtime for nurses -- limits mandation for overtime for nurses, which was a piece of legislation we strongly advocated for. Workers there were being forced to work doubles and triples during the week, and expect to deliver the same high care of service, which simply couldn't be done. In support with the Public Employees Conference, we were able to get that legislation through New York State, protecting nurses across the State from forced mandation.

The 2004 Task Report also asked for the additional staff of an R.N. Supervisor, two medical Social Worker Assistants, also to help with the day-to-day recruitment of patients. They suggested that marketing to newly -- the newly staffed unit could also do surveys and studies of growing -- of the growing population needed for skilled nursing facilities. None of these recommendations had ever been accomplished, and none of those positions have yet to be filled.

We need to also, according to the HMM report and the Task Force report, create generate -- revenue generating sources, perform Medicare Part B physician billing, change the Medicaid reimbursement methodology. And the 2004 Task Report also cites that recommendations -- that these recommendations were the same as HMM Report four years earlier, but, again, never implemented.

For those who remain at J.J. Foley, Medicaid applications have not -- some of them still have not yet been completed. J.J. Foley lacks the necessary staff to accomplish these goals, initially set up by the 2004 Task Force.

Another initiative that is spoken about in the 2004 report talks about the Adult Day Care Program, and they used a terminology called -- creating a position of "Bus Assistants", which would create an additional savings of 175,000. They also spoke about adding an additional 20 adults per day to the Day Care Program, with an additional saving of \$285,000. The 2004 report spoke to pharmaceutical costs and electronic pharmaceutical ordering to provide for additional controls to ensure pharmaceutical orders are the most appropriate.

AME also wants to remind the Legislature that the Suffolk County Jail Facility has an onsite pharmacy in close proximity of the J.J. Foley Nursing Facility, and has consolidation or cooperation, cooperative efforts ever been considered?

Another citation in the 2004 report was the expansion of the Physical and Occupational Therapies with a projected income of \$697,000, which was also never implemented.

So, you can see, we've identified nearly a million dollars right off the bat from a Task Force Report that was never implemented. And some of the gross revenues that are being reported, shortfalls of over 9 million dollars, nearly 5 million of that is attributable to the services provided to the building and the mortgage on the building itself, which isn't attributable in other departments. We want this Legislature to be cognizant of that fact when they review the budget. And, in conclusion, what I'd like to say is that based on the review of the 2004 Task Force, with the membership included, representatives from the Health Department and J.J. Foley, the Suffolk County Legislature, Social Services and the County Executive representatives, none of those personnel included any of the members that work at J.J. Foley. No AME members, who are employees at that facility, participated in that Task Force at that time.

AME concludes that all of these good ideas are only good if they're follow up -- they're followed up on and implemented. Basically, nothing was implemented from the 2004 recommendations, and,

yet, in the HMM Report, again, we remind you that Mr. Horan was the President of the company that did the followup report and on the Task Force in 2004. He was part of the study, he was part of the recommendations, and he knows nothing was ever implemented, and, yet, now comes forward as an objective company providing an objective report to the County? We think not. AME cites that if none of the recommendations in 2004 Task Report were implemented, then why are the -- why is the County spending more money on more studies and asking for additional reports? The negative projections from the company who took part in the initial report some four years ago made recommendations at this time which did not indicate the only option would be to close or privatize the facility.

Another extremely important item is that the rehabilitation services were recently expanded as another revenue-generating source. This came at the hands of Debbie Alloncius, our Legislative Representative, and working in conjunction with our local Congressman in that they created a contract which was executed in 45 days, allegedly unheard of in the Federal Government, to be able to get another insurance company as a provider into J.J. Foley, which will now include United States American Veterans, especially those who are coming home wounded and in need of serious rehabilitation from Iraq. They are now eligible to rehabilitate right here in Long Island in their own backyard, closer to family, instead of rehabilitating at the Walter Reed Facility.

We think that, all in all, after all the considerations are made, will the final cost to the taxpayers to maintain John J. Foley be zero? Probably not. However, AME maintains that with successful marketing to the public, the John J. Foley Skilled Nursing Facility, and most assuredly, the -- Suffolk County's most prized possession should be and will be marketed to the taxpayers and residents and will be the crown jewel of Suffolk County, and we pledge to work with you to accomplish that goal. Thank you.

(Applause)

CHAIRPERSON BROWNING:

Thank you, Cheryl. I have to tell you, you're talking about studies and the 2004 study, and I hear from my constituents, any time you're working on a project in your District, well there has to be study, and people are getting tired of study after study after study, and let's do a study to do a study. It's -- and I can see the frustration. You know, why are we spending money on a 2004 study when we're not doing anything?

MS. FELICE:

And you had a study that gave you recommendations and gave you positive suggestions that, had they been tried, we'd probably be having a much different conversation right now.

Another point I would just like to raise, and I did have a chance to look at just briefly, the Budget Review Office Report of -- on the John J. Foley Nursing Facility, and a situation that I think we're going to have to deal with, because our members there are frustrated, as you appropriately said, and they're desperate, because they don't know if they're working come January 1st, and that desperation is causing them to act in ways that I don't think they normally would have under different circumstances. So where the report of October 9th cites that the Legislative Counsel has advised that the 2009 -- the 2009 recommended budget is not in compliance with the purpose and intent of the Charter regarding Article 9, Section 6, and that's in reference to holding public hearings about John J. Foley.

One of our members wrote a letter to the editor in our local paper, the Long Island Advance, and I would bet that she is being reprimanded as we speak, because she did speak as a Director of the Adult Day Care Program in the Facility. And I would guess that her Department is going to tell her she went outside the chain of command and released this information, which she was really just advocating for the members. I have a copy here that I'll give you. I grabbed it just as I left the office.

CHAIRPERSON BROWNING:

Actually, I read it yesterday.

MS. FELICE:

You did see it.

CHAIRPERSON BROWNING:

Yeah.

MS. FELICE:

I would ask that this Legislature appeal to the Administration of the Health Department and not reprimand this person for her actions, since we've seen in the Budget Review's report that not all the I's were dotted and not all the T's were crossed in the process, allegedly; that desperate times call for desperate measures. And I would stand here in support and appeal to the Legislature for some intervention with this member, who spoke very highly of the facility that she works for, the program that she delivers, and the residents that she delivers them to. Thank you.

CHAIRPERSON BROWNING:

Thank you, Cheryl. Does anyone have any questions?

LEG. HORSLEY:

I do.

CHAIRPERSON BROWNING:

Legislator Horsley.

LEG. HORSLEY:

Twice in a day, Cheryl, boy.

MS. FELICE:

Yes.

LEG. HORSLEY:

Good news. Just quickly, did you hear that this person who wrote this letter was punished or reprimanded? I mean, why are you saying this? I mean, are you just speculating or --

MS. FELICE:

I'm speculating, but I did hear from third-hand information that perhaps she was spoken to.

LEG. HORSLEY:

Okay.

MS. FELICE:

I got that call as I was on --

LEG. HORSLEY:

Third hand, though.

MS. FELICE:

As I was on -- no, as I was on my way here, but it wouldn't surprise me. And the reason that I reach out -- that I reach out to you is that, if I had to look at this on face value, I would say that, yes, she did violate her chain of command. But, under the circumstances, she doesn't know if she's working come January, and she has family and she has children in college, and that's why I appeal to this Legislature. Do I know for certain that she got reprimanded? I do know she was spoken to.

LEG. HORSLEY:

She was spoken to, though.

MS. FELICE:

Yes.

LEG. HORSLEY:

Okay. That was --

MS. FELICE:

Quite forcefully.

LEG. HORSLEY:

Okay.

MS. FELICE:

Okay?

LEG. HORSLEY:

So you're saying that that did occur. The second question is --

MS. FELICE:

It did occur.

LEG. HORSLEY:

The second question is on Mr. Horan. Was he Chair of that Task Force, or what was his role on the Task Force?

MS. FELICE:

According to our reports, he was a member of the --

LEG. HORSLEY:

A member.

MS. FELICE:

-- of the Task Force.

LEG. HORSLEY:

Okay. All right. Thank you.

MS. FELICE:

Okay?

CHAIRPERSON BROWNING:

Legislator Barraga.

LEG. BARRAGA:

Good afternoon. I've been sitting here for like four or five months. Every time we have a Legislative session, there are people coming up testifying on this particular subject. And I'll be candid with you. I'm to a point now where I have very deep concerns, because I don't think this is moving in a positive direction at all. I can you see this Legislature being put in a position where, if Foley's put back in the budget and it's sent to the County Executive and he vetoes, he needs six votes here to sustain that veto. I don't think it should ever get to that point.

And we talk about studies four years ago and what's happening over here or what's happening over there. What I'd like to see at this point, in order to possibly achieve some resolution of this matter,

is for the head of AME, you, to meet with the County Executive, one on one, no one else present, to see if something can be done before it's too late.

Now, there was a meeting the other day, 15 or 20 people, to discuss this, another meeting, and I can only give you my point of view. I mean, you come down to a point where it's either going to be 8 or 9 million to keep it open next year, depending upon, you know, what report you're reading. I know there's some interchange transfers, and then the following years it could be 9 million, it could be up to 15 million. These are deficits. Every single year it's a deficit. We know what the economic circumstances are nationally, statewide. We're going to probably be in for more cuts. It's a tough road.

Now, you've got 283 employees over there. I don't think that there's a major problem with reference to the residents. There shouldn't be if this can be worked out properly, they shouldn't have to go anywhere. The question is what do you do with 283 people who have worked for the County? They're County employees, they're in the State Pension System. It is difficult and they're extremely upset. The question is, if you move to a private proprietor, where that person comes in and they buy or they lease, and we had someone the other day make a sort of -- not really a presentation. He was -- he talked a lot, I'm not so sure he said a great deal. But the impression I got was that they had an interest in Foley, and the interest really evolved around not only the nursing home, but the potential with the land to do other things, because, you know, the BRO report talks about the Baby Boomers and how you're going to need more nursing beds, but in this field in the future, the Baby Boomers will probably be more interested in living in assisted living kinds of areas, as opposed to nursing homes. So I'm not so sure you're going to need as many beds that the BRO report indicated.

But I questioned the owner of this facility and I said, "Well, you're only really interested if the union employees join your union at your pay scale," and I think it was 1199 and two other unions, and he said, "Well, that's true," and the health benefits and the pension system along with that union. "But anything above that, we're out of here," he said, because there is the differential between what a County employee working at Foley gets and what the private sector would pay as far as acquisition of that nursing home, and maybe it's 20, 25%. And the thought that I had was that Rivera, I'm sure, if it's 1199, he's got a pretty good pension system and he's got pretty good benefits for his people. The thought that I had, if you move in the direction of private ownership, or something along those lines, the County should seriously consider wage supplementation for the 283 people that are still there for a period of three years. So, for example, let's say under the 1199 union, they're going to pay me \$35,000, but with the County, I was making 40. Well, for the next three years, if I work for Foley, I get that \$5,000. Yes, I'm in a different pension system and different benefits, but I'm at least taking home the same amount of money I've always taken home. Eventually there's less cost to the County because of the 283 over a three-year period, some of them will leave. But, in the interim, if there's negotiations between the private owner and 1199, and 1199 members get a raise, those people get a raise as well. So all we're talking about here is the differential.

So, if I sell the Nursing Home, or I lease the Nursing Home, the revenue coming in, some of that, a portion of it can be used for wage supplementation for the existing employees. Bottom line, nothing, in essence, physically changes. The workers still go back to work there and the residents are still there, it's only a suggestion. But unless something is done between you and the County Executive, just the two of you, to sit down and discuss this with no one else present -- I don't like walking into a room and you've got this staff guy and these lawyers, and all this other stuff -- one on one, to see if something reasonably can be worked out, otherwise, we're sitting here having one hearing after another hearing, one person is saying this, another person is saying that, and time is going by, and all of a sudden we're facing some votes that, really, I don't want to have to take. I'll take them, but I don't want to have to take them.

MS. FELICE:

I appreciate your comments, and I do understand your concern. At this point, I'm sure that would

be a very interesting meeting with just Mr. Levy and I in a room. But, nevertheless, that is my role, and if that's what has to happen, that's exactly what will happen.

My office was in touch with your office yesterday -- in fact, you and I spoke personally -- so that we could sit down so that I can offer you some explanations into the concerns that you have raised, and one of the concerns you raised was a wage differential. I'm not going to collectively bargain, you know, here at the horseshoe for the members, and I don't think that's what you're asking me to do, but what I will let you know, and for the rest of the Legislators here know, that I did receive a copy of the addendums to the 1199 contract to make a comparison back to the AME wages. We're not able to do that yet, because we didn't have the original chart and we're seeking to get that. But what I did notice in that contract was a provision that offered new employees a 3% less of a starting wage than the rest of the -- than the rest of the salary chart. And I will tell you that, right now, the salary chart for AME members is 15% less for new members in the current Bargaining Agreement that we have from 2003 to -- 2004 to 2008; it concludes at the end of this year.

So, I guess what I want to say to you is that it's timely that we'll be talking about the contract, nevertheless, because it expires at the end of this year. But we've always had the provision to create extra Memorandum of Agreements to different segments of our population within AME, because we represent so many different types of workers. So, where one unit had a different work schedule that was needed, or a different uniform allowance that was needed, we were able to write individual contracts for that, as some have suggested for J.J. Foley.

We have right now a split shift for J.J. Foley, because they couldn't staff weekends, and wanted to be fair to the workers there and offer them at least one weekend day every other week, which means those workers every other week have two separate days off and no two days off together to be able to afford them. That was an additional sign-off to supplement the contract to accommodate workers there. Also, back in 1999 and 2000, a trial program was put into effect to allow workers at J.J. Foley, because they work 24-hour facilities, 24-hour shifts around the clock, 365 days a year, that in the event they needed a day off and they were working the day shift, they could mutually swap their shift between a night shift person, so as to not request a vacation day, not call in sick, and not cause more overtime. That provision expired in the Year 2000, was never renewed, and I have offered to reinstitute that, and that will be crossing the Director of Labor Relation's desk as a consideration, as a way to try and control some of the overtime costs. But I will sit with your office, as well as any other Legislator, to go through some of those provisions.

And I agree, that the conversation should have started long ago between this Union and County Executive's Office, as was asked of us two years ago in the budget process.

LEG. BARRAGA:

I could tell you this much --

MS. FELICE:

But we never got that invitation --

LEG. BARRAGA:

Okay.

MS. FELICE:

-- to the table.

LEG. BARRAGA:

I can tell you this much, and I think it would be verified by some of the people who attended this meeting. It was understood and suggested by the County Executive that he wanted to meet with you.

MS. FELICE:

When, today?

LEG. BARRAGA:

As soon as you can. And all I'm suggesting, to modify that, I don't think 15 or 20 people should be in the room, just should be you and him.

MS. FELICE:

Well, I think, at this point, the budget is in your -- in the Legislative court.

LEG. BARRAGA:

I know where it is, but, you know, I don't like the ending I'm seeing, I really don't. And if I can avoid it by some sort of an --

MS. FELICE:

Well, I agree with you. I see a veto no matter what you do. So, yes, we are anticipating that we're going to need the full support of this Committee, as well as a super-majority in the Legislature, we realize that.

LEG. BARRAGA:

But, if he was willing to meet with you one on one, would you be willing to meet with him?

MS. FELICE:

That's my job.

LEG. BARRAGA:

Okay. Thank you. That's all I want.

CHAIRPERSON BROWNING:

Thanks, Cheryl. And I have to say, when you talk about going to privatization, you know, I can share, when I was involved with school bus drivers, they were AME members with the school district and they became privatized. What happened? They lost, first of all, their State pension, their pay scale dropped dramatically, they lost the amount of hours that they usually got paid. And so, here they were paid pretty well, doing okay, and school bus drivers, many of them single moms, they wind up having to go to DSS to get assistance. So it's coming out of their back pockets, their paychecks, but now Social Services has to take care of them with food stamps, with child care. So, you know, it's -- where's the balance? We're all going to pay for it in the end. Taxpayers pay for it, so it's not coming out of your pocket for, you know, the Public Health Facility, but it's coming out of the taxpayers now, because you have to subsidize them. So, you know, you have to look at the balance. But, I believe -- Legislator Lindsay?

MS. FELICE:

And I would just support that our membership is very glad you're in the position you're in to be able to share that story.

P.O. LINDSAY:

I just want to comment on the dialogue between Legislator Barraga and Ms. Felice. I concur, that to cut through all the garbage, maybe a top-level meeting would help, but I think something has to be done before that, and that is the direction of where we're going. The County Executive wants to negotiate about selling or closing the facility, and Ms. Felice, not to put words in her mouth, she wants to negotiate to keep the facility open and make it more viable, as do a lot of the Legislators around the horseshoe.

(Applause)

So I think that's the step that hasn't been addressed yet. And I agree with you, we're coming to a crossroads where nobody wants to go into next year where the Executive is predetermined, hell or

high water, to close this facility; the Legislature puts the funding in, he vetoes it, we have to face that. And even if the veto is overturned, I mean, this battle will continue until next year. I think everybody around this horseshoe, around this table, would like to see some conclusion to this battle. And my office will be available to do anything we can to try and facilitate that -- some conclusion.

MS. FELICE:

Thank you, Presiding Officer Lindsay.

CHAIRPERSON BROWNING:

Legislator Kennedy.

LEG. KENNEDY:

Thank you, Madam Chair. And I had an opportunity to be at that meeting as well, and I think it's indicative of the fact that all of us are struggling to go ahead and to come to a way, at least several of us, to keep John J. open, viable, and continuing to do the good job that it does.

And I think Legislator Barraga speaks about an important process as far as the dialogue that may be had. But it reminds me somewhat, I guess, to be able to talk about the whole nature of a municipal employee and a public employee, and the fact that we operate under the Taylor Law and how that Taylor Law came to be, when the TWU shut down the City of New York under Mr. Quill in the early 1960's. And so that there would never be that kind of disruption again, there was a trade-off between the State Legislature and municipal employees as a whole, and they gave up a very basic fundamental right of collective bargaining, which was the right to strike. And in exchange for that right to strike, there was an acknowledgment on the part of management that it would bargain in good faith.

And, unfortunately, what seems to have happened is that notion of good faith seems to have evaporated. It's as if we would undo 40 years worth of jurisprudence to look at this notion now, that we take a municipal function and somehow take it and try to peg it to what goes on there in the private sector. It's not a private sector function at this point, it's a public sector function, no more so than our sewer drivers are held up to Teamsters, or any of the other workers, or our municipal workers held up to DC7 Carpenters. We have a public workforce and a public body that continues to do the job day in and day out, and does it under that notion that they voluntarily chose to be municipal employees, with the protection and rights, and a forfeiting of the rights that they would have had out in the private sector. So that's part of, I think, what has to happen in that exchange of dialogue, if it's to occur. Otherwise, it is -- it's an aberration, it's not something that's meaningful at all. So I hope that's part of whatever occurs.

MS. FELICE:

Thank you.

CHAIRPERSON BROWNING:

Legislator Eddington.

LEG. EDDINGTON:

Yes. I'm pleased with what I'm hearing with what Legislator Barraga said about, you know, conflict resolution and problem-solving. You know, it sounds like social work, and I commend him for that. And I want to also thank Debra Alloncius, because it sounds like your Legislative person did exactly the same thing by reaching out to Congressman Tim Bishop. I said this in the Veterans Committee, that, to me, this is hitting the ball out of the park if you can bring our men and women, who are sitting -- three years ago we heard they were sitting in motels behind the hospital in terrible conditions. If we can bring our young men and women back home here and then make our place solvent, and maybe even make money, then I'm putting you in for saint, because that really is, to me, the best thing you can do. I want our men and women to recuperate here on Long Island, if we can do that. So, I appreciate you reaching out to the Congressman to try to get other levels of government to help us, because I truly believe that if we can get that help, I don't think the County

Executive is going to be upset; I think you'll find a good conversation. I don't think -- sometimes when you're thinking of one solution, you just don't -- you can't find the other ones. And I'm glad that we have Legislators and Union Officials that are looking for real solutions and I appreciate that.

MS. FELICE:

Well, thank you very much. And thank you for acknowledging Debbie Alloncius, because she does speak, you know, so well on behalf of our members and of the veteran community. You know, she is married to a Vietnam Veteran who honorably served, as did you, and she's truly committed to the organizations that she sets out to help.

We did learn that there is a Long Island resident, a Suffolk County resident who is waiting to come home from Walter Reed, and we did give a commitment to the Presiding Officer that AME will pay for his transportation back here if he will be the first person to --

LEG. BROWNING:

Good.

MS. FELICE:

-- be admitted to John J. Foley, and we stand firm on that commitment today.

LEG. BROWNING:

Thank you, Cheryl.

MS. FELICE:

Debbie, did you want to speak?

MS ALLONCIUS:

Yeah. I thank you Legislator Eddington. And do know that in addition to helping the veterans, I am trying to keep an asset of the taxpayers of Suffolk County on the rolls. And there's no reason why this place cannot make money, other than the fact that it has been totally mismanaged. You don't have any insurance other than Medicaid, Medicare, HIP, and now TriCare. This is absurd in the day -- when you have a five million dollar rehabilitation facility there. And that's just for the building costs, that's not any of the equipment that's in it. It's not marketed. That place should be a revolving door. There should be no reason that this place cannot make money.

In addition to that, in addition to serving the veterans, TriCare is the active members and their families, so you have a -- you have a child who, God forbid, gets hit by a car, that child can get rehab there. It goes much deeper. And this is what should have been done by management all along, but one person alone cannot do that. And I offer any services that can be of assistance in creating this place to the maximum of its capacity, as it should, and I think that the consensus of the Legislature should be just that.

And I am very upset that the County Exec did not embrace this, did not embrace trying to bring veterans here, but, instead, wrote it out of the budget. I think that's reprehensible. But I do thank you very much, and do hope that we will continue to work to make this place run, because I know deep down in my heart that with the right management it can work. It might not work and make a lot of money, but you know what, it wasn't created to make money. And to me, you have a constitutional obligation to protect the health, and the safety, and the welfare of the people that are in that facility. And do we want to put those amount -- another 300 people out on the rolls of welfare? Do you want another couple of hundred homes in that district under foreclosure? I don't think so.

LEG. BROWNING:

Thank you, Debbie.

P.O. LINDSAY:

Legislator Gregory has a question.

LEG. GREGORY:

I just wanted to thank Gail Vizzini and her staff for presenting their report on the Nursing Home. It gives us the ability to look at both sides. Somewhere the truth, I guess, lies in the middle.

And I appreciate Legislator Barraga's comments, and that's a necessary step that has to be done where Cheryl and the County Executive have to get together. But I think, individually, as Legislators, I think -- I think I can say safely, or be of the opinion that all of us are starting to see where this is not going to be a moneymaker for us, so we have to decide in our own minds at what threshold is tolerable; is the 9 million that Gail and BRO present, or is the 15 or 18 million, or whatever the County Exec talks about? But I think that should be the focus on where we're going, if that's the opinion of the Legislature where we want to go, given the economic crisis, the conditions.

You know, this is going to be a situation that we're not going to just face this year and this month, but probably for the next 18 to 36 months. So I think we need to really -- I know in my mind where I think my threshold is. But I think, individually, we need to start doing that, so that once those negotiations are begun, we could put something palatable on the table for everyone to accept.

CHAIRPERSON BROWNING:

Thank you. Legislator D'Amaro.

LEG. D'AMARO:

Thank you, Legislator Browning, Chairwoman Browning, I appreciate it. Just indulgence me. I have a cold, so just bear with me, if you don't mind.

President Felice, thank you so much for coming down today. I also had the opportunity to have a brief discussion with you yesterday. And I want to start off by saying I really appreciate the fact that you and I can engage in a very levelheaded discussion on this, and we are all trying to work towards the same goal what's best for Suffolk County, what's best for the patients, and what's best for the employees, of course. And, Debbie, you know, we all want it to work, we all want to try to find a way to make this work. This Legislature voted, as you all know, to put in the -- to pass the resolution to bring the management team in. There were recommendation made in 2004 that perhaps weren't followed. Cheryl, you did a great job of delineating some of those today.

So it's important that, as we're even going through the debate, that we're focused on maximizing a County asset, and certainly caring about and taking care of the patients and the employees that are in there, and that's why I supported that study -- that resolution as well. But the problem I see that we're having, whether it's Legislator Barraga's argument or anybody else's -- and, by the way, I appreciate that he has asked President Felice to sit down with County Executive. I had a similar conversation and mentioned that as well yesterday. It's just out of really frustration, because, as Legislator Kennedy says, we're all going around and around with this, and it seems to me that we have to finally come to a resolution, but I'd be more comfortable if there was dialogue at that level. Whether or not it happens is between you and the County Executive, but, you know, I think that's a great idea. But the problem is that we're dealing with unknowns, in my opinion.

You know, we really don't know where we'll be a year from now with this facility. If we bring in the management, will it turn around? What's the economy doing? I mean, we're feeling this every day when we get up out of bed and turn on the television and watch the stock market drop 680 points in seven minutes this morning. So there's a lot of unknowns and there's a lot of fear as to where we're going, not only with this facility, but just the global picture when we're crafting the budget. That to me is a problem in the sense that were we in a better economy where our sales tax projection's coming along and growing at a more acceptable level, I think it would be less troublesome to be going through this process, so that's a factor.

I've asked our Budget Review Office to come up with some projections, if possible. I don't know if it

is; I'm not an economist, it's not my area of expertise. But assuming the 95% occupancy of the facility, and assuming that some of these or all of these recommendations are implemented, where does it lead us to? You know, I'm asking Budget Review to predict the future, in effect, and I understand that's a very difficult thing to do, but I would find that helpful to know in the mix. And here I'm only talking about the dollars and cents, I'm not talking about the considerations for the patients and the considerations for the employees, and those are huge considerations, but part of the equation is dollars and cents. So is there a way to project out where do we land a year from now, two years from now, and maybe three, four, five years, etcetera? It's very difficult to deal with the unknowns, but I did have a couple of specific questions. I'm not a member of the Committee, but I appreciate the opportunity, and it kind of touches on what some of my colleagues have already brought up.

If there were to be a discussion, a further discussion at a level that we all seem to feel maybe should occur, what's the mindset going into that? I just want to really get a feel, as long as you're here, of whether or not we're now at a point where we say we know we're going to have to subsidize to some extent the facility, and that's not a bad thing. All right? We're not sure what that number is going to be. But, after all, all government runs at a loss. I mean, the only way we fund government is through the taxpayers anyway. This facility actually makes money, so it minimizes the loss, but there's a number out there. What I want to know is, though, going into this, what's the mindset? Are we -- are we acknowledging today that we need a subsidy, but, if we turn -- if we implement these recommendations from the 2004 report and the other things that we've been talking about over the last few weeks, that we can eliminate the need to subsidize the facility; is that still a goal that we're talking about?

MS. FELICE:

I believe --

LEG. D'AMARO:

And, you know what, let me just -- let me just kind of compound that a little more, in fairness. The flip side of that is how much of a factor, really, is the Labor Agreement? You know, in my mind, that Labor Agreement is negotiated, it's a give-and-take process. It should not be something that you just willingly give up. So how much of a factor is the Labor Agreement as opposed to the inefficiencies and the mismanagement that everyone seems to say has occurred? I'm trying to gauge, does the maximum efficiencies and in 95% occupancy get us where we need to be, or does the employment agreements and the labor contracts need to be in that mix either way?

MS. FELICE:

Okay. You asked a lot of questions. And let me -- I wrote down some notes as to what you were addressing. Four years ago, when a recommendation -- a Task Force report came out was also at the time -- at the very beginning of our contract. We had just settled our contract with the County Executive; actually, in 2005, but it covered the period of time for 2004 to 2008. And we had a series of exchange of give and take with the County Executive to maintain the wage program as we had it and some -- and to offer some cost-containment measures in those new employees. This Union already entered into that agreement. So I'm not willing to take that agreement and minimize it for the sake of Foley at this point, considering the fact that a Task Force was done in 2004 and absolutely nothing from it was implemented. So, when you speak of the unknown, you have -- you have these unknowns because these recommendations that the County paid for, the study, as Legislator Browning spoke to before, you have study after study, and even your current BRO report is yet another study, that is all pointing you in the direction that you're servicing a population that other facilities cannot service.

The gentleman from Thursday's Child indicated that out of the 70 some-odd facilities in Suffolk County alone, only one facility takes his clientele, which is all of your constituencies, one, that's J.J. Foley. So you have an unknown, because the recommendations were never implemented. You have an unknown, because this Union was asked to come to the table and look at the efficiencies and/or inefficiencies of the Department and make recommendations, and, yet, we were never asked

to the table, so that's also why you have an unknown.

To project the savings, we projected a number of items in our report alone just from the recommendations of the 2004 report. So you have a lot of unknowns, because no one really took charge of where, what -- or what direction the County had to take in order to address the issues of the facility.

Another item in the BRO report that was spoken to is that there's very little oversight, and the oversight that this Union has asked for repeatedly of this Legislative body to look into the Departments. Obviously, there is a need to look into what is actually happening with the Department, with the employees, with those departments that do generate income, and maintaining that income so that you have to provide -- so that you only have to provide a smaller subsidy to the program. But what your report also speaks to is the fact that you have a very high population that can't go anywhere else that's in that facility right now, and you have a very strong service in the Rehab Facility and the Day Care Facility that has been underutilized and undermarketed. And because of the controversy that is taking place right now with J.J. Foley, more and more families are pulling the patients out of the facility, which is going to address your bed hold issue, you're going to fall below 95%, you're going to lose Medicaid reimbursement, all because this controversy is being negotiated in the papers and through the media, so someone has to call a halt.

And I support the Presiding Officer for saying we have to identify what direction we're going in. I have a morale and ethical obligation to my membership to advocate to keep the Facility open. I really can't in good conscience go in and negotiate that we're going to close the Facility. However, if you are putting a proposal on the table, or if you're suggesting going in that direction, the membership at least has a right to know what your intentions are so it can be communicated with them. And then, again, we would have less unknowns and we would have a much different dialogue.

LEG. D'AMARO:

And that's why I think that you need to be at that table as well, and I expressed that. I've expressed that in the past, because when we sit -- I was with Legislator Barraga and Kennedy, we were all in a meeting, and we had a productive discussion, but, you know, what AME -- what the County employees do there and their contracts is such an integral part of so much that we're talking about, I just think it would be useful to have you at the table.

MS. FELICE:

Well, I'm going to give you another case in point of how it works.

LEG. D'AMARO:

You know, whether or not that violates the Taylor Law, you know, I don't really know.

MS. FELICE:

No, I don't believe that would violate the Taylor Law.

LEG. D'AMARO:

But just to have you participating in a discussion would be helpful, at least to me.

MS. FELICE:

Back in the -- in fact, it's almost 20 years ago, in the late '80's, the Unions -- the Union Leaders then identified health insurance for its members as something that -- a cost that was escalating that, and that was 20 years ago. And the parties got together with members of the County's -- the County Administration to form their own self-insured program, and that program, since 1992, is administered by all ten Union Presidents and an equal number of representation from the County Executive, picked by the County Executive. And we meet every month, sometimes three times a month subcommittees, but we have our full meeting every third Friday of the month to administer our health insurance program.

Now, in our last RFP for the prescription -- for the General Manager, Blue Cross, for the program, we estimated that by changing that provider, we would save the County approximately 13 to 18 million dollars. But in the County's own report, we saved 21 million dollars, because we jointly administer in a joint Labor Management Committee that program and the health insurance for all, not just County employees, but all of the Legislature, all of the elected officials, and all of your staff. So we have already proven that when Labor and Management works together, you can accomplish good things.

And I think of a -- someone spoke to a void before. There has been a terrible void in the discussions about John J. Foley, because the Unions haven't been included in those discussions. And I hope by the dialogue that's created here today that that's something that will fast-track and turn around.

LEG. D'AMARO:

Yeah. And just to conclude, let me -- you know, I'm encouraged by what you're saying here today, and I appreciate what you're saying here today. And I'm not questioning the fact that you have your responsibility and ethical obligation to your members, and that's fine, but it also doesn't mean that we can't have a discussion, and I really appreciate that.

You know, the reason why I bring something like that up, and I think Legislator Barraga also, is I take a look at the Ernst and Young report of the Foley Center, the Skilled Nursing Facility, and one line item just kind of jumps out at me where it says, "Year ended December 2006," not the salaries, but the employee benefits were 9.1 million, and then in 2007, they went to sixteen-million-seven-hundred, so that's a leap of, you know --

MS. FELICE:

Just for that facility?

LEG. D'AMARO:

Yeah, so it doubled.

MS. FELICE:

See, now that's another -- that's another question.

LEG. D'AMARO:

And, by the way, just so you know, I looked for notes on that, because it just doesn't seem right to me either, but is that possible?

MS. FELICE:

But the Departments aren't -- you know, aren't -- in the budget, don't have to attribute directly for the health insurance. That's its own fund, the health insurance. Fund 39 funds the health insurance. So, again, where DPW charges are being attributed to J.J. Foley and the mortgage is being attributed to Foley as to the cost overruns, why is the health insurance that's provided to everybody being given that same, you know, dissolution.

LEG. D'AMARO:

I agree with you. You know, my understanding is that, as you say, the DPW maintenance of the facility, the debt service are all segregated out and placed directly on Foley, as opposed to all other government operations, and debt, and DPW services that are not accounted for that way. And, you know, at least as a member of the Working Group, when we're looking at this, we are, you know, considering that as a factor as well. But, you know, the reason why I brought this up is not to say that, you know, whether it's fair or unfair to segregate it out here in this report, but just to highlight the fact that, to me, it means that a significant portion of the dollars and cents considerations with Foley relate to the contract with Foley, and that's why I believe you should be at the table. That was my point of saying that.

MS. FELICE:

Okay. Well, that point is well taken.

CHAIRPERSON BROWNING:

I would like Gail -- she would like to maybe chime in a little bit here.

MS. VIZZINI:

Yeah, just to clarify that one reference. You mentioned Ernst and Young, and I believe your -- the source of that information would be the financial statements. So the increase is more attributable to the requirement to adhere to GASB 45. In the most recent years, the current financial statements require that they show the -- other than your post-employment benefits, what your -- other than your pension costs, everything you are obligated for for your retirees. So, in that particular instance, it's more a change in presentation on the financials.

LEG. D'AMARO:

I appreciate that. I looked for the footnote, because, again, I did not see --

MS. VIZZINI:

There should have been an explanation.

LEG. D'AMARO:

Well, maybe I missed it, but there's no -- there's no footnote on the number and there's -- I flipped through the report, I couldn't find it, but that would be, you know, a logical explanation.

MS. VIZZINI:

Yeah.

MS. FELICE:

And we recognize that now, once Gail pointed it out, the GASB 45 requirements. We did discuss that at length, both in Committee and with our Delegates last year at convention, so I do recognize that as well.

LEG. D'AMARO:

Thank you very much for answering my questions, and, Madam Chairwoman, thank you.

CHAIRPERSON BROWNING:

You're very welcome. Our Presiding Officer, did you have something?

P.O. LINDSAY:

I just would conclude this quickly in just one question. And as a County employee, if I broke my leg, I couldn't go to our Nursing Home; is that what you said before?

MS. FELICE:

At the present time, they're not a provider.

P.O. LINDSAY:

That just doesn't make any sense at all. That doesn't make any sense at all.

MS. FELICE:

I would like to just also conclude that in some of the suggestions in all the reports, there will be reference, and I'm sure many of you have heard it a number of times, to consider contracting out areas to mitigate some of the cost overruns. I would just caution you on contracting out that some of the controls that were given up in the Taylor Law in exchange for -- that Legislator Kennedy was speaking to, that the public employees gave up their right to strike in exchange for keeping their contract in place until the successor agreement is negotiated, that you would also lose that ability to restrict those private contractors from striking. So, if they are providing a service for you and they

are private contractors, not subject to the public Taylor Law, you would not have the benefit of knowing that they would not have the ability to strike, and in the event you had services that desperately had to be provided and they wanted to strike, you would have no control over that whatsoever.

Also, AME is finishing its analysis of the overall budget, and we will have that testimony for you during the budget process as well. So thank you very much again for your time --

CHAIRPERSON BROWNING:

Thank you, Cheryl.

MS. FELICE:

-- and for speaking with us on behalf of all the members. Thank you.

CHAIRPERSON BROWNING:

Thank you. And, Mr. Zwirn, I did see you. We do have another presentation and they are being very patient. So you said a little bit; if you want to come up and say something.

MR. ZWIRN:

Thank you, Madam Chairwoman. I appreciate the opportunity just to -- and I'll be very brief. I know there's another presentation to be made.

I just -- would just like to say, if you look at the Task Force that was authorized by the Legislature in 2004, and I speak to Legislator Barraga and Legislator D'Amaro's comments with respect, when you get to the Executive Major Summary Findings, Item C, and I'll just read the heading of this, and it's finding that the cost to operate is mainly driven by personnel expenses that are directly tied into the current Collective Bargaining Agreement, which provides staff salaries and fringe benefits that typically exceed the County's reimbursement levels that provide revenue to operate the facility. That, in sum and substance, is the problem. And I think when you had -- the HMM Report came in, they talked about that. And I know, Legislator Barraga, and I think at the meeting the other day, that has been the crux.

There is myth out there that somehow the patients will not be accounted for. Before anything could be done with this Nursing Facility, before anything could be done, every one of those patients would have to be in a home, preferably at the same facility they are now. That is the County Executive's preference, is to sell or lease this facility as it currently stands. Now, we tried to get an RFP done for that earlier and we had to have public hearings to do that, and we couldn't get the support of the Legislature at that time. We're hoping that that could change and maybe we could get their support this time around, so we could test the waters to find out.

Certainly, there is interest in the private sector. The biggest drawback is the contract that the employees there have now, that is the problem. So this is not about the patients, from our point of view, but it's about the employees. And it's not a small issue to deal with, but you have -- we have to try to look at the big picture. County Executive sees it like this: If we can provide the service, or even a better service, and save the taxpayers millions of dollars at the same time, isn't it worth exploring? Now, in good times I think it would be worth exploring. In uncharted territory, as we see day after day markets collapse, foreclosures go up, the time is now to start taking a look at this. And before the day care workers and all the different special interest groups come in here, who all represent good organizations and do good work, come in here looking for money that may not be available, this may turn out to be -- if you look three, four, five months down the road, this might have been an easier decision to make.

I have great respect for Cheryl Felice. She represents her membership in a great way. It is a tough situation, because when she goes in to see the County Executive, and I know the County Executive would have his door open to sit down, but you're talking about amending the contract and giving things back; certainly not easy for a Union Leader, especially in tough times like this. Can it be

done? It would be wonderful; we're hopeful. At a later time, and I don't want to take too much time today, we would like to go over some of the numbers that the BRO, Budget has in their report that we take issue with.

One of the other myths that we'd just like to dispel before I leave, is that this is the place of last resort. This is the poorhouse for the County. If this were the poorhouse for the County, if this was the place where we would take people who couldn't go anywhere else, we wouldn't be talking about a marketing study or hiring marketing people to go out there and bring people in. We would be overflowing in this economy with people looking for a place to go; it's not the case. We're out there competing against other private nursing homes all over the County and all over the region, and that's why the State of New York has given grants out for different municipalities to close beds and close nursing homes, and that's happened again all over the State of New York, as government gets out of this enterprise, because the private sector has stepped in and can do it as well and better.

So we're here to answer questions. I know this is -- look, these are uncharted times and we're going to have to make some very tough decisions. The Presiding Officer has led us and worked with the County Executive, and already taken some major steps to try to alleviate some of the problems. And everything that you've done, the situation is still getting worse and not getting better. I just hope you take that into account as we move forward and in the coming weeks. And, again, the County Executive's door is open to sit down with the -- with Cheryl Felice, Head of the AME Union, and we'll see where we go. Thank you.

CHAIRPERSON BROWNING:

Thank you, Ben. I guess, in the interest of time, I'm not going to say anything, but -- because we do have a second presentation, and, again, an issue that's very important, the economy; we have homeless people.

Bruno LaSpina, he's CEO of Haven House/Bridges, to discuss auditing practices.

MR. LASPINA:

Thank you very much, Madam Chairperson.

CHAIRPERSON BROWNING:

Hello, Bruno. I do apologize that you've been sitting through all this, but --

MR. LASPINA:

Well, you know what dawned on me, I realize that as you get older and it's around 4 o'clock, your greater desire is to take a nap. So at least was able to --

CHAIRPERSON BROWNING:

No naps.

MR. LASPINA:

I was able to figure that one out. My name is Bruno LaSpina, and, among other things, I'm the Chairperson of the Shelter Providers Association, I'm the Treasurer of EPAC and that's our Political Action Committee, and the Chairperson of the Shelter Providers, and the CEO of Haven House/Bridges, I'm sorry. I'm sure it will come as a relief to this Committee at least that we're not here today asking for more money for our programs. What we're asking for today is the ability to hang onto the money that we've already earned, nor am I here today to be critical of any Governmental Official or Department of the County.

The relief we're seeking from the Legislature, and we're hoping that this Committee will advocate for that in our behalf, is to correct the imbalance that presently exists between the provider and the Department of Social Services. And when I speak about an imbalance, this imbalance most clearly manifests itself in the form of audits conducted on behalf of the Department by the Office of the Comptroller. I will in my testimony attempt to describe this imbalance and what would be an

equitable remedy to it.

Mr. David Hilgendorff, who is sitting at my right, who is also a provider of shelter services, described -- will describe to the Committee the real life harm which results from the Office of the Comptroller's fiscal audits of shelter programs. Briefly stated, our contracts with the Department allow for the Office of the Comptroller to audit the books and records of any shelter provider who has a contract with the County. We're not here today to challenge that authority. We're seeking relief from the very one-sided and detrimental results that emanate from these audits.

It's a foregone conclusion that many, if not every, audit conducted by the Comptroller's auditors will result in what are called disallowances of expenses. These disallowances of expenses are why we are here today and why we were asking for your assistance. What is this disallowance of expenses and what is the harm? A disallowance, simply stated, automatically results in a demand that a provider's earned income, and I will emphasize the words "earned income", be returned to Suffolk County. These audit findings, which result in this money disallowance, are seldom, if ever, a result of criminal wrongdoing, or even an allegation of criminal wrongdoing. We are not here today, parenthetically, to shield or excuse wrongdoers. What we are seeking is to have this Comptroller -- this Committee sponsor a bill with the consideration of the full Legislature to provide a balance in our contracts with the Department of Social Services. And what is that balance? Namely, that all future contracts between the Department and shelter providers contain an appeal process regarding audit findings, in particular, expense disallowances; that in the absence of gross fiscal negligence or wrongdoing on the part of the provider, that a plan of financial corrective action be submitted by the provider to the Comptroller's Office and the Department; that this plan of corrective action, if approved by the Comptroller or the DSS, will no longer require agencies to return funds to Suffolk County.

You know, one other element of the present policy of demanding that providers return their earned income related to disallowed costs is that only 25 cents of the dollar that we are paid for the services that we provide comes directly from the County. Fifty cents of this dollar comes from the Federal Government, and the other 25 cents comes from the State. I have been told directly by Federal Officials that the Counties do not send back to the Federal Government the 50 cent portion of that dollar returned by the provider, it goes to the County.

Madam Chairperson and members of this Committee, allow me to suggest what I have just described can easily be classified as a convenient means of having money returned to the County. You have to understand the following: DSS says nothing in the first instance regarding the provider's internal fiscal practices, it draws down the Federal and State share of the dollar being paid to the provider, the provider who, by the way, who housed and provided services to the homeless individual or the family. Then the Comptroller comes in, Comptroller does an audit. He applies auditing protocols that we don't have a clue what they were before, during, or even after for that matter. Simply stated, we never get any guidelines in regard to what would be the appropriate and accepted way to manage our books and records.

So, what happens at the end of those audits? There are disallowances. The Department gets back its leveraged 25 cents, along with the 75 cents of somebody else's money. We really don't know where that other 75 cents ends up. Perhaps the Legislature might want to find out. That, Madam Chairperson and Committee Members, is the question begged. What is going on with this money being taken back from providers, and why is it being taken back at all in instances where there is no evidence of financial wrongdoing or unjust enrichment on the part of the provider?

I'm going to introduce at this point my colleague sitting to my right, David Hilgendorff, who will talk to you about the real results of a recent audit experienced by one of our shelter providers. David?

MR. HILGENDORFF:

Thank you, Bruno. Good afternoon. I've been Executive Director -- I've still been Executive Director at Suburban Housing for over 25 years, and I'm a co-founder of an organization called Penates, Inc.

They're both organizations that house homeless families. Penates, Inc. was the subject of a recent Comptroller's audit.

I appear before you on behalf of Penates. I'm not an employee of Penates, but, as a co-founder and as someone who's fully aware of the circumstances and the previous relationships between Penates and Suburban Housing, it seems appropriate.

Now, Bruno explained very well the issues facing the shelter providers. However, I'd like to add a few specific points concerning the recent audit of Penates. You should know that Penates was audited a year after the program that was audited had been terminated. It was a program that Penates operated for 14 years. As I see it, the audit had four major findings. First and foremost, the audit found no wrongdoing and no personal enrichment. Thus, this is about a not-for-profit's dealing with Suffolk County under several contacts -- contracts over the past 14 years. By the way, Penates, of course, opened its books and provided all documents that were requested by the Comptroller.

Second, the audit claims that Penates violated the related parties clause of our contract with DSS. They claim nearly \$300,000, because Helene Korbin, former Executive Director of Penates, and I were married and are still happily married, going on 20 years. I'm not making this up. Seriously, the clause in question concerns notice with related parties. What the auditors generally wanted to know is was the deal influenced by the related parties. All of DSS knew that Helene and I were married. There were -- but I would suggest -- I have a list of 35 employees and elected officials who were aware of our relationship. As to this point, I would finally point out that Suburban Housing, the related party to Penates, was leasing houses at less than market rate. So the auditor came, said, "Related party, we want \$300,000 back." I'm sorry, I don't understand what Penates or Suburban Housing did wrong.

The third point is that the audit claimed smaller numbers, fortunately. The audit demanded the return of over \$7,000 for mileage. The audit claimed Penates did not follow a Suffolk County mileage chart. Penates did not follow the Suffolk County chart because it didn't know it existed. It would have had it known. Nonetheless, the auditors demanded the full amount of the mileage charge back, not the difference between what our people charged and what the County chart would have charged. That might make sense if we'd been on notice, but, no, the entire amount. Why is the entire amount claimed, and what was DSS' role? It's very confusing to me. It seems to me we contracted with someone for 14 years and now we're being punished.

All right. Fourthly, the Comptroller demands over \$50,000, because the approved child care expenses did not include a children's roster. This was for homeless families, of course. The program was based on the specific children from the families in the Penates Program. It was done based on the PRU number. DSS never required a roster. They knew which children were in the program from the homeless housing participation. Years later, DSS required the roster, Penates complied, yet the audit demanded back over \$50,000. Now, don't misunderstand. The service of providing -- of taking care of the children in a licensed day care center, and whatnot, was provided with losses of over \$625,000 since 2000. Penates tried to settle this claim from the Comptroller. I would point out that those losses were verified by the Finance Department of DSS. It was rejected by the Comptroller's Office as unacceptable, and they were unwilling to accept the offset to reduce -- our goal was to get it down to a number that we could handle and then pay it off.

In conclusion, I think it has to be pointed out that Penates has no resources beyond the contract, so that with this claim, Penates will close, 50-some employees will be out of jobs, and at the time when we all talked about the economy, units for homeless families will also be closed.

I thank you for your time, and hope the Committee Members will take a closer look at the details of this, and particularly in light of Bruno's suggestions, because we don't mind as agencies changing what we do, but we don't see why we should be driven out of business, all right, when we had no notice. Thank you.

CHAIRPERSON BROWNING:

Thank you. Legislator Gregory does have a question.

LEG. GREGORY:

You bring up some very alarming, I won't say facts, but issues. So is it -- part of what I think, if I understand you correctly, I think part of this could be resolved by -- if there was a clear policy on just accounting principles that every shelter can go by, so, when you do your books, you know, you're in compliance with DSS policy, and the Comptroller goes by that policy, so that there are no misconceptions or perceptions of what you should be accounting for; is that correct?

MR. LASPINA:

You have it absolutely correctly. I think that the providers are basically operating in the dark. We, again, have no idea the rules and positions that will be applied when the auditors come in. I think that on more than one occasion we have recommended that we perhaps sit down with the representatives of DSS, and the Department, and the Comptroller's Office and work together and put together a manual. I mean, this is not -- this is not a search to find a cure for an incurable disease, I mean, these are very basic things.

Let me just make a reference back to the related parties part of it. There's no question that there's a suspicious eye that glares upon related parties doing business with each other. There is absolutely no question that that's the case. However, you don't stop the analysis at that point, you go to see the fairness of the deal, that's what you do. Would this be the same relationship if these folks were not related? Would you be getting the same product for the same price? If that's the case, related parties becomes irrelevant. That second and third step in that analysis is never done. And I would suggest that it seems to be a very convenient full stop if you're looking to, again, disallow an expense.

MR. HILGENDORFF:

I would point out and add to Bruno's point that, as to related parties, the cost manual was amended after these audits to include language as to related parties. It doesn't do us any good, but we now know what's expected.

CHAIRPERSON BROWNING:

Are you done?

LEG. GREGORY:

So, my second question is you said you wanted to negotiate, so it's my understanding that you acknowledge that there may be some allowances or disallowances that you would have to give back, but I would say the majority of them, I guess, you feel were incorrect, because there's not policy -- you didn't follow a policy -- you couldn't follow a policy that you weren't aware of?

MR. LASPINA:

Right.

LEG. GREGORY:

And that put you in violation?

MR. LASPINA:

DuWayne, I think -- we have contracts with other levels of government, okay, and I'm also the CEO for another organization and we -- when they come in and do an audit, whether it be a program audit or a fiscal audit, in the absence of a wrongdoing, in the absence of somebody stealing, and I would tell you, if that's the case, they should be driven out of business, they tell you, "Listen, don't do it this way anymore; okay? Here's the protocol that we would expect you to follow." Now go and show us how you're going to implement those protocols in your corrective plan of action and then that's -- then they come back a year later, take a look, "Okay, you did it, fine." But this taking back

of money where there is no question that it was earned, you provided the service that you -- that the County bargained for, and then taking this money back, there's just something unconscionable about that, and it will drive us all out of business, I mean, there's no question about it. He got hit for six hundred something thousand dollars, he's gone. If that is enforced, he's gone.

I have auditors in my shop now. Surely, we'll have findings similar to his; I'm gone. You're talking about hundreds of beds, shelter beds for homeless individuals that ultimately will end up in motels and we'll be back where we were 10, 12 years ago. This is absolutely -- this is absolutely antiquated and bizarre, to tell you the truth.

CHAIRPERSON BROWNING:

Legislator Kennedy.

LEG. KENNEDY:

Gentlemen, thank you for coming in. Bruno, thank you. I have to ask one procedural question. Mr. Korbin --

MR. HILGENDORFF:

Hilgendorff.

MR. LASPINA:

Hilgendorff.

LEG. KENNEDY:

Hilgendorff, I'm sorry.

MR. HILGENDORFF:

The good wife is Korbin.

LEG. KENNEDY:

Okay. I apologize. You mentioned that you presented to the Comptroller's Office, I guess, for negotiation in settlement. That was rejected?

MR. HILGENDORFF:

It was -- that element of it was rejected and we have not heard anything in about a month-and-a-half since that conversation.

LEG. KENNEDY:

Well, that goes to my next question, that's just a procedural. Have you sought -- did you now go to commence an action? Do you have any litigation going on?

MR. HILGENDORFF:

We have not filed the papers yet.

LEG. KENNEDY:

No action has been commenced yet?

MR. HILGENDORFF:

No.

LEG. KENNEDY:

Okay. There has to be a contract. And, Bruno, you and I, I recall, we spoke about this going back maybe as much as two years ago.

MR. LASPINA:

Yes.

LEG. KENNEDY:

The contents of the contract and what, in fact, was sought, what was represented, and what was agreed upon, and in those contracts, there was never any request for some of the things that are being cited as a result of these audits?

MR. LASPINA:

No.

LEG. KENNEDY:

This is an unknown to you as a result of what's the basic contract relationship between you and us?

MR. LASPINA:

It's not contained in the contract. What we do have is what they call the cost manual. However, the cost manual is a document of negatives. In other words, you can't -- you won't be reimbursed for this, you won't be reimbursed for that, you won't be reimbursed for something else, something as minuscule as if you buy the Newsday out of agency funds, so that clients can take a look and see what apartments are available, you won't get reimbursed for it. It just is -- it just is, and I'm going to be very kind here, a rather antiquated and one-sided document. So, in effect, we get no direction at all in terms of, "This is what we expect to find when we walk into your organization."

LEG. KENNEDY:

Have you approached the Department? Have you approached Social Services with a request to have a more expansive, or appropriate, or relevant type of a contractual arrangement?

MR. LASPINA:

The Shelter Providers Association sat down with the present Commissioner and several of her Deputies for a period of over one year with this subject matter being the focus of these talks. At the end of that time, we were told there will be no changes to that -- to those documents, it's not necessary. Subsequent to that, we had a meeting with the then Deputy County Executive, Paul Sabatino, along with, again, the Department Head, Ms. Demarzo, and her Deputies, and even individuals from the County Attorney's Office, and again, we were told, in rather dismissive a manner, "We don't know what you folks are worried about." I mean, it is just -- listen, it's not difficult to comprehend that we're at the weakest side of this proposition. However, there's a point of diminishing returns here in relation to the viability of the shelter sector.

LEG. KENNEDY:

Frame for me, if you will, then, just the macro on this. How -- approximately, how many residents or people do we have that receive your services through housing, homeless housing, give or take? I know it's fluid.

MR. LASPINA:

At present, we probably have somewhere in the area of 2,000 to 2,500 individuals or families that live in our shelter programs.

LEG. KENNEDY:

Okay. And go to the reverse side, if you can. Amongst your association of providers, how many people are employed in the business of providing this service, again, give or take?

MR. LASPINA:

I would say that, at a minimum, probably somewhere in the neighborhood of 800 to 1,000 individuals are employed in our shelter programs. It really depends on the design of your program in terms of how many -- it's pretty much a requirement. The Department has certain manpower requirements, so -- for different types of programs.

LEG. KENNEDY:

Are you seeing any escalation in the need or the referral to you for placements?

MR. LASPINA:

I will -- I will point to our own statistics for my program. About a year ago, actually shorter than that, maybe about eight months ago, we were operating at what is 75% capacity, so we had an empty bed factor of 25%. We're now in the 98 to 99% range, and that's not counting children under one year of age, by the way, which would probably take us up to about 104 at present. So there is a spike and -- I mean, we're not looking at brain science here. It's going to increase exponentially, there's no question about it.

LEG. KENNEDY:

I'm going to yield back to the Chair, but, clearly, it seems like there needs to be some kind of remedy here.

MR. LASPINA:

Thank you.

MR. HILGENDORFF:

Thank you.

CHAIRPERSON BROWNING:

Presiding Officer.

P.O. LINDSAY:

I want to clarify something and just bring it back to some basics. When you guys provide congregate shelters, in the congregate shelters, you not only house people right?

MR. HILGENDORFF:

Right.

MR. LASPINA:

Right.

P.O. LINDSAY:

You house them you feed them.

MR. LASPINA:

Yes.

P.O. LINDSAY:

You provide day care.

MR. LASPINA:

Absolutely. In some instances, we do. We provide them with a search of services to get them permanent housing, we prepare them for permanent housing. This is a program, this isn't a flop, and smoke, and just hang out and watch television.

P.O. LINDSAY:

It isn't a motel room where you just --

MR. LASPINA:

No, sir.

P.O. LINDSAY:

-- provide a microwave and two beds.

MR. LASPINA:

No. I would suggest not, no.

P.O. LINDSAY:

Okay. And you -- Dave, let me just ask you, the services -- the Comptroller, through this audit, wants \$600,000 back from you. Was those -- was there \$600,000 worth of services provided?

MR. HILGENDORFF:

Oh, absolutely.

P.O. LINDSAY:

Okay. It wasn't a question --

MR. HILGENDORFF:

Oh, no.

P.O. LINDSAY:

Of you were billing for services that weren't provided.

MR. HILGENDORFF:

No.

P.O. LINDSAY:

Over what period of time did you provide these \$600,000 worth of services?

MR. HILGENDORFF:

I think it was -- the audit was 2004. March of 2003 to --

P.O. LINDSAY:

Okay. So it's like four years ago.

MR. HILGENDORFF:

Oh, yes.

P.O. LINDSAY:

Three, four years ago.

MR. HILGENDORFF:

It is truly a life experience.

P.O. LINDSAY:

Okay. Did anybody object to paying -- what did you -- what do you get paid, on the month -- by the month?

MR. HILGENDORFF:

In those days, yes.

P.O. LINDSAY:

Okay. Did anybody object to your monthly statement?

MR. HILGENDORFF:

No.

P.O. LINDSAY:

So they paid you.

MR. HILGENDORFF:

Nor to the annual report provided by our C.P.A.

P.O. LINDSAY:

Okay. So you laid out money for mortgages, for food, for day care workers, for the whole nine yards, submitted bills, we paid you, and now we're coming back four years later and want \$600,000 back from you.

MR. HILGENDORFF:

Yes.

P.O. LINDSAY:

That's unconscionable. Mr. Blass, I guess you're still here. I need to ask you some questions.

CHAIRPERSON BROWNING:

He wasn't here, though, four years ago.

P.O. LINDSAY:

No, and I'm not --

CHAIRPERSON BROWNING:

Give him credit for that.

P.O. LINDSAY:

I'm not looking to attach blame, but --

CHAIRPERSON BROWNING:

No, I know.

MR. BLASS:

Mr. Presiding Officer, I think that Deputy Commissioner Hernandez might --

P.O. LINDSAY:

Okay.

MR. BLASS:

In as much as he's involved as the Acting Division Administrator of Housing, he might have some answers.

P.O. LINDSAY:

Okay, that's fine. That's fine. Ed. I'll be happy to talk to Ed.

MR. HERNANDEZ:

Okay. What can I do for you?

P.O. LINDSAY:

What happens -- what happens if Dave here, you know, winds up, he has to pay the \$600,000 back and we -- it bankrupts him, all the people that he's housing wind up back on our doorstep; what do we do with them?

MR. HERNANDEZ:

Well, first, we're also concerned about the potential closing of the Penates. It's a good organization,

it's provided good services, and considering the spike in homelessness, we'd hate to lose the agency now. The Comptroller's Office is a separate office, an elected official, they're responsible for the audits. We do our own internal audits based on a cost reimbursable manual, which all the providers have. We do an annual review of the agency's expenditures versus that cost manual and their own independent audits and agree on a deficit or surplus for the year. This audit that's being talked about is done by the Comptroller's Office. They select -- they come in, they select an agency, they select the year, and they do their own audits according to their standards and practices and come back with a report. We don't put any agency out of business. They'll tell us to -- you know, there's always checks floating around the system to withhold -- to intercept checks and give them to the auditor's office, and the end result is putting an agency out of business if that should happen in that case.

P.O. LINDSAY:

Back to my original question. What happens to all his clients that he's housing?

MR. HERNANDEZ:

We scramble to find a place to shelter them, because it's our mandate to shelter homeless people in Suffolk County.

P.O. LINDSAY:

Are we back in motels?

MR. HERNANDEZ:

We're back in motels right now because the system is pushing capacity, especially -- well, the family system is pushing capacity. We have enough single capacity right now.

P.O. LINDSAY:

So, if we put him out of business, we're back in motels big time. We've got to house, more than likely --

MR. HERNANDEZ:

We would have to come up with a plan to deal with the homeless families, absolutely.

P.O. LINDSAY:

Okay.

MR. HERNANDEZ:

We can't say they're out of business, "You're homeless, tough luck."

P.O. LINDSAY:

So the Comptroller starts intercepting his checks at Social Service and they eventually wind up where to satisfy the \$600,000 judgment?

MR. HERNANDEZ:

I would guess that --

P.O. LINDSAY:

Do they wind up in Social Service's budget, the General Fund?

MR. HERNANDEZ:

The final payment of checks comes through the Comptroller's Office.

P.O. LINDSAY:

Okay.

MR. HERNANDEZ:

It goes through us, gets sent to the Comptroller for payment. If they decide to intercept the checks, you know, it's their process before it goes to the Treasurer or after it goes to the --

P.O. LINDSAY:

Okay. So it winds up back in the General Fund, I guess.

MR. HERNANDEZ:

I would say, yes, you know.

P.O. LINDSAY:

What happens, do we pay the Feds and the State back the money that they subsidized us?

MR. HERNANDEZ:

I believe we were FOI'ed last year sometime about proving that we -- the money goes back to the State, and we were able to show that it does through various revenues. In terms of the FEDs, I'm not sure.

P.O. LINDSAY:

Sounds like we're on a slippery slope here. You know, what are we going to do about this?

MR. HERNANDEZ:

Again --

P.O. LINDSAY:

How are we going to keep him in business and implement some sense of fairness in this absurd scenario that was just described to us?

MR. HERNANDEZ:

Again, I think Mr. Hilgendorff referred to nothing -- he hasn't heard anything in a month-and-a-half, because --

P.O. LINDSAY:

Do you think it's just going to go away?

MR. HERNANDEZ:

No, but we're certainly not calling the Comptroller to push the issue either. We don't want to see these shelter providers go away.

P.O. LINDSAY:

Do we provide the same standard to the motel owners, that they have to -- they can't be related to each other or something?

MR. HERNANDEZ:

The motel owners give us a rate and basically we pay it.

P.O. LINDSAY:

Yeah, that's right. We put a fanny in the bed and we pay it, right? And why do we have to come up with a whole different standard for these guys that are providing a better service?

MR. HERNANDEZ:

We don't. I mean, part of what we're doing and what we've done is we've changed the contract process since 2007. Right now, we sit down and we negotiate annual budgets. Each of the providers are called in. If there is a documented deficit, the agency is reimbursed for that deficit within their rates for the following year, just as well as there's a surplus, the agency is required to pay that money back.

P.O. LINDSAY:

I'm going to suggest something to the Chairwoman, that I think I share the same sentiment as the Department does. We don't want to see Mr. Hilgendorff's shelter go out of the business, we don't want to see the clientele that he serves back in motels. So what I would ask and request of the Committee is that we continue this dialogue next month, but with the Comptroller at the table, and see if we can figure out a way of stopping this insanity of bureaucracy, because that's what it is, it's insanity. Is it cheaper for us to keep a homeless person in a congregate shelter or a motel room?

MR. HERNANDEZ:

Actually, it's not -- it's apples and oranges in a way. If you put a family in a motel room, you're providing them a bed and little else. If you put a family in a congregate shelter, you're providing assistance in finding homes.

P.O. LINDSAY:

More services.

MR. HERNANDEZ:

You're providing connections to services.

P.O. LINDSAY:

More services.

MR. HERNANDEZ:

So, in the long run, it's probably -- you know, dollar for dollar, it's probably cheaper in a motel, but in terms of value for that dollar and what you're getting, and, hopefully, ending a cycle of homelessness, the shelters are a cheaper and better alternatives to go.

P.O. LINDSAY:

Okay. But we -- I mean, we pay for day care providers as well, right? So, if you're paying for a motel room, you're paying for a separate day care provider. Do we pay anybody to look for houses, either in-house or outside of house, permanent housing?

MR. HERNANDEZ:

In a motel?

P.O. LINDSAY:

Yeah.

MR. HERNANDEZ:

There is a contract right now --

P.O. LINDSAY:

Okay.

MR. HERNANDEZ:

-- with a not-for-profit that works with families in motels, but --

P.O. LINDSAY:

So what I'm saying is, if you add up all those services, as opposed to this one service that provides all of the above, who's cheaper?

MR. HERNANDEZ:

I am not an advocate of motels in any way, and as former Chair of the Coalition for the Homeless, I want to see the best possible outcomes for people who find themselves in homelessness.

P.O. LINDSAY:

Okay. But you don't know which one's cheaper.

MR. HERNANDEZ:

As I said, it's apples and oranges. I would go with the shelter system and the services that are provided, even if the dollar -- the face value dollar amount is more, because the long-term value is better.

P.O. LINDSAY:

And it's a better way of going.

MR. HERNANDEZ:

Absolutely.

P.O. LINDSAY:

Because I've been in motels, that's not a way for a family to live.

MR. HERNANDEZ:

No. We don't -- we don't like it in the least.

P.O. LINDSAY:

So, Madam Chair, I wish you would -- I wish you would consider that as far as getting the -- asking the Comptroller if he could come, and if we could figure out a way between the Department, the shelter providers, and the Comptroller, of bringing some sanity to this process. And I don't think anybody would object if we're changing the rules from here moving forward, that everybody knows the rules that -- and then if they're violated in any way, you know, there's nothing we can do about it. But to do it this way is just crazy, it's just crazy.

CHAIRPERSON BROWNING:

And the mileage charts, did you want to -- you wanted to ask about the mileage charts, too, because, you know, you're saying you didn't know about mileage charts and that you had to fill out these mileage charts. And, you know, I'm trying to figure out that you're not really knowing what all the procedures and what the policy is, and you really don't have that rule book; is that correct, is that what you're telling me?

MR. HILGENDORFF:

Or better put, that wasn't a page of the rule book about the chart.

CHAIRPERSON BROWNING:

There was no page in the rule book.

MR. HILGENDORFF:

There was no notice.

CHAIRPERSON BROWNING:

So, of course, if it's not there, it doesn't exist.

MR. HILGENDORFF:

Absolutely.

CHAIRPERSON BROWNING:

Right?

MR. HILGENDORFF:

Yep.

CHAIRPERSON BROWNING:

So, you know -- and I think maybe that's something else that we need to continue to talk about is, you know, that we have the shelter providers sit down with DSS, and, you know, I'd be happy to work with you to say, "Okay, let's put together a proper rule book. I just went through this with Hardship for the living wage. There is no true policy, written procedures, and, you know, it's -- sometimes I think it's your -- sometimes things are just you're winging it, you know, and, well, it's okay, but it's not okay there. So I'd like to work on trying to do something that way with you to come up with some kind of policy procedure that's set in stone and everybody knows what they're supposed to be doing, so that we don't run into these problems again and again. Homeless shelters, you know, we need them. We don't want to see the motels. And, curiosity, because I'm hearing that, are we going back to motels? Are we having problems again?

MR. HERNANDEZ:

We're seeing a spike, especially in the number of families. The numbers we're seeing right now, usually they're the peak winter numbers, so we have a capacity issue. And, again, everything's cyclical, it goes up, goes down. Right now, we have about 11 or 12 families in motels, because we don't have shelter capacity.

CHAIRPERSON BROWNING:

That is bad, so, which gives us the reason to why we need to make sure these guys are staying in business, so -- Legislator Kennedy.

LEG. KENNEDY:

I don't want to speak long. As a matter of fact, I think the Presiding Officer, as usual, has hit the nail on the head. But, Ed, I would say to you, and Commissioner Blass, Deputy Commissioner Blass, you may not want to have dialogue with the Comptroller on this direct audit, but their office must be kind of brought up to speed now as far as where you've amended your contracts from '07 to the current time, and what would be, in other words, fair parameters for them to go ahead and undertake audits going forward. They can only audit off of what the basic four corners of a footprint or a contract are in the first instance. Do they know that we've undertaken these changes that now guide or direct what the range of services are? What's the extent of conversation?

MR. HERNANDEZ:

We've -- they have a copy of our reimbursable cost manual. Again, I'm not the finance person, so I'm a little out of my league talking about our accounting practices versus the Comptroller's accounting practices, you know, other than the fact that it's a separate and elected office and they're the ultimate, you know, authority over us in terms of what they do, because --

LEG. KENNEDY:

That's fine, Ed. I'm not going to ask you to speak. All I'm going to ask you to do is, is if it's appropriate, if you could have that conversation to make sure that both entities, notwithstanding the fact that they're a separate elected or on the same sheet of music. I think that would help as well.

CHAIRPERSON BROWNING:

Okay. Well, I appreciate you coming in.

LEG. GREGORY:

Madam Chair, if I may.

CHAIRPERSON BROWNING:

Oh, sorry.

LEG. GREGORY:

Just a quick question.

CHAIRPERSON BROWNING:

Legislator Gregory.

LEG. GREGORY:

I find it alarming that there was an alarming allegation that was made that the monies that are paid are -- where do those monies go, as to -- pertaining to the State and the Federal portions of the monies that are given to the congregate shelters?

MR. HERNANDEZ:

What do you mean?

LEG. GREGORY:

The 75%.

MR. HERNANDEZ:

The money that's paid back?

LEG. GREGORY:

Yes.

MR. HERNANDEZ:

Yeah. That one's beyond me, because the formulas are so complicated that, you know, does the check go back to Albany? No. But there's money coming down and back and adjustments where, if I brought the person to speak about that, he'll have your head spinning, because I don't pretend to understand.

LEG. GREGORY:

So somewhere, theoretically, it all balances out, is what you're saying, supposed to.

MR. BLASS:

Ideally.

MR. HERNANDEZ:

Ideally, well, especially with the State, because we were FOILED on it and we were able to prove the money went back to the State. In terms of the Federal Government, I really can't answer.

LEG. GREGORY:

Oh, so you've addressed that question at the State level, anyway.

MR. HERNANDEZ:

Yes.

LEG. GREGORY:

Oh, okay. All right.

CHAIRPERSON BROWNING:

Okay? Well, with that, I do appreciate it. Obviously, next month, we will have the Comptroller here, so maybe you'd like to come back again. We'd love to see you.

MR. LASPINA:

I think we would, but thank you.

CHAIRPERSON BROWNING:

Well, I -- and, again, I -- you know, we do need to sit down and talk about trying to put up a better procedure for you. So, with that, I guess we are done with business, so I'll make a motion to adjourn.

LEG. KENNEDY:

Second.

LEG. BARRAGA:

Second.

CHAIRPERSON BROWNING:

Second, Legislator Barraga.

MR. LASPINA:

Again, thank you all very much.

MR. HILGENDORFF:

Thank you.

CHAIRPERSON BROWNING:

Thank you. And have a good night.

[THE MEETING WAS ADJOURNED AT 4:31 P.M.]