HUMAN SERVICES COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

MINUTES

A meeting of the 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 September 9, 2013.

MEMBERS PRESENT:
Leg. DuWayne Gregory, Chairman
Leg. Kate M. Browning, Vice Chair
Leg. Thomas F. Barraga
Leg. Albert Krupski, Jr.

ALSO IN ATTENDANCE:
Alicia Howard, Legislative Aide
John O'Neill, Deputy Commissioner/Department of Social Services
Linda O'Donohoe, DSS
John Nieves, DSS
Paul Perillie, Aide to Leg. Gregory
John Stype, Aide to Leg. Krupski
Michael Pitcher, Aide to Presiding Officer
Nancy Olsen-Harbich, Cornell Cooperative Extension
Kerri Kreh Reda, Cornell Cooperative Extension
Charles D. Hammerman, CO/Opportunity Disabilty Fund
Marie Berkowski, Aide to County Executive
And all other interested parties

MINUTES TAKEN BY:
Diana Flesher, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 10:02 AM

CHAIRMAN GREGORY:
Good morning everyone. We're going to get started with today's Human Services Committee. If you'll all rise for the Pledge of Allegiance led by Legislator Krupski.

SALUTATION

Okay, welcome back. Children off to school today. We don't have public portion. We don't have any cards that were presented, but if there is anyone that would like to come forward, please come forward now and we will allow you three minutes.

Okay. We don't have any resolutions on the agenda. I see the Acting Commissioner of DSS, John O'Neill is here. If you have any words? No, okay. All right.

We have two presentations on the agenda. We have Kerri Kreh Reda. Did I pronounce it -- Reda -- I'm sorry -- from Cornell Cooperative Extension here to make a presentation. Both of you come forward.

SLIDESHOW PRESENTATION

MS. OLSEN-HARBICH:
Okay. Good morning. We are so pleased to be here. I am Nancy Olsen-Harbich. I am Program Director for Family Health and Wellness at Cornell Cooperative Extension. This morning we're going to present to you a little bit of information that is part of our core mission of supporting families with young children.

But before we begin, I hope you've gotten your very attractive Cornell Cooperative Extension Family Health and Wellness packets. And I just wanted to walk you through there and tell you a little bit about the work that we do here in Suffolk.

As you know, Cornell Cooperative Extension works with the College of Agriculture and the College of Human Ecology at Cornell University. Our jobs here in the County are to take research-based information from these two colleges and from the entire land ground system across the country and help people in residence here in Suffolk County and throughout the State use research-based knowledge to improve their lives, improve their businesses, improve our environments, our waterways, our agricultural farmlands.

In the Family Health and Wellness Program, we're really focused on families and helping them raise their children to be healthy and productive citizens here of Suffolk County. We have 20 educators. We have been doing this work since the beginning. We follow the agriculture agents out to the fields. We've really transformed the kind of work that we do with families here in Suffolk County to focus on family health and wellness, to really focus on helping people understand what the research says about supporting children's physical development through good nutrition and healthy activity; and supporting their emotional and social and cognitive development through working with their parents and their childcare providers and their early childhood educators and their teachers and their school counselors; and getting to them the resources that we have available that help us optimize the kinds of experiences that children have.

I know many people are very aware of the good work that Cornell Cooperative Extension does to protect and preserve our agricultural environment and our marine environment so that our crops and our seafood can grow and be healthy. And we do the same kind of work in family health and wellness. I always say that we have as much research on how to grow a healthy child as we do on how to grow a healthy potato to tomato or grape.

And today I brought with me Kerri Reda, one of our human development specialists who's going to share with you the kinds of information that we share out there in order to get kids off to the best start possible, to look at how those early learning years are truly very, very important. I think today as the first day of school, this is a great time to remind ourselves that learning for children starts the day that they are born. And it is the environments and the families that they live in in those very early years that have the most impactful consequences for them later as learners.

So without further ado, I'd like to introduce Kerri Reda.

MS. REDA:
Good morning. Can you hear me alright? Yeah?

Again, my name is Kerri. And I'm a Human Development Specialist. And my role at Cornell Cooperative Extension is to work with parents who have very young children. So I generally am working with parents who have children before they've even gotten to school age. I also do work with professionals who work with families who have young children as well. And in my experience what I have found that all parents want what is best for their children, but they're often confused about what that is and what their children need.

One of the concerns that parents of even the youngest children have is how they can ensure that their children are successful in school. And this is a real concern not just for the parents, but for all of us. Because if children are not successful, all of society feels the consequences.

There's a lot of conflicting information. And before I continue, you have these slides in your folder on the left-hand side, if you'd like to look along. So there's a lot of conflicting information out there about what children need in the early years and how they learn best. There's been a lot of research on brain development, which tells us that our youngest children need responsive parenting, loving relationships and experiences that engage their senses. And this is what sets the stage for lifelong learning for these children.

Unfortunately, there's a lot of companies out there that produce toys, videos, phone apps, electronic games, that sort of thing that have used very clever marketing to create a lot of confusion. And I have just a few examples up here of the types of things that parents are bombarded with on a regular basis.

As you can see, some of them -- just by their names suggest that they will help to make children smart. And some flat out claim that they will; however, there's very little, if any research, to backup these claims. Researchers at the University of Washington have found that for every hour that infants spend watching baby DVDs or baby videos, they learn six to eight fewer new vocabulary words than babies who never watch these videos.

In addition, babies who watch the videos scored 10% lower on language skills than infants who had not watched these videos. And this is very concerning because early language skills are one of the predictors of school success.

So when we talk about school readiness, we ask kindergarten teachers what are some of the attributes that they're looking for in their students. And the list you see up here is their response. They want children who are curious and enthusiastic about learning; they want children who are able to use their words to communicate their needs and wants; they want children who can follow simple direction; they're able to take turns and to share, they're sensitive to other children's feelings; they're able to sit still and pay attention; they're not disruptive in class and they're able to focus and finish simple tasks.

These skills are what we call executive function skills. And they are better predictors of school success than academic skills such as knowing the ABCs.

So how do we help children build these executive function skills? And there's really four main ways that I'm going to talk about today. The first is loving relationships. Once again, children need to be in relationships, especially in those early years with adults that are responsive, consistent, supportive so that trust can be formed and confidence can be built. Children need adults that guide their behavior in positive ways, that will model what is appropriate. And they also need adults who will protect them and create a safe environment for them.

In terms of experiences, children need experiences each and everyday that help them learn. They need experiences that engage their senses and stimulate their curiosity. They need experiences that involve social interactions, such as being held and read to, be sang to, be cuddled. These all help with developing social skills and language skills. And, again, just to impress upon you how important those language skills are and that children are emersed in language in early years, their academic success at ages 9 and 10 can be attributed to the amount of words that they have heard from birth through three years of age.

So, again, just to point out, this is why this information is so important to these parents who have young children. We're currently working on some professional training that we're looking at parents' interaction in relationship to their technology and how that's impacting their relationship with their children.

I don't know if you've noticed this, but in my own experience I see moms out walking their babies talking on their cellphones instead of talking to their babies. And we suspect that this is going to have some negative impact. So, again, those experiences and those nurturing relationships are very critical.

The next bullet there is sleep. And I have this chart to share with you. Many people are surprised by how much sleep children actually need. And this also goes down to adults so you know if you're -- yourselves are getting enough rest. But most parents of even young children, two and three-year-old children think that 8 hours of sleep is enough for their children; when, in fact, you know, toddlers one to three should be getting anywhere between 12 and 14 hours in a 24-hour period.

So what we're finding is that many of our children, and many of our adults, are actually sleep deprived. And when you don't have enough sleep, it affects your health, your memory, your ability to manage stress and emotions, to fight off disease. And for young children it impacts the development of these executive function skills that we're talking about.

When children are sleep deprived, they have very difficult times managing their emotions, managing their behavior, focusing their attention, interacting with other people and performing well in general.

And the last bullet, and possibly the most important, is play. Children's play is critically important for their learning. Through play children develop language and social skills such as negotiating, taking turns, compromising. And they learn to manage their emotions. Free, open, unstructured, imaginative play promotes a lifelong love of learning and creates active learners.

Play contributes to the healthy development of the whole child. When we look at physical development, play helps to define both fine and gross motor skills. It helps build strength, flexibility, coordination. It helps to maintain healthy weight and reduces the risk of chronic diseases. Intellectually play helps to build concentration, regulate attention, fosters creativity and builds both math and language skills. Emotionally play helps children to work through their feelings, releases tension and stress, helps to build their confidence and socially it builds social skills, fosters relationships, teaches both sharing and turn-taking and teaches cooperation and builds negotiation skills.

So we know that play is critically important to young children, but play doesn't look the same now as it did a generation ago. And one of the reasons for that is that toys have changed. And if you would all think back perhaps to when you were children or -- I'm now sure how old everyone's childrens are, but think back to toys 20 years ago if you can. They were much simpler than they are now. Toys have gotten very elaborate, very busy where most of the time it involves a child pushing a button and the toy does everything for the child. And that's actually something we want to try to avoid. What we look for when picking out toys is, what they say, the toy should be 90% child and 10% toy. And what that means is the child is bringing 90% of the play to the game using their imagination and their creativity. And the toy should just be a prop.

If you've ever experienced a one-year-old birthday party, you probably have seen this in action where the child is more interested in the box that the toy came in or the wrapping paper that it was wrapped in than the toy itself. Because with a box, it can be anything that child can dream up. And that's what we're looking for, toys that help children be creative and problem-solve.

So I just have a few examples. And the one I'll point out is wooden blocks versus Lego kits. Legos have undergone some changes in recent years where they used to be, you know, blocks that you could build things with. But now they all come as kits with step-by-step instructions on how to create an end product. So when you compare wooden blocks, which, again, let's the child do anything that they can possibly imagine, and it builds a lot of skills versus something where they have to follow step by step, someone else's creation. So that's an example of what we're talking about in terms of toys changing and what we should be looking for in providing toys for children.

Play has also changed. As technology has developed at faster and faster rates, we're finding technology in the hands of younger and younger children. So it has definitely had an impact on the way children are spending their time.

We define screen time as any time that is spent with a screen. So -- and this is a change in definition as new technology comes out. But generally anything with a screen would involve screen time. So it could be television viewing, watching a movie, playing with an iPhone, an iPad, a tablet of any sort. A lot of toys are coming out with screens. So all of those clumped together includes screen time.

And if you look from 1960, where children were averaging about 15 hours a week on screens, primarily television at that point, to 2010 where they're up to 75 hours a week, that is 60 hours a week that these young children are missing out on quality play and perhaps sleep, two of the critical things that help them succeed in school through building executive function skills.

Another important message I try to share with parents is that there are recommendations out on screen time from the American Academy of Pediatrics. These recommendations have been put in place since 1999. And still parents are not that aware of them. They're kind of surprised when I bring this up. So it is important information for them to receive. And what the recommendations are, are that children two years and older are limited to one to two hours of screen time and that should, whenever possible, be educational programing. And children under the age of two should have no screen time at all. And that's what's most, I think, surprising, for parents when I tell them that.

And the third bullet is that TV, as well as computers, should be removed from children's bedrooms just because it makes it harder to supervise as a parent.

So today what I try to do is highlight for you some of the information that educators like myself share with parents and professionals who work with children in an ongoing effort to strengthen families in Suffolk County. As you can see, there's a tremendous amount of research on growing healthy, smart, well-developed children. Our educators reach more than 20,000 people in Suffolk County each year. There are parent education workshops, our professional training and community outreach.

I hope that you have found this information helpful and maybe you learned something new. And I encourage you to share this with anyone in your life who might be raising young children because the more we can get the word out, you know, the more impact it will make.

So I thank you for your time. And if you have questions, I'd be happy to answer them.

CHAIRMAN GREGORY:
Great. Thank you, Kerri, and, Nancy, for the information that you provided. I know -- my children are older so I don't experience the new technological toys that are out there, but you certainly emphasize -- this is the area that is so critical to our children, those early years in their development. And we have to be able to do the right thing and recognize and appreciate technology for what it is. But we have to use it appropriately so that it encourages the proper development of our children.

And this is an issue actually that my -- me and my office were just discussing on some similar level, just talking about there was a study that was put out recently -- I forget the institution that put it out -- it talks about folks that have kids in poverty and how their IQs on average are 7% -- 7 points lower. And it's not because their natural abilities are less; it's directly related to stress in the home and the parenting skills. And that affects their cognitive skill development. And it's really interesting.

So it's important that kids of all socioeconomic backgrounds have the proper environment to develop their skills and come to be better students and members of our society. So this is very important. And health and nutrition absolutely are part of that equation as well. We can't have kids in classrooms that are hungry.

So thank you so much for coming here today.

I see Al, you have a question? Legislator Krupski.

LEG. KRUPSKI:
Yeah, thank you. This is very interesting the way you put it in those four basic components. And one of them is just being sleep and one of them being play, really --

MS. REDA:
It's pretty basic stuff.

LEG. KRUPSKI:
It's very basic.

MS. REDA:
But people don't know it or they take it for granted. I'm not sure which.

LEG. KRUPSKI:
Well, I think because our society is so geared and driven towards the new technology. And if you don't have the newest technology, you're really -- it's like, you know, you might as well be playing with a rock, you know.

MS. OLSEN-HARBICH:
They would be better.

LEG. KRUPSKI:
It would be better, I know. And it kind of plays into the County's, you know, history of preserving open space, too, and waterfront access. Because if you take your child into the woods or explore a walk on the beach, they're going to get so much more out of that afternoon or morning, because they're going to look -- they're going to play with rocks, they're going to play with water, they're going to play in the dirt. And it's going -- and it's going to stimulate their imagination. So it kind of plays into the County's history of doing that also, making that access open to the public. Thank you.

CHAIRMAN GREGORY:
Yes, Legislator Barraga.

LEG. BARRAGA:
I want to thank you very much for the information you presented. You know, in this country it's been obvious for many, many years that early and sustained intervention in the lives of the children is extremely important. Unfortunately the United States we spend a tremendous, tremendous amount of money, billions and billions of dollars on kindergarten going forward, but very little money -- if you take a look at the overall education on the prekindergarten group, we should have universal pre-k in the United States. Early sustained intervention; for every dollar we invest in that area, it's been proven -- proven it will save 7 or $8 in social service expense on the other end. But it's difficult to convince people to make that move.

And it's unfortunate, you know, when I see 15 hours in 1960 and 75 hours now, a lot of socioeconomic things have changed. In 1960, maybe it was 15 hours a week, but the rest of the week kids were out playing. You know, like in the summer months, you leave at nine o'clock, you come home at six. Now everything is regulated by the parent. Because of the media and the coverage of predators out there and everything else, every moment in a child's day during the summer months has to be orchestrated by the parents. You have to know where that kid is. Things have changed dramatically.

I mean, I know three and four-year-olds that put me to shame on the iPhone and the internet, but they can't communicate. Their verbal abilities are really limited. And because -- and then, you know, you got one out of four traditional families where there's just a single parent. And they face challenges. And when I see 60 or 70 hours, often a parent, they don't mind their kid being on the internet or on the iPhone, alright, because they have a lot of pressures and a lot of stress. It's just circumstances today are so much different than 10 or 15 years ago, and they don't seem to be improving. Until this country comes to grips with the universal pre-k and spending the money and realizing it's a great investment, we will continue to have presentations like yours.

I heard your presentation 25 years ago. I've been on committees that came up with the same recommendations. And nothing seems to change. Because it's a major step to say, you know, in the United States right across the border let's have universal pre-k. Well, my God, what's that going to cost? It's going to cost billions. But the reality is you're going to save on the other end. It's just that politicians don't have that kind of patience. They're always looking to the next election. They don't want to be accused of increasing spending and taxes and everything else, but it's a wise investment. And thank you very much for your presentation.

MS. REDA:
Thank you for having us.

MS. OLSEN-HARBICH:
If I could just say one more thing, you know, we can all be nostalgic. We can all think back at our childhoods. We can all remember the days where, you know, maybe you had an hour of television, you did your homework, you had a good family meal. I mean, this is all wonderful. The reality is that Cornell Cooperative Extension and every other agency out there is dealing with the families as they are now. And I can tell you what we find is that parents don't love their children any less than they did before, but their lives are much more stressful as you were saying, Mr. Barraga.

And what we can do in helping both directly in our parent workshops and also the trainings that we offer to other professionals is to get into their hands not only the research, but how to talk about this in a way that is supportive of families, that is not trying to shame them or blame them, but to give them more ideas, to tell them, you know, yes, it is hard to get kids away from the screen time, here's some ideas on how to do it. We try to be really practical in our approach. Because, as you just said, economically we will pay for this if we raise a generation of kids who really can't think, who really do not have the school success or the social success to be able to be good citizens of this world. We're protecting our waterways, protecting our land. My husband is in agriculture. And he's very involved in sustainable movement. And he says we need to sustain families. We need to raise children who are going to care whether there's a clean beach or healthy food to eat. And in order to do that, we have to support families.

I just want to call your attention to a flier in your packet that talks about a conference we're going to offer for professionals this fall and invite you all to attend looking at the digital dilemma, balancing media and technology and family life, trying to help the professionals who are on the ground out there in the County, school teachers and youth workers and social workers, childcare folks, to get some of the good basic information that they can bring to families on how to reduce the impact of technology and family life to get parents and children better connected and to get children more connected with the kinds of experiences we want them to have including more sleep. We're very concerned about sleep.

CHAIRMAN GREGORY:
That's very important information. And with today's society and households we have two parents working, and, you know, the parent that comes home first prepares the dinner; and then the DVD is kind of a way to, okay, he or she is going to be quiet for a little while. I can do my thing, clean and cook and prepare the meal. And it's having not so good effect. So how do we reach those parents that are loving, caring and just want to be able to get on with their agenda? Because it is an agenda, that they have to get accomplished. But also, you know, do things that are in the best interest of their children and nurturing their development, their proper development.

So I think we all kind of faced that. My kids are 22 and 19 so they're out of that stage, but, you know, as young parents today and, you know, it's important that we reach as many parents as we can to instill this message that you as the parent have more -- you know, you really have an impact on your child's development. And I think with this message, they'll certainly change some of the decisions that they're making because they love their children, they want the best for them.

So thank you again. Your information was very, very informative.

MS. REDA:
Enjoy your day.

CHAIRMAN GREGORY:
Alright, you, too.

Next we have Charles Hammerman from the Disability Opportunity Fund. He's going to present to us as well. We all have those blue packets.

MR. HAMMERMAN:
Good morning. Good morning. Everyone hear me alright?

CHAIRMAN GREGORY:
Yes.

MR. HAMMERMAN:
My name is Charlie Hammerman. I'm the present CO of the Disability Opportunity Fund. I thank you for inviting me here today. And we are trying to develop partnerships with all of the government agencies that are dealing with the topic that we'd like to present to you, which is your constituents either in your district or across the County who either have disabilities or are obviously dealing with family members who have issues regarding disabilities.

I've had the pleasure of meeting with Legislator Gregory a few weeks ago and explaining that we may be one of the best kept secrets on Long Island with regard the disability topic. We are a non-profit community development finance institution that is located right here on Long Island. We operate nationally in the sense that some of the work that we do and the work that we're going to describe to you this morning we've been doing all across the country, but it's actually our neighbors right here on Long Island that we've been trying to reach out to over the last couple of years to explain the work that we're doing; but more importantly it's more of a resource for you to be able to use for your constituents because we know you're dealing with these issues. It does not matter what the geography is.

In your packet I put three very basic things, if we can go through those. On the right-hand side, I've given you an article that appeared in Newsday a year ago to show you an example of how we actually worked with Nassau County in a partnership to help a family, very unique family, with disabilities get back into a home and get that home rehabbed and get the project redone using the work we've done. And, again, I can leave that for you. It's a very nice story, but it is an example of how we were able to work with the local government to get something done.

On the left-hand side, if you can pull that out, I kept the presentation very short because I would hope that this discussion will prompt some questions because I want to keep my presentation short and answer your questions because this is going to be very unique.

Let me go -- start off -- if you go to the second page immediately to see our vision and our mission to explain we're not a service provider. So we know that all of you have service provider organizations in your districts and obviously throughout the County so we are not a service provider. But what we are is something that assists the service providers in helping the people that they are trying to service every single day.

Our mission is very straight forward in the sense that we know that there are -- there is a lack of services, there are a lack of homes, schools, community centers for people with disabilities. And we wanted to fill the void that no one else could fill, which was basically two items: Money and knowledge.

So when we come to the office each day we basically have two buckets of things that we are able to share with others, which is money. And we use that money to act as sort of a loan fund, a community finance fund; and knowledge in terms of how to get projects done or how to think of a problem and solve that problem in a way that nobody else has thought.

In terms of the third page, the next page, you can see that in six short years, as I said, we are right here on Long Island, but we've received pretty national reach in the work we've done. We've achieved some pretty remarkable results already in the sense that we're -- we have accomplished over seven and-a-half million dollars of loans across the country for disability-related projects. And we have run tremendous technical assistance projects as well; too numerous to go through all today. But the focus being the families who have family members who disabilities in their home or for people with disabilities directly.

On the next slide, on page four, we break down our work into sort of five categories. We've come up with this little acronym of TEACH. But, you know, the technical assistance is very important. We do not charge for that. These literally could be a family who will call -- I got into the office early this morning. There was a message on the machine from a woman in South Carolina looking for something. And we're going to, you know, work and try to resolve her issue and the resource that she needed, all the way to here on Long Island where we're constantly getting calls.

And we got involved a year ago unexpectedly in this thing called Super Storm Sandy. Again, we're not service providers. We're not equipped for it. But there was a void in terms of technical assistance that was needed directly for your constituents who have disabilities who needed to know how to navigate FEMA, now do you navigate the resources when there's still going to be emptiness?

On the educational side, we get very involved on educating families. We do webinars, we do newsletters. And as you can see we appear in the media.

On the advocacy side please understand that's not lobbying. Advocacy in that regard is exactly what's going on today. It's partnerships; it's trying to work with State, local and at times the Federal Government to better understand what people need and better understand for the government, how they can deliver solutions in a more private-sector-thinking mentality.

On the community side, as I said, we've reached out, we get involved in community projects, not by design. We're there to sort of react. And when those problems are presented to us, we do react.

And finally on the housing side, that's where we use that seven and-a-half million dollars. And that is growing. And that is one of the partnerships we'd like to pursue with you on how to utilize good public/private financings to get more housing for people with disabilities, get more schools, more community centers. And I can go through some of those examples.

To go over to the next slide, again, this is just -- not to be very detailed, but it's to explain to you that we have been able to take these partnerships and accomplish what we want to do. On the left-hand side is that picture of those four individuals. That's a very, very unique situation in California that on the one side, there was affordable housing. And on the one side it was 33 units of affordable housing for people with developmental disabilities and mental illness. And on the other side of the courtyard were 33 units for migrant workers.

So it's a fascinating HUD project where rather than say we're going to build 66 units and make it all for people with disabilities, the concept there was half of it would be for people with disabilities, half of it would be for migrant workers; and you can use -- utilize the integration of the community together. And that was very, very powerful. We were involved in financing a piece of that project.

And finally on the next slide, you know -- or the next two slides talks about, again, our technical assistance. Again, we don't charge for technical assistance. This is something that we try to manage in terms of managing the rest of our program and staff. And we do all of these things. We literally do these -- some on a daily basis in terms of the personal consultations and the phone calls where we've gotten involved in running conferences and doing articles as well.

And then in the last slide on number seven what we teach -- what are we teaching when we are local before a group of families or if we're meeting families one-on-one, are these things, these -- again, we're not preaching, we're not doing anything else except trying to help them navigate very difficult systems that they've never done before. So whether it's the government benefit system, how do you properly plan for today? Budgets -- all the government budgets are shrinking. Populations are growing. I'm sure all of you have constituents who have family members with a form of autism. And that population is exploding. So, therefore, where is the money going to come from to be able help all of those resources? Well, we work with those families in trying to teach them how to properly manage their planning in today's economy.

As I said, on the Legislative side, we would spend time, which we've done at a local level, to explain to you what we're understanding is going on at the State level. Sometimes at the State level, they don't know what's going on at the local level. And all we do -- in fact, I'll be up in Albany next Monday meeting with people -- no lobbying, there's absolutely nothing except information exchange. They're working in Albany trying to figure out major budgets for across the State. And they have no idea what's going on locally in certain areas. And they bring us in to say, "alright, what are you hearing? What is going on? What should be our focus? Is it good money spent? This is bad money spent." So that's what we do.

And finally that transition planning for what we call after 21, the State Ed obviously handles children with disabilities in the educational system, even though most difficult situations, if it requires a residence or anything else, is still dealt with on the State Ed budgets. After 21, 22, depending where the birthday falls, literally those quote unquote children fall off the cliff and now it's up the families to figure that out by themselves. It's very difficult to do. And, again, that's where we come in and try to help out.

I know that was a very quick run-through. I can get much more detailed on any specifics that you may have questions on. But, again, thank you for inviting me to at least introduce our great organization to your body.

CHAIRMAN GREGORY:
Thank you. Thank you, Charlie for coming here. Your organization was actually referred to my office by Legislator Nowick, who is very impressed and has worked with some of the members of your organization for years now. So I appreciate her forwarding or putting us in teach with each other.

Since housing is a big component of what you guys are focused on, do you look at, say, like projects like Wyandanch Rising or Ronkonkoma Hub or, say, Avalon Bay in Huntington and look to work some type of partnership with the local municipalities there? How does the process work?

MR. HAMMERMAN:
That's exactly -- thank you for asking that question. That's exactly why we're here, is that you know the projects that are being worked on locally. And we also know that your same constituents, who have family members with disabilities, may be looking for housing. However, the developers don't know that they may have some good tenants with very good cash flow on rent sitting right there. And that's when we like to be brought in to say "why don't we put all this together? What do I mean by that?"

The State of New York is dealing with this major crisis of waiting lists for people with disabilities. They are not going to build any more group homes. They have made that very, very clear. The Federal Government has made it clear that they will not be using Medicaid dollars to build -- capital build any more new homes. However, what they will do is incorporate a rental subsidy into the package of what a person with a disability will be able to do to live in the community.

So to answer your question specifically, we'd love to meet the project developers, what's going on; sit down with them say and say "okay, as you're building this project and you're working on this and you're layering your financing and everything else you're trying to do, what would you like us to do with regard to -- we have a population that could potentially be good tenants that will bring in a flow of dollars to you; that would be very useful to the project; and as well from the Disability Opportunity Fund, maybe there's a layered piece of financing that's still missing. And if we can help fill that gap, you know, we are here to do that," which is what we did in California with that migrant project.

CHAIRMAN GREGORY:
Obviously you work with people with disabilities; hence the Disability Fund.

MR. HAMMERMAN:
Yes.

CHAIRMAN GREGORY:
And you had mentioned autism. I guess the question that brings in mind, what level disability is there? Particularly with autism, there's such a range -- a wide range of abilities for those with -- that are on the spectrum. So can you talk about that a little bit?

MR. HAMMERMAN:
Absolutely. We always like to say that, you know, disabilities does not discriminate, whether it's geographically, socioeconomically; so we haven't discriminated. So when we started the Disability Opportunity Fund six years ago, the door was open. The reason we actually called the organization the Disability Opportunity Fund is because we don't know what the next opportunity is that walks through the door.

So you really need to think of us as a non-profit bank. The bank doesn't know who the next person is walking through the door to ask for a mortgage or ask for a business loan. And we've taken that same attitude. The door's open. Come through the door. So from the autism side, we have dealt with situations where there are very severe cases of autism, where families are trying to come together to put together a house in conjunction with the State of New York. And we have come to the table and handled those. We've also worked with families who have very high functioning children with autism. Maybe they don't need 24-hour supervision, but they need some form of supervision and, therefore, there are apartment issues -- solutions that we've been able to promote.

We've also seen the proliferation of schools; very specialized schools for children with autism. And we've actually financed two of those already where -- and we co-financed those with banks. The banks could potentially come in and do the first mortgage for the actual building itself, but maybe there is funding that's needed for renovations depending on the level of autism. We would come in and provide that second level of financing.

So on the autism side, we've definitely been already involved. There is one project here in Suffolk that we're in the middle of underwriting right now all the way out on the East End. East End Disability Associates has approached us for a -- to purchase a home that they would be able to use for Respite. Respite, if you don't know what Respite is for families with disabilities, that is a government-funded program from the State of New York where parents need a break. They need to have a weekend away or they need to go somewhere else, but their child with a disability cannot go with them; have a place to be able to go. And East End Disability Associates is a service provider.

In Super Storm Sandy they were renting a home. And they lost electricity. The home was not used for almost three weeks. It was detrimental to the agency; it was detrimental to the families. So what happened is that the board came together and said that they wanted to put together some down payment assistance to buy their own house so they wouldn't be tried into a rental anymore. And they wanted to be able to develop a generator so, therefore, there would be no issues in case this would ever happen again.

And they approached us saying "our bank won't lend us the rest of the money to buy that house because we're already tapped out." They're a small service organization. And we came to the table and said, "fine, we'll do that." And we're in the middle of underwriting that. Most -- I would say most of the young adults that they handle are on the autism spectrum there. So it really -- we don't discriminate and we're there to respond to whoever comes to us.

CHAIRMAN GREGORY:
Great. Legislator Barraga.

LEG. BARRAGA:
I just want a little clarity. I mean, you're a non-for-profit but you're providing financial services to individuals. And, of course, under the housing section you increase the number of loans to provide housing for people with disabilities. So you're making loans that have to be paid back to you by whoever borrows the money.

MR. HAMMERMAN:
Correct.

LEG. BARRAGA:
Now, you charge a certain interest rate?

MR. HAMMERMAN:
Correct.

LEG. BARRAGA:
Okay. So, for example, like in the article I was just reading -- I haven't read the whole article -- the O'Donohue and Clarkins, they wound up getting a $150,000 grant, I think, from one of the counties, housing grant. And you extend a line of credit of $50,000 to these folks, which has to be paid back, right? Now are your interest rates lower than what a bank charges?

MR. HAMMERMAN:
Yes. It's an excellent question. So let me focus on the Clarkin situation for a second, because I think it encapsulates everything we do. And then I will answer exactly how the financing works.

In that situation, that was a project that was brought to us by the State of New York. So at a function in Hauppauge at OPWDD, the Office of People with Developmental Disabilities, and as the program was wrapping up, I was getting ready to leave and a representative from the State walked up to me and said -- with a folder and said "you really have to help this family." I said "what do you mean I have to help this family? What's going on?"

So now I'll try to work with you through the numbers and you'll understand how we're able to do things that the banks -- and why we're in essence better competitive in the sense of the banks and what goes on.

Well, in this situation you had 12 siblings; 12 brothers and sisters, six of whom had developmental disabilities. And all 12 of them grew up in the home in Mineola together for over 50-plus years. I would dare say that the two women who made the presentation before would have loved these 12 because there was probably not much technology in that house. It was probably a lot of playing with blocks and rocks and boxes, too.

Six of the 12 were still living together in mom and dad's house. Mom and dad obviously have since passed. There was no debt on the house, but the house was falling apart. And it was an old house. And you have six people with developmental disabilities trying to live in one house with one bathroom. I mean, it was incredible.

So they went to the State of New York. And in 2007, when the budget was good, said "could we have e-mod money, environmental modification money." And that's part of the budget from the State of New York that is used to renovate group homes, even though this wasn't technically a group home. It was their home.

And the State of New York says "absolutely, great idea, get us the architecture plans," etcetera. And they approved these plans that they were going to renovate. And then this thing call 2008 happened. And they said "oops, we don't have budget anymore." And hence this representative from the State walked up to us and said "you have to help them. You have to do something about this."

So we met with the family. Fell in love with the family immediately. Well, here was the problem: They took the six brothers and sisters and moved them out of the home to get ready for the renovation. And they were living in a rental house not far from the home. And between the time that the State said yes and the time the State said no, all the pipes burst in the house and it became uninhabitable. They couldn't bring them back into that house.

So now you have a house in Mineola. Maybe it had an appraised value of $270,000, maybe. I mean that thing was going to be a knockdown. We took that to our loan committee because we saw plans -- architecture plans that definitely needed about $300,000. Well, what bank is going to give a $300,000 loan on a house that has an appraised value of 270? Now you go to the payment.

The difference with us is that we're not focused on the traditional ways the banks look at financing. We looked at the six individuals and said "what is your income?" And in that situation, they all had Social Security payments that were coming in from the State of New York. So we said "that's fine." Well, if you looked at one social security payment, it would not be enough to handle the mortgage. And we said "that's fine, we're looking at all six." We combine them up and we're going to take the chance that this thing's going to work itself out.

Now, to answer your question, the reason we're competitive is because we don't do 15 or 30-year mortgages. We also don't give loans to direct individuals. We would never put an individual at risk. What we're looking at is typically a legal entity or an organization. In this case it was -- the family created a special-needs trust for the six individuals; not that there was any money in it; they were not wealthy people at all, but it was a legal entity that actually borrowed the money from us.

But the beautiful part was we didn't actually have to give them the $300,000 loan, even though our loan committee authorized, now you're into the technical assistance part. Because as soon as we told the family -- gave them solace, that was the most important thing -- give them the ability to breathe and say "okay, let's get this process started," we at the DOF never left their side. And what did we do? We were very fortunate and recruited -- we recruited Habitat for Humanity. Habitat -- this is not the type of house that Habitat for Humanity does at all. But God was working with us that day because they were short on projects, they were looking for something to do and they fell in love with the family. And they said to me, they said, "Charlie, what we'll do, which is not typical, we'll do free labor but you still have to pay for the materials." I said "great." Now your $300,000 loan just went down to 150, because the labor itself would have been $150,000. Okay.

Next: I knew that Nassau County was sitting with home funds. I approached Nassau County and I said "you have home funds from 2008 and 2009 that you're not using. Here's a perfect example of who you should be using them for. So we helped, again, technical assistance that we provided, we helped the family fill out the form. We brought it to Nassau County. We asked Nassau County to do -- to fast track everything. And next thing you know there's the next $150 that came in.

So all of a sudden our $300,000 commitment went all the way down to zero dollars out laid. The reason we still gave them the $50,000 line of credit was for everything that was not covered under home funds, which would be furniture -- i mean it was an empty house. So basically anything that would not be covered, we said, "look you have a line of credit, you want to use it, use it; you don't want to use it, fine." They used it and are paying us back. Now --

LEG. BARRAGA:
Okay. Well, just follow up on that. Whether it's a line of credit for $50,000 -- let's say they use it, a loan that you make to an entity, how do you determine the interest rate that you charge?

MR. HAMMERMAN:
Yeah, excellent question.

LEG. BARRAGA:
You pay into the CPI? Do you pay --

MR. HAMMERMAN:
No, no, no. We keep it very, very simple. It's very, very simple for us. Unlike the banks that have a cost of capital of zero, because they can go to the, you know, the Fed or the Federal Home Loan Bank, our typical cost of capital is somewhere between 2 and 3%. So what we've done in our model from back in 2008 before we started lending, and we've just continued it through, is that we've kept our loans from -- anywhere from six to six-and-a-half percent. But the other aspect to it is we are doing only short term five-year loans. So our goal is not so much that we're focused on what the actual rate is as much as what can the project afford.

LEG. BARRAGA:
I understand that. So what you're saying is that your short term loans over a five or six-year period, the average rate of interest that you charge is roughly 6%?

MR. HAMMERMAN:
Between six and six and-a-half percent on most -- on -- I would say on -- I'm trying to think. There was one outlier that was like 5.75, and one at 6.75, but everything else has either been six or six-and-a-half percent. So we've done -- but don't get focused on the percent as much as the take out. That's the critical thing. Look at our money as the bridge. It's the money that nobody else will touch and nobody else will do. And we're trying to get these projects at least started and done and then managed -- our goal is to then take our money and make sure that if we can find cheaper financing for the borrowers, they turn that into cheaper financing.

So let me give you an example on that. In 2009 we did our first loan in Connecticut. And every investor asked us, the people who lend us, you know, 2 and 3% money, say "how are you going to get paid back in five years? We don't understand." Because we're amortizing these loans out to 20 and 25 years. We're making this as cheap as possible for the borrower, as manageable as possible. And we said, "well, that's easy. Because there's either three things that are going to happen: They're a non-profit themselves, who's a non-profit organization running a home." And we said that they'll either, you know, raise money, have a dinner, do whatever and retire the debt. That's option one.

Option two is it comes to five years, they've been good customers. We'll just roll it over for another five years.

Or option three, which is really the mission for us, is that we're going to convince a local bank to take this on as a good customer for longer term financing, for much better solutions. And that's, again, where we combine our financing with technical assistance.

Well, in this case it was two years into the loan. A local community bank opened up in the area of Connecticut where the house was. And they were looking for business. And they were also looking for their community reinvestment act credits. So at their open house, they were approached with this loan "would you refinance this loan?" And sure enough they said, "oh, this is interesting." So we gave them -- we gave the organization two years of credibility to be able to show that we can pay our bills every month and do it the right way. And sure enough they converted our 6% loan down into a more manageable ten-year piece of paper. I think they got it for, like, 4%.

So really don't look at us as a business that's trying to compete with other businesses. That's why we created ourselves as a non-profit. We're mission-driven from the standpoint of we would love for no one to ever have to use our money. We'd love to go out of business tomorrow if all the banks would be if EDA -- Eastern Disabilities Associates was able to go to their bank and get another loan from their bank and not have to utilize our money, we'd be very, very happy; we have no problem doing that. But in the case that they can't, now they know at least they can come to us. We'll bridge that situation and work with them to try to help them work that into lower interest rates.

Now, here's the other side of the coin that I know you're thinking about. Two years from now, let's assume interest rates go up, you're going to have a change at the Fed, you'll have a new Chairman, you may have new policy, everything could change. And now all of a sudden interest rates are starting to inch up. Ours won't. That's the difference. Because we're only working off our cost of capital and we're trying to do the spread so that we can run our non-profit.

What we don't do is we don't do dinners; we don't do the golf outings. We're the first community development fund in the country to try to be 100% self-sustaining and we're halfway there. And that's what -- so on the seven and-a-half million dollars that we have out there working for us, that covers half of our expenses. We get to $15 million. We're not worrying about grants or anything else. And that's the time period we're in now.

So we're working towards that goal over the next, I would say, 24 months to -- you know, to grab more assets that we can go out there and lend, have more projects get done, have enough of the spread and we're able to do more and more of the technical assistance, which we're very, very effective on. I hope that answered your question. And if it did not please -- I know it's -- I know this is a very difficult model to understand; so, please there are no bad questions so --

LEG. BARRAGA:
Just a bit surprised that on a five-year loan it's at 6%. I mean that seems, you know, rather high. I mean --

MR. HAMMERMAN:
Just know that -- know that if we try to do our loans at market rate -- I'll give you a perfect example right now. If you were to go to any bank right now and get a -- if a commercial entity wanted to get a commercial loan at a bank and the bank would cite them a fifteen-year loan, check the fine print. They're re-jiggering each of -- the interest rates after five years.

So what we had decided to do was we're not going into the business of 15 and 30-year mortgages because the money that we're borrowing, the money that we get from either grants or the money we get from banks under the CRA is all short term. So we're getting five-year money; why would we lend out anything past five years? So I wouldn't get so stuck on it.

I would also tell you that if a bank were to do some of the short term lending that we would do, they'd be charging double-digit interest rates. These are very, very risky, very difficult loans to do. And know -- and that's why the banks won't do some of the loans that we do.

In some cases they will do -- for instance, in the HUD funding that we did in California for that migrant worker, slash, you know, disability project, that was predevelopment money. That was

literally short-term. That was 6 to 12-month money. They just needed that to pay the lawyers and pay the architects and do all the short term stuff. They already had 18 million of HUD money coming in at construction so -- but they needed somebody to get the thing started. And they came to us. Nobody else would do that loan. So they weren't worried about whether it was 6% -- and as I said, we could have charged them 12%, they couldn't care less because the HUD money was going to come in and take out that loan.
But we're not like that. We're mission-driven. We're a non-profit. And we basically have said, "look, we've kept this totally consistent so the people can come to us and utilize our funding."

So, again, it's the sense of -- the borrowers for us are not focused so much on is it 6% versus 5%; is the money flow going to be able to handle the debt service? In the 26 loans, 26 loans that we've done in almost five years at this point, we've never had a default and we've never had a delinquency. And we've had 9 of our loans, 9 of the 26 have paid us back in full, like the one in Connecticut. They paid us back and they were able to refinance cheaper. And we've had that with a couple of others.

In the Clarkin situation, it's a small $50,000 loan. We asked them what they wanted to do. They wanted it to be fully amortizing for five years because they want to be done. After five years they know it's a manageable number based off of the income that they have for the siblings. And they say "then we're done. There's no debt on the house." They have no debt otherwise. And life goes on for them. And that's the accomplishment we do.

So I know -- if you open up the Newsday today and you're going to look at what mortgage rates are and it's 4.5% or 4.75, whatever, well, that's not 6, don't try to -- it's not apples to apples at all. We are our own entity and our own model of doing thing that nobody else will do. And thank you for the questions and thank you for your interest in it.

CHAIRMAN GREGORY:
Do you have any questions?

LEG. KRUPSKI:
How many people do you have working for you?

MR. HAMMERMAN:
Our staff is seven people at this point. And when we get fully loaded up to the fifteen million, we really only need to add about one more staff. It's a very thin organization. And it really is managing a balance sheet.

LEG. KRUPSKI:
Thank you.

CHAIRMAN GREGORY:
Okay. Thank you, Mr. Hammerman for coming in today.

MR. HAMMERMAN:
Thank you for your time.

CHAIRMAN GREGORY:
And presenting to us. Thank you.

Okay. That is our agenda. We will stand adjourned. Thank you.

THE MEETING CONCLUDED AT 11:05 AM
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