

LABOR, WORKFORCE & AFFORDABLE HOUSING COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE
Minutes

A regular meeting of the Labor, Workforce and Affordable Housing 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 November 24, 2008.

MEMBERS PRESENT:

Leg. Jon Cooper, Chairperson
Leg. Ricardo Montano, Vice-Chairman
Leg. Daniel Losquadro (not present)
Leg. Jay H. Schneiderman (not present)
Leg. Brian Beedenbender

ALSO IN ATTENDANCE:

Leg. Edward P. Romaine, First District
Leg. Kate M. Browning, Third District
George Nolan, Counsel to the Legislature
Barbara LoMoriello, Deputy Clerk
Joe Muncey, Budget Review Office
Ben Zwirn, Deputy County Executive
Commissioner Robert Dow, Department of Labor
Brenda Rosenberg, Director of Local Law
Jill Rosen-Nikoloff, Director of Affordable Housing
Bob Martinez, Aide to Leg. Montano
Paul Perillie, Aide to Majority Leader
Catherine Stark, Aide to Leg. Schneiderman
Debra Alloncius, AME Legislative Director
Josh Slaughter, Aide to Leg. Browning
Rick Brand, Newsday
Marge Acevedo, Aide to Presiding Officer
Vinessa Manfre, Aide to Leg. Cooper
Peggy Sullivan-Ohlsen, Colonial Youth and Family Services
Diane Gentile, Colonial Youth and Family Services
Dennis Brown, County Attorney's Office
All other interested parties

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

MINUTES TRANSCRIBED BY:

Denise Weaver, Legislative Aide

THE MEETING WAS CALLED TO ORDER AT 12:37 PM

CHAIRMAN COOPER:

Good morning. I would like to welcome you to the November 24th meeting of the Labor, Workforce and Affordable Housing Committee. Legislator Beedenbender, if you could lead us in the Pledge, please.

SALUTATION

Thank you. We have one yellow card for the public portion. I'd like to invite up Peggy Sullivan-Ohlsen representing Colonial Youth and Family Services. Good morning.

PUBLIC PORTION

MS. SULLIVAN-OHLSSEN:

Good morning. I'm here representing Colonial Youth and Family Services for the Living Wage cut that we took. We are asking for you to please see it in your heart to give us back the funds that we lost. We have maintained our staff for the past three years and we gave them a raise. And for that reason we were cut the money because we gave them the raise. But the staff has worked really hard. Many of them have gone on and got their license to be teachers in our preschool. And we felt it necessary to maintain them, to give them the monies. 10.50 is -- was a good raise for them three years ago, but now when they received a certificate, we really needed to give them the monies to keep them with us.

For those of who don't know about Colonial Youth, we are a unique agency that helps all aspects of the families. Like today, the rest of the agency is giving out over 250 Thanksgiving baskets to help the community. We do counseling. And the Child Care Department is the major source of funding that helps run all the programs, whether it be giving out school supplies. And that cut is a really big cut for our agency to lose.

So I'm just here representing Colonial and hope that you could see it to give back the monies we were cut.

LEG. MONTANO:

Question.

CHAIRMAN COOPER:

Actually -- Peggy, thank you. What do you think practically would have been the ramifications if you had not given those increases to those employees?

MS. SULLIVAN-OHLSSEN:

Well, we would think that we would have had the money that we had last year, the same amount of money. But I believe we were specifically told that giving the raise meant that maybe we had the money in the agency to pay the staff without the extra money, but -- which is not true.

CHAIRMAN COOPER:

Legislator Montano.

LEG. MONTANO:

Good morning. Where is Colonial Youth? Where is it located?

MS. SULLIVAN-OHLEN:

We're in the William Floyd School District.

LEG. MONTANO:

William Floyd?

MS. SULLIVAN-OHLEN:

Mastic, Moriches, Shirley area.

LEG. MONTANO:

Is that Legislator Browning's district?

LEG. BROWNING:

Yes.

LEG. MONTANO:

Okay. I'll sorry, I'm a little confused when you talk about that you gave a raise and you lost money. What money are you referring to?

MS. SULLIVAN-OHLEN:

The Living Wage funds.

LEG. MONTANO:

The hardship, okay.

MS. SULLIVAN-OHLEN:

The hardship funding.

LEG. MONTANO:

So you were getting money last year?

MS. SULLIVAN-OHLEN:

Yes. And this year we were cut.

LEG. MONTANO:

How much were you cut?

MS. SULLIVAN-OHLEN:

I believe it was \$30,000.

LEG. MONTANO:

And the basis of the cut?

MS. SULLIVAN-OHLEN:

Well, it was because we gave, really, a raise. And it was a less -- it was a quarter raise.

LEG. BROWNING:

25 cents.

LEG. MONTANO:

What was that?

MS. SULLIVAN-OHLEN:

25 cents raise.

LEG. MONTANO:

So did that make you ineligible? Is that what it --

MS. SULLIVAN-OHLEN:

They just felt that, I guess, we had the money in the agency because we gave the raise.

LEG. MONTANO:

When you say they, who are you referring to?

MS. SULLIVAN-OHLEN:

The funding.

LEG. BROWNING:

Department of Labor.

LEG. MONTANO:

Department of Labor?

MS. SULLIVAN-OHLEN:

Yeah.

LEG. MONTANO:

Kate, are you familiar with this?

LEG. BROWNING:

Jon.

LEG. MONTANO:

If you don't mind my cross --

CHAIRMAN COOPER:

Yes, please, Legislator Browning.

LEG. BROWNING:

Yes. Thank you, Peggy for coming. I know that, you know, Linda --

MS. SULLIVAN-OHLEN:

Yes.

LEG. BROWNING:

-- is the person, but I think Linda's on her honeymoon?

MS. SULLIVAN-OHLEN:

Yes, Linda's on a honeymoon.

LEG. BROWNING:

So she's kind of put you out there. Yeah, what happens is the Living Wage Law --

LEG. MONTANO:

Right.

LEG. BROWNING:

-- they're required to pay 10.50 because they are a contract agency and they have a number of employees. How many got the 25 cent raise?

MS. SULLIVAN-OHLESEN:

Approximately maybe 15.

LEG. BROWNING:

Okay.

MS. SULLIVAN-OHLESEN:

Ten to 15.

CHAIRMAN COOPER:

I'm sorry, 15 out of?

MS. SULLIVAN-OHLESEN:

In our facility, the child care facility we probably have 30 staff.

LEG. BROWNING:

So what happened was they -- there'd been many of them three years at 10.50, never receiving a wage -- a wage increase. And I don't think anybody needs to know, I mean, you can go to McDonald's for that.

LEG. MONTANO:

Right. I understand that.

LEG. BROWNING:

This is a day care and we want to make sure that we have good people working there taking care of these children. So because of the -- they've been getting a -- they got a 25 cent increase and now they're not receiving the hardship money. And I feel it's unfair to them to be penalized over a 25 cent increase.

LEG. MONTANO:

I'm not that familiar with the rules on the hardship. Is it discretionary or is it simply that they're ineligible?

LEG. BROWNING:

I guess, Brenda and Bob are here.

LEG. MONTANO:

We have the Commissioner here.

LEG. BROWNING:

So maybe at some point they can explain.

LEG. MONTANO:

Why don't -- we're going to hear from the Commissioner, I think. I don't think you can answer that.

MS. SULLIVAN-OHLESEN:

No, I don't.

LEG. MONTANO:

I'm just curious as to why, you know, why this happened. Thank you.

MS. SULLIVAN-OHLESEN:

Okay.

LEG. MONTANO:

I don't have any further questions. I don't know if they do.

CHAIRMAN COOPER:

Thank you, Peggy.

MS. SULLIVAN-OHLSSEN:

Anyone else?

CHAIRMAN COOPER:

We have no other speakers so I think I'd take this opportunity to invite up -- Brenda did you want to speak on this or Robert?

COMMISSIONER DOW:

Good morning, Honorable Legislators and Mr. Chairman. We're here on behalf of Department of Labor to speak about 2027 and our view is that we're against the pending resolution. I have to my left, Brenda Rosenberg, who's our Director of the Living Wage and she's much more familiar than I am with the process, the criteria that's set for not- profits or agencies wanting to get money out of the hardship contingency fund that the Legislature has. So I'll turn it over to Brenda and she has a brief -- information for all of you.

MS. ROSENBERG:

Okay. Thank you very much. Legislator Cooper, thank you for letting us speak on IR 2027.

CHAIRMAN COOPER:

Sure.

MS. ROSENBERG:

What I'd like to first do is basically give a very short brief history of the Living Wage Law and basically the hardship funding so you could understand where the criteria that we have started and how this all began.

LEG. MONTANO:

Before you begin.

MS. ROSENBERG:

Excuse me?

LEG. MONTANO:

Before you begin, if I may.

MS. ROSENBERG:

Yes, I'm sorry.

LEG. MONTANO:

Do you have any handouts for us?

MS. ROSENBERG:

I do have -- not handouts for you, I was going to give to the Clerk the procedure, an SOP that was given out in '02 and also the letters that went to Colonial Youth and goes to all the agencies regarding hardship funding and the forms that are filled out.

LEG. MONTANO:

Could we have that now, Mr Chairman?

MS. ROSENBERG:

If somebody wants to make copies of it.

CHAIRMAN COOPER:

Please continue.

MS. ROSENBERG:

Okay. For those who were not here during this time period, the Legislature adopted Living Wage Law on July 27th of 2001 and via a veto override. And the law became effective on July 1st of 2002. At that time, the wage rate was \$9 per hour with health benefits and 10.25 without. A 3.5 million contingency fund to assist not-for-profits was put into place for that particular year. I might add nobody availed themselves of that money that first year.

On August 22nd of '02, an SOP was issued entitled *Procedure to Provide Additional Funding for Contract Agencies for Compliance with Living Wage Law*. And that will be given to you in a second. As I said before, nobody applied during that time period for any hardship funding.

On January '03, the child care agencies were exempted from the Living Wage Law until September 2003. So they came and they petitioned the Legislature saying it would be a hardship for them to comply with the Living Wage Law and at that time the Legislature voted to give them an extension. And at that time they also bifurcated the child care rate so they were no longer entitled to the same rate as every other agency, but they got a different rate, which was at that point 7.75 with health benefits and \$9 without. And they -- then they didn't start that until October of '03.

Most of the child care agencies were able to apply for exemptions based on the six to one ratio, which is in the law. And that ratio allows an agency to give us financials and show us that the highest paid employee does not make more than six times the lowest paid employee.

So pretty much what happened at that point is most of the child care agencies weren't compiling with the Living Wage Law because they got an exemption. So at the time, March 30th of '05, Legislator Bishop, Lindsay and Viloría-Fisher put in legislation to take away that exemption from the child care agency. By doing that they felt it would bring up the workers to quote, a living wage, but they had concerns about how they would do that and not make the child care agencies bear the whole burden of that.

So what they did was they -- we did a little study and there were approximately 37 child care agencies that had gotten exemptions and they would -- wanted us to be able to give them hardship funding to make up the difference between what they were paying their people and the Living Wage rate. And so basically we did that. Out of all of those agencies only, I think ten agencies applied for hardship that year and everybody was able to meet the standard Living Wage rate.

On November 17th of '05, with cooperation from Child Care Council, we ran training seminars for all of the Child Care Council -- for all of their day care providers and those that were going to be applying for hardship. And at that time we set out the criteria, we worked with them for several months and all the day care providers were invited and those who participated were certainly knowledgeable of what they had to provide to us for hardship.

In 2006, to cover the anticipated applications, we asked for \$3 million for the Contingency Fund and 2.4 -- 5 million was actually voted on and put in. Only 11 providers applied for assistance. The rates on January of '05 were 8.50 an hour with health benefits and 9.75 without. And in January of '06 the rate rose to 9.25 with health benefits, 10.50 without. And at this point per the legislation there are no more raises for child care providers in the Living Wage Law. Living Wage Law does have CPI raise for other vendors, but it does not apply to day care providers. So that is the top rate unless the Legislature, of course, passes additional legislation.

So at this point we have had criteria, which is given to every agency. And we have forms that the agencies have to fill out with the -- anybody looking for hardship assistance. They send out their own letters, each agency sends out their own letters explaining the procedure. And they send out

the forms and we go over the procedures with them.

Basically what the child -- Colonial Youth was saying, the money is not an entitlement. The money is only there to try to help people buildup their salaries for these people until they meet the Living Wage. After that, the money might never be there again if the Legislature doesn't approve the funding in the budget. This year it was reduced to half a million dollars from a high of 3.5. And most of the child care providers are doing it on their own. They're not looking for funding. This year only, I think, five or six agencies asked for funding to meet the criteria.

What Colonial Youth was alluding to was that they changed their salaries structure. In 2006, they were paying their teachers \$8.32 an hour. What we do is we take the 10.50 subtract the 8.32 and multiply it by the number of hours the people work and we include benefits, etcetera, to find a Living Wage rate for them for the extra hardship funding.

In '07, their wage rate was 8.57. Now they went and they want us to give employees the 10.75, which they've decided to raise them to. They would have never raised them to that point on their own. And they're looking for the County to increase the amount of their contract. That is not the Living Wage hardship funding. That's not what it's there for. And, therefore, we base it on -- and they're told this in their forms that they got from Social Services, that it's based on a 10.50 an hour salary. So therefore, they were decreased in their funding for this year. And it's not funding, it's extra money to help them meet that Living Wage criteria, which -- which is the reason why they didn't get more money this year.

CHAIRMAN COOPER:

Thank you, Brenda. And before -- before you took that action, did -- were you in contact with Colonial Youth and did you explain the ramifications of -- if they did indeed pass on that, the increase?

MS. ROSENBERG:

Yes. As a matter of fact, Social Services, we work very closely with them with the funding. And we both go over all the forms and salary levels and they are in contact with them continually while the process progresses. It's not a very short process because we get four payroll records, we go through every employees hours, you know, it takes quite a bit of time. And they're continuously -- there's back and forth conversation.

CHAIRMAN COOPER:

To your knowledge are there any other non-profits that have fallen into this category?

MS. ROSENBERG:

None. They were the only one.

CHAIRMAN COOPER:

Legislator Browning.

LEG. BROWNING:

Yes, I did speak with Colonial Youth and they didn't -- they were not asking for anything in excess of 10.50. They pretty much, they wanted to keep the employees that they had and they felt that the only way to keep them was to try and give them that additional 25 cents. Because they've been working there for three years, no raises. I don't know anybody around this horseshoe that hasn't had a raise in three years. So, you know, they want to keep some good people working for them that have been there that are trustworthy. And, again, they were only looking for anything up to the 10.50.

The other issue is, is that they were not notified that they were not going to get the hardship money. They contacted -- I think it was in August, they contacted Department of Labor to find out, you know, where their hardship money was and if they were getting it. And that's when they found

out they're weren't getting it. And to get away from -- I do have a resolution to give them hardship money, however, you know, the resolution that we're looking at today is about setting guidelines. And I think you've all looked at the paperwork. And nowhere in this paperwork does it say, that if you give a raise over 10.50, that you're ineligible for hardship money.

And that's what the purpose of this bill is, is to say, give us some more direct guidelines and set some kind of a policy so that a lot of these non-profits that are, you know, struggling as it is, that they know what's going to happen. It's after the fact they find out they're not getting the hardship because of the 25 cent raise. And I think that was a little unfair to them. And I asked for, you know, where's your written policy, where's your guidelines. I got the standard operating procedure. It doesn't say anything in here as far as, you know, if you give an additional 25 cents or if you give anything over 10.50 you're not going to be eligible.

CHAIRMAN COOPER:

Brenda, is that true, that they were not notified that if they gave the 25 cent increase they would lose the hardship funding?

MS. ROSENBERG:

No. It specifically says in the applications that they get, that they can only go up to 10.50. It says that. Plus --

LEG. BROWNING:

And that's all they asked for.

MS. ROSENBERG:

Plus we -- no, it's in the letter that they received. Plus, these people that -- I don't want to, you know, say that people got a raise or didn't get a raise, but I have payroll records and these people went from 8.37 to 10.50 within a period of two years based on the fact that they were getting hardship funding. So they did get a raise in the two years that Legislator Browning's speaking of because we gave -- the County gave them the funding.

CHAIRMAN COOPER:

Right. I think the discrepancy here is that Colonial Youth and Legislator Browning are saying that they're -- they're still only looking for reimbursement up to 10.50. They will pay the additional 25 cents. You're saying that by giving a 25 cent raise, they lose everything.

MS. ROSENBERG:

Well, they have met the standards for the County. That means anybody can raise their people and say that we should pay them the difference that they would have paid. In other words, I can raise somebody to \$20 an hour and say you give me the difference between 8.50 and 10.50 because that's what I would have paid them, but now I'm giving them more money. And every -- that's our criteria for all of the child care people. And if we had to do it for one, then we would have to go back to all the others who gave them raises as well who are very close to that when Living Wage came up, we would have to go back onto every single application and redo every application because that is the criteria. And I beg to differ with Legislator Browning, we did give her a criteria that the Labor Department uses.

CHAIRMAN COOPER:

Legislator Beedenbender has a question.

LEG. BEEDENBENDER:

Brenda, I'm just trying to understand this, because I have this chart that they just passed out. I guess this is what the agency uses.

MS. ROSENBERG:

It's a worksheet.

LEG. BEEDENBENDER:

The worksheet. To figure out exactly --

MS. ROSENBERG:

Correct.

LEG. BEEDENBENDER:

-- how much money they applied for from you.

MS. ROSENBERG:

Correct.

LEG. BEEDENBENDER:

So if I had a child care agency and I paid all of my employees 10.50, I'm not eligible for anything.

MS. ROSENBERG:

That's correct.

LEG. BEEDENBENDER:

Okay. So I'm just trying to figure out, let me ask you, because I'm sure you've considered this, if we pass this, I'm not sure how you would calculate how any agency -- I guess, I'm sympathetic to the cause, but I'm just trying to figure out how it's going to work. Because if I pay my employees 10.75 and the limit is 10.50, how do we even calculate what I would get?

MS. ROSENBERG:

It would be the same criteria that we're using now. It wouldn't change anything.

LEG. BEEDENBENDER:

So I guess --

MS. ROSENBERG:

We have the criteria.

LEG. BEEDENBENDER:

-- Legislator Browning, what I think I see is, and it's not just to get to the goal that you're trying to get to, I don't think it's just putting criteria in place, it's a changing of the criteria. Because right now, like just to use the example that Brenda said, you know, if I'm paying my employees 8.50, the law demands 10.50, I apply for that two dollars, times hours, times number of employees. But if I'm paying them 10.50 there is no way for me to ask for assistance because I complied with the law.

MS. ROSENBERG:

That's correct.

LEG. BEEDENBENDER:

So I guess -- would this be correct, if I had a child care agency and, you know, slowly over the years I started at \$8, whatever it is, I apply for hardship, if I get to the point that I'm at 10.50, then I can't apply anymore. So this helps people get to a point and then they're cutoff.

MS. ROSENBERG:

Well, this fund also is not a given every year.

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

So they're going to have to make -- let's say there is no money next year in this fund, they're going to have to pay that Living Wage rate without any assistance.

LEG. BEEDENBENDER:

Right, right.

MS. ROSENBERG:

And that's why -- this was just to help for the first couple of years.

LEG. BROWNING:

An unfunded mandate.

MS. ROSENBERG:

And now it's more than a few years. And we're happy every year when the Legislature does put in money, but we don't know that this is going to continue as well.

LEG. BEEDENBENDER:

Well, the point I'm getting at is I think if we're looking at a structural problem with the system, it's that. It's that, you know, we help you in year one, two, three and four, and now your employees are all there and we've helped you get to that point. And then in year five, there's no money. So I think -- I don't know what the exact Legislative remedy to that would be, it might be to add the cost of living increase that is associated with others. I don't know where we'd find the money to pay for it. But I think, you know, the structural problem is that we help them get to a point and they only get to that point because of our assistance. And once they get there, we're gone.

So, I mean, I think just logically that seems like a poor way to structure an assistance program. You know, if you were at eight and we pay you money every year and eventually you get to where we want to and then we take it away, we haven't helped you. We've gotten the employees up, but we haven't -- we've actually hurt their business.

MS. ROSENBERG:

That's a Legislative decision.

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

You should -- I mean if you want to you -- like you said, you can raise the rate for the child care providers.

LEG. BEEDENBENDER:

Yeah, because I think, you know, if we're talking about finding a way to help Colonial Youth and other agencies, that might be the better approach only because -- I mean if we change the criteria, first of all, I don't know how you calculate what you could give. I don't know how you would calculate which assistance, you know, where do we base the -- 10.50 minus what? I'm just trying to figure out what we would minus.

MS. ROSENBERG:

Well, what we started it with was what the payroll records were at that point.

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

Because Living Wage came in at 2002. It didn't start for child care until 2003. So you could actually

base it on those salary levels. We had salary levels.

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

We had payroll records. That's what we based it on.

LEG. BEEDENBENDER:

Well, that's what I'm saying when I looked at this sheet it said, you know, you get payroll from November and December of the prior year and then January and --

MS. ROSENBERG:

Right.

LEG. BEEDENBENDER:

-- February of the year after. So -- and I'm assuming you used that to minus. You said this is what they're getting paid, this is what they were getting paid, this is the difference and this is how much.

MS. ROSENBERG:

We just go over the payroll records very carefully. Because sometimes people will --

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

-- lower the rates to get more money and we're diligent in what we do.

LEG. BEEDENBENDER:

Right. And I'm not suggesting that you're not, I just -- I'm just trying to get my hands around how we could provide assistance to -- I mean like Legislator Browning said, 10.50, we're not making millionaires here, we're paying people \$10.50 an hour. But I don't know that -- first of all, I don't know how we would do that, how -- what basis you would use to decide what the hardship funding is unless it just becomes an equal subsidy to all the providers, which I don't think that's where we want to go either. So I don't know if we address the problem by doing this, but we have to address the problem in one way or another.

MS. ROSENBERG:

Well, I think this particular legislation doesn't address the problem because this is talking about criteria which we do have already. If you want to change the Living Wage Law, that's another issue.

LEG. BEEDENBENDER:

Yeah, and like I just said to Kate, I'm not the against adjusting this. I just want to do this in a way that actually gets the assistance and just follows the spirit and intent of the original law, which I think because we're four or five years in, a lot -- I mean, let me ask you this: Are there a lot of child care providers that used to get assistance and now don't because they've gotten to the level? Like there's a problem, as I suggested before, that we help them get to the point and then they get there and then we don't help them anymore.

MS. ROSENBERG:

No, they were all able to do it. And we had six this past year and about seven the year before. Most of them are there without any assistance.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

They're not even asking for it.

LEG. BEEDENBENDER:

So if you showed me a chart from the beginning of this program to now it wouldn't be a decrease in the number of agencies? You -- it's about --

MS. ROSENBERG:

No, the first year there were 11 who applied.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

The first year that the exemptions were taken away. And now it's six.

LEG. BEEDENBENDER:

Okay. And, I guess, a different six?

MS. ROSENBERG:

Pretty much the same six.

LEG. BEEDENBENDER:

Okay. All right. Thank you.

CHAIRMAN COOPER:

I think BRO wants to weigh in on this.

MR. BROWN:

No, actually County Attorney's Office.

CHAIRMAN COOPER:

Oh, okay.

MR. BROWN:

Without commenting on the substance and it was really -- I just wanted -- and it was alluded to by Legislator Browning and Beedenbender and now by Brenda, it pertains to amending the law. The Living Wage Law was adopted, in fact, by local law, I think it's in 2002. And there is a section that deals with the implementing reso -- implementing regulations and that's -- and that's delegated to the Department of Labor.

What we have here is a resolution that's attempting to address a substantive issue and perhaps a substantive issue that should be addressed by -- as Brenda just stated with respect to looking at the law and possibly amending the law and addressing some of these issues on how to address the differences between what's being paid and the 10.50 level and/or above the 10.50 level and that was our really observation.

CHAIRMAN COOPER:

Thank you. I don't know what the answer is here, Kate. Legislator Browning.

LEG. BROWNING:

Yeah, I understand what you're saying. But I'm looking at a Living Wage Law, which is a mandate on these agencies, these not-for-profit contract agencies. And yes, at this time we have funding. Brenda, at this time, how much money do we still have in the hardship funding?

MS. ROSENBERG:

For this year?

LEG. BROWNING:

That currently still exists, that has not been used?

MS. ROSENBERG:

We have over 500,000.

LEG. MONTANO:

How much?

MS. ROSENBERG:

We spent this year 423,000.

LEG. MONTANO:

Can't hear you.

MS. ROSENBERG:

I'm sorry.

LEG. MONTANO:

That's okay.

MS. ROSENBERG:

We gave out a total \$423,012 out of \$1 million.

LEG. BROWNING:

Okay. So not quite half a million dollars. So you still have about \$500,000 that is unused?

MS. ROSENBERG:

Yes.

LEG. BROWNING:

Okay. And if somebody would like to tell me what happens to that 500 plus thousand dollars?

MS. ROSENBERG:

Goes back into the General Fund.

LEG. BROWNING:

Thank you.

MR. ZWIRN:

If I just might jump in, when it goes to the fund balance, any money that's budgeted that's not spent in the current fiscal year, drops to the fund balance going forward to keep taxes under control going into the future year. You have to remember, the budgeted amount is in the budget; doesn't necessarily mean there's real dollars behind it. It depends on the amount of revenues that come in and our expenses over the years. So even though it's a budgeted line item, doesn't always mean that there's money in that line.

CHAIRMAN COOPER:

Legislator Beedenbender has a follow-up.

LEG. BEEDENBENDER:

Brenda --

MS. ROSENBERG:

Yes.

LEG. BEEDENBENDER:

-- I just want to clarify something, I think maybe I misunderstood something that you said. Are there organization -- if I have employees that I'm paying 10.50, can I get hardship funding?

MS. ROSENBERG:

Yes.

LEG. BEEDENBENDER:

Okay. All right. Then -- now I understand why Legislator Browning -- now I understand a lot better because that -- now I'm confused because when I look at this chart that asks me to minus one from the other, if I am willing to pay 10.50, how do you figure out -- that's -- this is what I don't understand, the 10.50 equals 10.50, so.

MS. ROSENBERG:

If your person was getting 10.50 the prior year and you're going to give them 10.50 again, the answer's no.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

Because it's a zero.

LEG. BEEDENBENDER:

All right.

MS. ROSENBERG:

If they were getting \$9 the prior year, and you are now raising them to 10.50, they just came on and you would have --

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

-- it's an entry level position, you would have paid somebody entry level \$9, the difference would be 1.50.

LEG. BEEDENBENDER:

Well, then I'm confused how Colonial Youth -- ma'am, Peggy, was your name, did you say that you -- this was over a couple of years ago?

LEG. BROWNING:

Come to the mike.

LEG. BEEDENBENDER:

Mr. Chairman, if I might.

CHAIRMAN COOPER:

Please.

LEG. BEEDENBENDER:

This isn't a new thing. This isn't the first year these people are getting -- I mean, these people have been getting 10.50 for a while. Right?

MS. ROSENBERG:

No.

MS. SULLIVAN-OHLSSEN:

For the -- well.

LEG. BEEDENBENDER:

Well, just forget the 10.75. We've been helping the -- the County has been subsidizing getting you -- your -- those employees to 10.50.

MS. SULLIVAN-OHLSSEN:

Yes, correct.

LEG. BEEDENBENDER:

So there's nobody that you were paying 10.50 in a previous year?

MS. SULLIVAN-OHLSSEN:

No.

LEG. BEEDENBENDER:

Okay.

MS. SULLIVAN-OHLSSEN:

Not the child care workers.

LEG. BEEDENBENDER:

Okay. That's what I meant, thank you.

MS. ROSENBERG:

Let me go back for a second.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

Colonial Youth was always -- they got in the prior years a six to one exemption. They were paying their people 8.37 an hour. Then when --

LEG. BEEDENBENDER:

And we helped them get to 10.50.

MS. ROSENBERG:

Then when we took away that six to -- they got nothing from us those years.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

The didn't have to apply. They got an exemption. They applied for an exemption, they received it. Right. At that point, when Legislator Bishop and Lindsay and Legislator Fisher took away -- and the Legislature took away that exemption, they applied for hardship. So they got hardship for two prior years.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

Those two prior years, if those people -- if we did not give them money, they would have still been getting under \$9 an hour from Colonial Youth. That was their pay scale.

LEG. BEEDENBENDER:

So, okay, so they worked. The program that the Leg -- it worked.

MS. ROSENBERG:

We gave them money.

LEG. BEEDENBENDER:

Right.

MS. ROSENBERG:

And those people now made more.

LEG. BEEDENBENDER:

Got the 10.50. Okay.

MS. ROSENBERG:

And it's the same employees basically, so they got a \$2 -- over a \$2 increase --

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

-- I'm not going to say on the backs of the County but --

LEG. BEEDENBENDER:

No, no, no. Well, I guess the question I was just trying to understand because we were just trying to flush this out, if -- but if an organization -- I just -- I'm just trying to figure out how we would calculate and in some sort of even fashion for Colonial Youth or any other organization. Because --

MS. ROSENBERG:

What do you do -- the problem is like you're saying, you have a -- there's a problem. If I'm giving my people \$11 an hour and then I want to give them some more, but I've gotten to the \$11 over the years, so therefore we are thinking, the County is thinking, that the law worked and you're able to pay them that amount. So the whole idea of the contingency fund is just to help them a little bit get up to that point.

LEG. BEEDENBENDER:

Yeah.

CHAIRMAN COOPER:

It was seen as a stopgap basically.

MS. ROSENBERG:

Right.

LEG. BEEDENBENDER:

But the problem with the contingency fund is that we help -- it's a double edge sword. Your right, we've helped them get there --

MS. ROSENBERG:

And now -- right.

LEG. BEEDENBENDER:

-- through the subsidy so -- when it was 20, 30, 40, \$50,000 whatever we had given them, and now they get there and the year they get there, then that money disappears.

MS. ROSENBERG:

So now you only have six agencies --

LEG. BEEDENBENDER:

Yeah.

MS. ROSENBERG:

-- taking advantage of it for the whole County. Everybody else feels that they can meet the criteria and they are meeting the criteria. And when this half a million is gone, and I don't know how long this is going to go on, it wasn't really supposed to be lasting this long.

LEG. BEEDENBENDER:

Well, I mean -- but the problem is that they have to -- they would have to find that subsequent or the same amount of savings in their budget after that year. I mean, if we give them \$50,000 to help get a wage to a certain point and now they're going to pay that in the first instance without -- I'm sitting in Kennedy's chair, that word comes out, first instance -- and we're going to pay them and they've gotten there --

MS. ROSENBERG:

Right.

LEG. BEEDENBENDER:

-- now we're not going to give them that money so then they're paying more and getting no assistance.

MS. ROSENBERG:

I don't disagree with you.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

But this isn't this legislation.

LEG. BEEDENBENDER:

No, I know, I know. I'm just trying to get an idea of the problem. But I know other Legislators have questions.

CHAIRMAN COOPER:

No, just to clarify, I'm sorry. To clarify it, last year what did Colonial Youth pay their employees?

MS. ROSENBERG:

They paid 10.50 with a subsidy from the County.

CHAIRMAN COOPER:

But without the --

MS. ROSENBERG:

Before -- without the subsidy?

CHAIRMAN COOPER:

Without the subsidy.

MS. ROSENBERG:

It would have been 8.57.

CHAIRMAN COOPER:

8.57 -- and -- okay. 8.57 and with a County subsidy it brought it up to 10.50.

MS. ROSENBERG:

So it's almost \$2.00 per person.

CHAIRMAN COOPER:

So now -- so it's not that they gave their employees a 25 cent increase, 8.57 plus 25 cents.

MS. ROSENBERG:

Correct.

CHAIRMAN COOPER:

They did what exactly?

MS. ROSENBERG:

They went from the 8.57 and they raised them not to the 10.50, but to the 10.75.

CHAIRMAN COOPER:

But how did they do that?

MS. ROSENBERG:

So what -- well, they did it.

CHAIRMAN COOPER:

But that's without the subsidy?

MS. ROSENBERG:

Correct. Without knowing what they were getting. So if you went back and did historically what they should have done, which they did the first two years, they started with 8.32, that was with a 3% raise that they gave their people, I guess it was 8.25. And they put 3% on because we asked them to let us know what they would pay if we didn't come into help. So it was 8.32 in '06. In '07 it went up to 8.57. And then we based our calculations on 10.50 minus the 8.57. So for this coming year what they should have done was taken 3% of 8.57 and then 10.50 minus what that would have been. And then they would have gotten the subsidy. And that's the criteria. We can't go any other way because everybody else could raise their rates.

CHAIRMAN COOPER:

So they gave those employees 8.57 plus 25 cents for working on the assumption that this subsidy would remain the same; correct?

MS. ROSENBERG:

I assume. They gave them 8.50 -- right. And they thought that we would just take the 10.50 minus the 8.57, give them the same amount and then they would add the extra quarter wherever they were taking it from.

It's just -- the problem, Legislator Cooper, is every agency could do the same thing and it would be uncontrollable from our point of view. Where do we stop? I mean, when do we decide that you can't raise the rates to 11 or 12 or \$13 and what are we -- what do we do, where do we stop it? That's our criteria. We do have criteria. So speaking to the legislation we do have criteria.

CHAIRMAN COOPER:

I think Rick had a question, first. Legislator Montano.

LEG. MONTANO:

Yeah, I don't know, I feel -- I feel we're going circular. I'm not even sure I understand this. Just to try and simplify it, I'm paying my employee 8.50. I ask for a subsidy. You give me \$30,000. I raise the salary to 10.50 or 10.51. Next year, because I used the 30,000 to increase the salary, you take away the 30,000 because now I'm paying the 10.50 or the 10.51. Is that the way it works?

MS. ROSENBERG:

No. If you go over -- well, if you're paying like what 10.51 you're saying now?

LEG. MONTANO:

Yes.

MS. ROSENBERG:

Yes, yes.

LEG. MONTANO:

So if I use -- if I use the 30,000 --

MS. ROSENBERG:

No, you have to use the 30,000 for that because we come in and monitor you.

LEG. MONTANO:

Right, I understand that.

MS. ROSENBERG:

Right.

LEG. MONTANO:

I ask the Department of Labor to give me \$30,000 so I can bring the employees to a certain level.

MS. ROSENBERG:

Correct.

LEG. MONTANO:

If I make an error and if I raise them to 10.49, I'm still eligible for the 30,000.

MS. ROSENBERG:

Or whatever --

LEG. MONTANO:

Or whatever.

MS. ROSENBERG:

Depending on payroll records.

LEG. MONTANO:

Yes.

MS. ROSENBERG:

Correct, yes.

LEG. MONTANO:

If I raise them to 10.51, I'm ineligible so you take away the 30,000 the next year. If I don't -- if me as the agency is not in a position to supplement that 30,000 from any other source of revenue, I'm basically going into the next year with a \$30,000 deficit because I used the money to increase them over the 10.50. Is that how it works?

MS. ROSENBERG:

Shaking head yes.

LEG. MONTANO:

And that's what happened here.

MS. ROSENBERG:

Right, yes.

LEG. MONTANO:

That kind of -- it kind of defeats the purpose of the fund and it also creates an incentive to keep your employees below the 10.50. If they had simply gone to 10.49, we wouldn't be having this conversation. Am I correct?

MS. ROSENBERG:

That's correct.

LEG. MONTANO:

All right. Thank you.

MS. ROSENBERG:

But there also has to be some criteria set as to how much they can raise them and have the County pay for them. They should renegotiate with their agencies on what their contract should be rather than --

LEG. MONTANO:

What if they turn back the employees to the 10.49 or the 8.50 and ask for the subsidy, are they then eligible?

MS. ROSENBERG:

By law you're not allowed to.

LEG. MONTANO:

You're not allowed to.

MS. ROSENBERG:

It says so right in the Living Wage Law you can't reduce peoples' salaries.

LEG. MONTANO:

So by making the administrator error, they precluded themselves from getting the 30,000; that's your position?

MS. ROSENBERG:

That's -- yeah, that's correct.

LEG. MONTANO:

Okay. I just want to understand that. Thank you.

LEG. BEEDENBENDER:

Brenda, I just -- at the risk of delving further into this, why was -- I'm just trying to understand why it wasn't calculated in a -- if they were -- they were paying 8.57, right? And they gave their

employees another quarter, so why didn't you add 25 cents to 8.57 and then just give them the difference? Is it that they promised 10.75?

MS. ROSENBERG:

We actually have payroll records that say 10.75.

LEG. BEEDENBENDER:

Okay.

MS. ROSENBERG:

They were paying them that.

LEG. BEEDENBENDER:

All right, all right. So, okay, now I understand that part. Jon.

CHAIRMAN COOPER:

I just -- I don't know whether it's going to help in this case, but let's say if we could go back in time and let's say that they kept the promised salary to those employees at 10.50.

MS. ROSENBERG:

Right.

CHAIRMAN COOPER:

So they would have maintained their subsidy. But to keep those employees, they had to give them some extra compensation somehow. If they had given each employee a Thanksgiving turkey -- I mean, we're talking about, I think, \$50 for the entire year if I did it right, 25 cents an hour, I think, it's 50 bucks. Does that sound right? So if you give them a Thanksgiving -- is that okay to give them Thanksgiving turkey or to give them an end of year bonus of \$50 cash?

MS. ROSENBERG:

I can only look at payroll records per individual.

CHAIRMAN COOPER:

So if they had done that, it would have been okay.

MS. ROSENBERG:

What, to give them a turkey?

CHAIRMAN COOPER:

Yeah.

MS. ROSENBERG:

I mean, I -- you can't ask me that question.

CHAIRMAN COOPER:

Sure, I can. No, no, but I mean that would not have -- their total comp -- you only look at the payroll records.

MS. ROSENBERG:

Depends how big the turkey was. No, I mean, is that part of your compensation? Does that go into --

CHAIRMAN COOPER:

Or a \$50 -- or if they had given them a \$50 bonus at the end of the -- I mean, is it too late for them to rescind the increase to 10.75?

MS. ROSENBERG:

You can't rescind. If you look at the Living Wage law, it specifically says you can't adjust salaries depending upon levels like that. There's a part in there -- because some of the unions wanted to do that several times, you know, and they wanted to adjust their rates so they didn't have to pay the Living Wage rate. It's not allowed by law. So I have to say no. By law you can't do that.

CHAIRMAN COOPER:

But I mean right now if she --

MS. ROSENBERG:

They can't take back the money they gave them all year. They're going to take it back so they can get the money and then give it back? I mean --

CHAIRMAN COOPER:

Yeah.

MS. ROSENBERG:

No.

CHAIRMAN COOPER:

Could they?

MS. ROSENBERG:

Legally, I would ask my Counsel here, but I would say no.

CHAIRMAN COOPER:

Counsel?

MS. ROSENBERG:

No, no.

MR. BROWN:

Shaking head no.

LEG. BROWNING:

Jon?

CHAIRMAN COOPER:

Go ahead, sure.

LEG. BROWNING:

Peggy, I would like to ask --

CHAIRMAN COOPER:

Oh, you know what, let Counsel first answer that.

LEG. BROWNING:

Okay.

CHAIRMAN COOPER:

And then you'll ask.

MR. BROWN:

No.

CHAIRMAN COOPER:

I mean, work with me here. Is there some creative way that we could address the concerns of --

MR. BROWN:

We didn't look at the substantive nature of how the -- of how it's done. I don't necessarily think that that's our role. Our understanding and our understanding of the intent is that there's a subsidy built in between what the employer is paying and the 10.50. And if it's over that 10.50, you're not eligible for the subsidy. And, Brenda, correct me if I'm wrong, and that's what -- that's our understanding is of the intent and the application.

Our whole point is that if you want to amend the application, it should be by local law, go through the public hearing process, let it be -- let it be debated and deliberated on and alter what currently exists. Because what currently exists is criteria on how it's done.

MR. NOLAN:

I just wanted to say that, you know, in terms of the local law, the original law was enacted by a local law, but the hardship monies and the fund and so forth were all created by a resolution. The resolutions that created the contingency fund for the hardship really didn't set forth any criteria for it. I think that's evolved. I think the Department has evolved something, but I don't believe that this -- the fact that somebody pays -- wants to pay somebody more than the 10.50, which is the minimum that has to be paid on Living Wage, would knock that group out of the box entirely so they would lose the subsidy. I don't think that's set forth anywhere in any law or resolution or in the SOP that is prepared to implement this program. So, you know.

MR. BROWN:

You know, it's the -- and, you know, we could disagree, but it's the final section, it talks about a transitional period. And I think that once you start getting over the 10.50, you're getting beyond the -- funding somebody for a transitional period. And, you know, it's just that this is a resolution and the resolution calls for objective standards. I think that if you ask -- if you ask the Commissioner or Brenda, they would say they have objective standards. And I think that what you're debating and what you're talking about is how to apply it, which I think should be addressed in the law.

CHAIRMAN COOPER:

But it's just -- if they couldn't get to the 10.75, not for the subsidy. You know, they -- they were working on the assumption that they would be getting that subsidy, which allowed them to get to 10.75. If they knew that they were going to lose the subsidy then they're screwed.

MS. ROSENBERG:

But, Legislator Cooper, if we go by that rationale, every other childcare provider that has raised their rates would have to be re-reviewed because it's not fair to them to give one organization based on different criteria that funding.

LEG. BROWNING:

Jon.

MS. ROSENBERG:

And the other -- those that did not apply this year could have possibly applied and gotten funding as well based on what you're saying. It's just one organization came down and is telling you that, you know, they raised their rates so, therefore, they didn't get it but we use the same criteria straight across the board. We don't change our criteria. We're very honest when we do this. We're so honest that the -- we have like three or four people looking this over from all the departments to make sure that it's absolutely correct. So you're taking one organization out and singling them out for extra funding.

CHAIRMAN COOPER:

So you're saying that there were other childcare agencies or non-profits that were in a similar

situation where they were getting a pretty good subsidy last year and by giving out a small increase they lost a much larger subsidy.

MS. ROSENBERG:

They all kept their criteria. The ones that we have given out this year kept the criteria the same. They all stayed with the 10.50, the ones that were -- similar ones. But those from prior times -- there were 31 agencies that might have applied, but maybe we're giving their people 10.75 and, therefore, did not because -- or did and did not apply for subsidies because they were giving the people that funding already.

And I know it was the intent of the Legislators at that point many years ago because we talked about it because it was -- there was so much going on with that law, I know you recall, about the domino effect. Like what happens about that teacher that was getting 10.75 and now you're bringing up somebody from 8.50 to 10.50. What about that person that was getting 10.75, do we give them extra funding as well? That was like big discussions. And the Legislature at that time said, no, we can't keep doing that. We can't keep like pumping everybody up to get the bottom people up. Let's get the bottom people up. And that was the whole intent of this legislation if you recall.

CHAIRMAN COOPER:

But, I mean the unintended consequence in this case is that, I mean, the whole purpose of Living Wage was to --

MS. ROSENBERG:

Bring up.

CHAIRMAN COOPER:

-- bring up wages.

MS. ROSENBERG:

But you did bring these -- you did bring these people up.

CHAIRMAN COOPER:

But now, but in the case of this childcare agency, I don't know what, I mean, they're --

MS. ROSENBERG:

You brought these people up \$2 an hour over two years. I'm not saying that's a lot of money; believe me. It's just that we have criteria and we follow it. And that's what this legislation speaks to criteria. We do have criteria. You might not like our criteria, which I -- is very hard to come up with, a very sound criteria in something like this because it's obviously more that comes into play. But we set it with the idea that they would eventually get to that point. And then they shouldn't be quote, coming to the County for additional funding because this funding is not going to be here forever.

CHAIRMAN COOPER:

I'm sorry, it was at the 10.50 level for how long? Or when was it raised to 10.50?

MS. ROSENBERG:

10.50 was raised in '06, I believe. There's no more raises in the law for childcare.

CHAIRMAN COOPER:

Unless we enact a new law.

LEG. BROWNING:

But Jon, you know.

MS. ROSENBERG:

'06 it was raised to 9.25 and 10.50, 9.25 withheld and 10.50 without.

CHAIRMAN COOPER:

Legislator Browning, did you have a question?

LEG. BROWNING:

Yes. Again, we're talking about what's the criteria? And the criteria, there is no criteria from what I can see. It's, you know -- I know what you're saying, is that they made 10.75 and because they went over by 25 cents, they're not eligible. But, you know -- and I have asked you this for sometime ago was, where is it in writing, where is your criteria that says if you pay in excess of? Because if they knew that they were -- by paying 25 cents more, if they had something ahead of time saying to them, if you go in excess of 10.50 an hour, you're no longer eligible. They don't have that. That criteria, that policy, whatever you want to call it, it's not there. And that's the issue.

MS. ROSENBERG:

The worksheet that they receive from Social Services puts the 10.50 very clearly in that column.

LEG. BROWNING:

It puts 10.50.

MS. ROSENBERG:

That's correct.

LEG. BROWNING:

And that's all they're asking for is the 10.50. What I'm saying is, you're not telling them you are no longer eligible if you exceed 10.50.

MS. ROSENBERG:

They were told. I spoke to them about it.

LEG. BROWNING:

Is it in writing?

MS. ROSENBERG:

Well, that I spoke to them? I spoke to them. They spoke to Social Services people continuously while they're doing their application. We had workshops where they were told. And they know. And if they thought they were not going to get that -- I don't know why, but they were told.

LEG. BROWNING:

Like, well --

MS. ROSENBERG:

Several times.

LEG. BROWNING:

Like I said, if it's not, you know, they have nothing in writing saying you're not eligible, you know.

MS. ROSENBERG:

Then everybody, Kate, can do the same thing. They could all come back. And I don't think that's --

LEG. BROWNING:

And that's why I'm saying, put it in writing.

MS. ROSENBERG:

It's in writing. I think it's in writing.

LEG. BROWNING:

Because then -- I don't see anything in writing.

MS. ROSENBERG:

It says in the --

LEG. BROWNING:

I have all their paperwork. There's nothing in black and white that says if you exceed 10.50 an hour, you are not longer eligible.

MS. ROSENBERG:

It say so right in the -- in the letter from Social Services it alludes to that as well. Let me just get the letter out.

LEG. BROWNING:

But that's after they called you.

MS. ROSENBERG:

No, that's before.

LEG. BROWNING:

When did that letter get written to them from Social Services?

MS. ROSENBERG:

Before their application came in. Way before; it came with all their forms. They got that letter right before that. That went out way, way before we got anything from them.

LEG. BROWNING:

Peggy.

MS. SULLIVAN-OHLSSEN:

I know we were told -- I know from Linda we were told after the fact when we sent out the application and saw what we received in funding. And that's when we were told that, because we gave the raise.

MS. ROSENBERG:

No, the letter --

LEG. BROWNING:

Because I believe it was in August when they contacted you and they had -- they heard nothing from Department of Labor or Social Services. They made a phone call in August requesting where their hardship money was, if they were receiving it. And that's when they were told that they weren't getting it.

MS. ROSENBERG:

May 30th is when they sent in their application -- were asked about an application and Social Services wrote them on two of their daycare agreements. Those are the two that they could apply for. And they gave them all the proper paperwork at that point. We didn't get any paperwork from them before that point.

LEG. BROWNING:

But is -- and does it say on that that they're not eligible because --

MS. ROSENBERG:

That's the whole packet. It doesn't say eligible. We didn't know what they were applying for.

LEG. BROWNING:

But that's what I'm getting at is there's --

MS. ROSENBERG:

Reimbursement -- reimbursement is limited to 10.50 an hour if the employee does not have benefits.

LEG. BROWNING:

Okay. Let's take Colonial out of this. Let's take all of our contract agencies that are applying for the hardship money. When you send out a packet of information to them, which I have that packet --

MS. ROSENBERG:

That's from Social Services.

LEG. BROWNING:

-- is there anything in that packet that says, if you pay your employees anything in excess of 10.50 an hour, they are no longer eligible for hardship money? Is there anything that says that?

MS. ROSENBERG:

Specifically, I don't think that was ever discussed in those terms because we've discussed it obviously, but nobody applies if they're -- for those people, whenever they apply, with their payroll records, when we go over them, if those people were making an excess, we would just automatically take them out of all the applications. And anybody that applies knew that and that's what it was based on.

And over the years we've reduced the amount that they've asked for based on, quote, our criteria. They could ask for a \$100,000. And then we might reduce it to \$40,000 based on the fact that Joe Smith was getting \$11 and he wasn't eligible for that difference. And that would happen over the years whenever we would look at an application.

LEG. BROWNING:

But there's nothing when they receive the packet that says in excess of 10.50.

MS. ROSENBERG:

It says based on -- it says based 10.50. If they don't understand that, I mean --

LEG. BROWNING:

Based on 10.50.

MS. ROSENBERG:

Based on 10.50.

LEG. BROWNING:

But it doesn't say if you are paid in excess of that you are no longer eligible.

MS. ROSENBERG:

So if you're a corporate officer and you're making a \$100,000 maybe I should give them a subsidy based on 10.50 an hour. I mean, I don't understand, you know, you need a specific statement?

LEG. BROWNING:

Well, like I said, this is the purpose of this legislation is that these organizations, these non-profit organizations, they're not making tons of money. Like I said, you can go to McDonalds and get 10.50 an hour. These are people who take care of children. Maybe we need to change the Living Wage Law and increase the Living Wage Law, but then we're going to create another problem.

So, you know, what we're trying to do is if we can keep the Living Wage Law the way it is right now, but again, to set some kind of guidelines for these agencies, when they do want to pay their employees. I mean, again, none of us in this room have not received a raise in three years. These are people who have not received a wage in three years, who take care of children. And I know what's required in order for them -- you're talking about having to pay for certification. What does it take for them to do this?

MS. ROSENBERG:

I'm not arguing that point at all. And I agree with you, they deserve more money.

LEG. BROWNING:

And we need to set some guidelines.

MS. ROSENBERG:

I'm just saying -- I'm just saying we have guidelines, we follow the guidelines very explicitly.

CHAIRMAN COOPER:

But Brenda.

MS. ROSENBERG:

I don't know what other guidelines I would do to make it equitable for all childcare providers.

CHAIRMAN COOPER:

But the irony is that if through better communication or what have you, the agency had kept the salary increase -- total payroll increase to 10.50, and instead had offered these employees a \$50 end of the year holiday bonus, cash bonus, they would have been fine. So, you know, the bottom line, it's two ways of getting to the exact same end as far as the employee's concern, one was in violation of the County policy, one wasn't. And it would just be great if we could find somehow now, some creative way to make this right.

MR. ZWIRN:

If I might, I just -- let me just jump in here, just as observing today, is that this is the only provider that has come forward. So the communication must be pretty well across the board. I mean, the providers that come in they needed -- and this is just a hardship fund. Now maybe this organization just -- you can't have a do-over. There may be a way you may be able to help them out this year through other means. But if you're going to rewrite the system, you want to raise the rates because you think they're too low because of the arguments that Legislator Browning made, that's a Legislative prerogative. I know the times are tough, but you have still the authority to do that.

The Labor Department is just going by what they've -- what the standards are. It wasn't that it was being punitive in anyway. In the past these people have gotten their subsidy, their hardship funds. It's just that another criteria that there's been set up, it doesn't work.

Now if you have to come up with a way -- I don't know if you have to, you know, if you have to change the entire system, you may just have to -- you may want to change the numbers on this system so that there's more money available to do it to a larger set of people.

CHAIRMAN COOPER:

Well, but then -- I mean, that is one option. But if we don't want to change the entire system, if Counsel or others can come up with some creative --

MR. ZWIRN:

But how much money is involved in this particular --

LEG. MONTANO:

30,000.

MR. ZWIRN:
\$30,000?

LEG. BROWNING:
No, it's 60.

MR. ZWIRN:
60,000?

LEG. BROWNING:
They're losing 60, I believe. Am I correct? It's actually less than 60.

LEG. MONTANO:
She said 30.

MS. SULLIVAN-OHLESEN:
I believe it was 30.

LEG. MONTANO:
Maybe it's 30 a year.

LEG. BROWNING:
I thought it was more than that.

MS. SULLIVAN-OHLESEN:
Well, if we're losing everything, it would be 59,000.

LEG. BROWNING:
Right. Okay. So I'm --

MR. ZWIRN:
If I might suggest, maybe we could table this one cycle. We could all sit down and see if there's a solution that we can come up with.

LEG. MONTANO:
Well, the only -- if I may, the only thing we're -- this is a -- this is a discussion on her thing, we can't table that.

MR. ZWIRN:
Right.

LEG. MONTANO:
We have a bill before us, maybe we could table that. But I was going to ask a question on that bill anyway. Just while you're there, quick question, I thought I heard you say that you lost 30,000. Is 30,000 the subsidy that you lost?

MS. SULLIVAN-OHLESEN:
Well, it would be 59,000 if we lost everything.

LEG. MONTANO:
What is everything?

MS. SULLIVAN-OHLESEN:

The whole subsidy of the Living Wage. If that's what they're saying we would lose, it would be 59,000 plus.

LEG. MONTANO:

Where did the \$30,000 figure come out?

MS. SULLIVAN-OHLESEN:

Well, because I somewhere thought that maybe we were going to get the 29,000 for the people that we didn't raise.

LEG. MONTANO:

Oh, I see, okay. So 29 plus 30. Okay.

MS. SULLIVAN-OHLESEN:

Okay. So if we're losing everything, it would be \$59,000. We would have never, ever given the quarter raise if we understood that we were going to lose it. We just don't have the funds to do that.

LEG. MONTANO:

We understand that. Let me ask you this: Were you able to increase any other sources of revenue to offset the 59,000?

MS. SULLIVAN-OHLESEN:

We haven't raised our childcare prices in our agency because we're -- in our area where we live, the parents cannot afford. What we would have to do --

LEG. MONTANO:

Right. So you gave the raise without increasing the revenue because you were getting the 59,000?

MS. SULLIVAN-OHLESEN:

Well, we were going with that.

LEG. MONTANO:

Right. I understand.

MS. SULLIVAN-OHLESEN:

We still have to raise our -- we're going to have to raise the prices obviously. And that's something that --

LEG. MONTANO:

But that's to cover other costs. Is it not? Other than the salaries.

MS. SULLIVAN-OHLESEN:

No, that would have to cover the salaries. We do not have the money to --

LEG. MONTANO:

What I mean -- what I mean is that your rent is going up, your insurance is going up. So whatever increase in fees --

MS. SULLIVAN-OHLESEN:

Everything is going up.

LEG. MONTANO:

-- it's probably going to be used for those other items also.

MS. SULLIVAN-OHLESEN:

Yes.

LEG. MONTANO:

Maybe there's a couple of dollars leftover for some employees. But it seems that you got caught in a bureaucratic kind of web here and, you know, like Mr. Zwirn said, maybe there's a way of doing it during the year with some kind of, you know, I won't even venture to say, but thank you.

I just wanted to ask the Commissioner a question because you had said earlier that you were opposed to the resolution that we're going to get to 2027. And I read it again. All it says to me is that the County Attorney shall come up with some standards and come back to us in 90 days. Is that correct, Legislator Browning?

LEG. BROWNING:

Yes.

LEG. MONTANO:

So what is your opposition again?

MS. ROSENBERG:

It's Department of Labor.

COMMISSIONER DOW:

Right. It's the Department of Labor that would come up with new criteria.

LEG. MONTANO:

Oh, the -- okay, Department of Labor, not the County Attorney.

COMMISSIONER DOW:

And it's because we feel that the criteria that exists has been working. And to look at like Brenda stated, going back a number of years where there were 11 agencies that were requiring to augment their salaries through this hardship assistance, and now it's down to six. And over these years we've had -- none of them have been confused over how it works, and if it goes above the 10.50 so --

LEG. MONTANO:

So your point is it's unnecessary because you already have criteria and it's sort of redundant.

COMMISSIONER DOW:

Exactly right. And if I may add, I don't see where this is going to help these people, which I feel bad for also but --

LEG. MONTANO:

Well, it's not going to help them.

COMMISSIONER DOW:

Right, yes.

LEG. MONTANO:

That's for sure. But your basic objection is that we don't need this legislation because you already have criteria. And it's -- you're not going to come up with anything new. I don't want to speak for you, but is that what I'm understanding you're saying?

COMMISSIONER DOW:

Yes. That's correct.

LEG. MONTANO:

Okay. Thank you.

CHAIRMAN COOPER:

Just for the record, I wanted to correct my mental math. Before I had estimated \$50 for the total for a quarter increase and it's actually about \$500. So that would be a lot of Thanksgiving turkeys.

MS. ROSENBERG:

I just might add, Jon, years ago when we started doing the Living Wage and I'm not even talking about hardship, there was an agency that tried to do that, giving people bonuses rather than raising the rates.

CHAIRMAN COOPER:

Okay.

MS. ROSENBERG:

And we did not allow that per County Attorney. Because they have to pay per hour rather than just give them bonus at the end. This was not hardship.

CHAIRMAN COOPER:

I'm sorry, what was the rationale? Because I thought that --

MS. ROSENBERG:

Well, let's say it was 8.50 an hour that they had to raise it to --

CHAIRMAN COOPER:

Right.

MS. ROSENBERG:

-- just for a matter of argument. And they wanted to give them like 7.50 and then at the end of year they would put the money in as a bonus to make up the difference.

CHAIRMAN COOPER:

Which is what I was suggesting. Right.

MS. ROSENBERG:

Right. And County Attorney's Office said you couldn't do that. The rates were set by the Legislature at a certain point and that's the rates that they would have to pay throughout the year. They couldn't do it as a subsidy at the end. And that was about four or five years ago.

CHAIRMAN COOPER:

Okay. Legislator Browning.

LEG. BROWNING:

You know, Ben mentioned about, you know, raising the rates and helping them out. And I do have a resolution that's coming up next month because I did ask the County Executive to do a CN to help them with this year with the hardship, but I didn't get my CN. So I do have a resolution for the additional monies for them.

But one of the things that you have to understand, I know you're saying that other organizations are not coming to you and I wanted to say this was, because I know Colonial Youth, I know about the kids that they service. And for them to raise the rates on other children who are -- and families that are privately paying, they can't afford -- they're just about able to afford what they have right now. If they raise the rates then they're not going to go to Colonial anymore and we're going to have latchkey kids. That's my concern.

So we, you know, why they're trying to help out their daycare providers and giving them more money, they are a number of DSS children that they're getting the funding for, but again it's these kids who are being privately paid for to Colonial, are far and few between. They can't afford -- the parents can't afford to pay more. So that's why they can't raise the daycare rates. People can't afford it. And especially now it's going to get worse. So they may wind up having more DSS kids because of the current economy.

So, you know, I'm just trying to help them. And again, we don't know with the economy the way it is, how many more daycare providers are going to wind up coming to you that say I need to pay my people a little bit more because, you know, I'm going to lose them if I don't pay them another 25 cents. How many more are eventually going to come and say we need more money or we need to pay them more money, you know. At this time Colonial's the only one but how many more may come.

MS. ROSENBERG:

I have to share your concerns. I do share your concerns. And if more come, we're not going to have the money. Half a million was put in. We will not be able to give everybody that.

LEG. BROWNING:

Which is why keeping it -- we're only saying, only up 'till 10.50. We're not saying 10.75.

MS. ROSENBERG:

I'm not debating the point. I'm debating the legislation.

LEG. BROWNING:

Again, give it to them in writing, before they make their application. Because I have a copy of the Living Wage application here. It doesn't say anything in excess of. I have everything you sent me. I have not yet -- the standard operating procedure, there's nothing there either. There's nothing that says that you can pay up to a certain amount. And when you exceed a certain amount you're not eligible. That's what I'm asking for. That's what they're asking for. I think we're all confused now.

CHAIRMAN COOPER:

Okay. Any more questions? Okay. Thank you very much.

MS. ROSENBERG:

Thank you.

CHAIRMAN COOPER:

As George says, that clarified everything. Thank you.

MS. ROSENBERG:

I'm happy I made your day.

CHAIRMAN COOPER:

Okay. All right. There being no further speakers -- actually, Legislator Romaine, before we get to your resolution, do you want to just wait until we get to 1852? Okay. We're going to move to the agenda.

TABLED RESOLUTIONS

IR 1815, Adopting Local Law Number -2008, A Local Law to add visitability requirements to the Affordable Housing Program. (Stern) Make a motion to table that resolution for public hearing.

LEG. BEEDENBENDER:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? **IR 1815 is tabled. (Vote: 3-0-0-2. Legislators Losquadro and Schneiderman not present)**

IR 1852, Authorizing Federal Housing and Economic Recovery Act funding application to roll back county foreclosures/abandonments via conversion into workforce housing projects in Suffolk County. (Romaine) I'd like to make a motion to table.

LEG. BEEDENBENDER:

Second.

CHAIRMAN COOPER:

Legislator Romaine, did you want to say a few words?

LEG. ROMAINE:

Thank you. I'd like to just comment very briefly. I know the Committee has had a long lengthy public comment session. This is a bill that I constructed because I know that we're getting federal funds. And I think there's over \$6 million, if I'm not mistaken, for Brookhaven Town. It was part of the County consortium. I believe it still remains currently for the time being a member of the consortium.

However, we see an opportunity for affordable housing. And it's been said many times that the Chinese character for crisis is a combination of opportunity and danger. And I think an opportunity exists. I've watched foreclosure after foreclosure occur throughout Brookhaven Town. We're going to have over 2000 foreclosures in this County before the end of the year. Many of these foreclosures, as you know, they go to auction. The first bidder is the bank. They bid the mortgage and then they're praying for a second bidder so they're not in the real estate business.

What we found time and time again is there isn't a second bidder for many of these homes particularly in communities like Ridge, which I represent, Mastic, Shirley, I represent North Shirley, or east Yaphank as it's sometimes known and areas of that concern. And they're scattered all over the County.

And what I've suggested is that we take a look at utilizing these federal funds to deal with banks to buy at deep discounts in block, en masse, foreclosed homes for which there are no bidders that go back to the banks, that are boarded up and affecting the values of all the other homes in the community. You know, you ask someone how they feel about a foreclosed home, if it's on their block, it doesn't feel good because their houses automatically lost even more value because they're next to a foreclosed home.

Reuse these homes. Work through a not-for-profit, Long Island Housing Partnership, Community Development Corporation, et al. Purchase these homes at deep discounts, rehab them if they need rehab and make them available to a pre-qualified list of first time home buyers so that we can recycle them, get them back on the tax rolls, add value to the community.

I think it's a good idea. We see a proposal put forward by the County in the Mastic/Shirley area to take some of these foreclosures and make them available for rental housing. I think that would be a mistake and that would add to the problems. I think this program that I'm advocating, despite the fact that it will be tabled, probably successfully again, in front of this committee, that we're losing the initiative.

We have an opportunity to take something, some people would say take lemon and make lemonade

because these foreclosures are a negative drag on our economy. They affect housing prices in the communities. They are clustered. And we know who they are. They're in Wyandanch and North Amityville and Huntington Station, in north Bay Shore, in Central Islip, in Brentwood, in Patchogue, in east Patchogue, in north Bellport in Gordon Heights, in Ridge, in Mastic/Shirley, Mastic Beach, in Riverside, in Riverhead. They are scattered throughout Suffolk County in pockets. They're not evenly distributed.

And these are communities that are adversely affected by this economy and their housing stock is being foreclosed and boarded up because there aren't people willing to bid at auction because the mortgage price often is higher than the value of the house. We have an opportunity to buy these from banks at deep discounts in block, en masse, and rehab them and sell them, recapturing most, if not all of the money, to reuse again. And we have an opportunity for first time home buyers, which we need to do.

I understand there may be opposition to this because some people want to build affordable housing en masse in Yaphank with thousands of units that would impact the school district. That may have been a plan that people may have been considering but the times call for a different plan. The times call for us to rescue our communities, to step in and do the right thing.

So while you will table this today, and to those who table this I would say, this is an issue that is not going to go away. And this is an issue that I'm going to be certainly advocating for. If someone has a better plan, I'd like to see it. But the plan that I was hearing about this weekend to turn some of these foreclosures in the Mastic/Shirley area into rental housing is not the best plan. And I'll just leave it at that and I appreciate the time, Mr. Chairman.

CHAIRMAN COOPER:

Thank you, Legislator Romaine. We have a motion to table and a second.

MR. ZWIRN:

Mr. Chairman, if I just might respond.

CHAIRMAN COOPER:

Sure.

MR. ZWIRN:

I would like to have Skip Heaney, he'd be glad to come the general meeting. They had all sorts of problems with this bill. I think -- and I haven't looked at the bill recently but it still had Fannie Mae and Freddie Mac funds available, that's not an issue anymore. It nixed the Neighborhood Stabilization Fund, the Workforce Housing Funds, which don't work together. It says we should be applying for funds we're already applying for it, applying for some funds that we're not eligible for.

There were a host of problems with this legislation despite the eloquence of Legislator Romaine here today. And that I would ask that -- if we had known this bill was going to be debated today or be discussed we would -- Jill Rosen-Nikoloff was here earlier, would have been glad to stay. We're glad to have the Commissioner of Economic Development, Skip Heaney, who's spoken against this legislation. Not the spirit of it, but in the actual technical language that's in the bill. And I'd like the opportunity for them to be back and present to talk about the bill once again.

LEG. ROMAINE:

Mr. Chairman, if I just may comment for two seconds. I am open to all types of amendments or changes to all types of compromise as long as the principle remains the same; rescuing foreclosed homes. If you feel that there is some technical deficiency, if you'd like to approach it from a different viewpoint, I am open and invite this administration to suggest changes to this legislation that would be amenable to them as long as the original principle remains unchanged. I leave that as an open invitation for Mr. Zwirn and the others that here representing the administration, to carry that back, I am open to all types of changes and amendments to this. They know my telephone

number. They could certainly can get in touch with me or my fax number. Any recommended changes, I am happy to consider. Thank you.

CHAIRMAN COOPER:

Thank you. Legislator Browning now has a comment.

LEG. BROWNING:

I'm sorry, I know I'm not on this Committee anymore but I do want to say I met with Joe Sanseverino this morning already. And, you know, the information you received, I was extremely upset and concerned about it. I called Congressman Bishop's Office so he had a representative there this morning with us. These, you know, the issue with this money, it's -- HUD is setting the guidelines as to how this money is being utilized. And that's what we have to do is follow the HUD guidelines. And the issue with the rentals, that was something I was really upset about. Based on the amount of money that we have, Joe was able to tell me, you're talking maybe 20 homes, maybe 20. Between purchasing them and rehabbing them, that's about as many homes as we're going to be able to do.

Rentals, absolutely I'm opposed to the rentals. And I provided him with all the information on how many rentals we currently have. You know, I've lived there for 20 years. And since the 80's we have been the dumping ground for, you know, CDC, Section 8 and Town of Brookhaven Section 8. And nobody in the past administrations give a damn about putting all of these programs in my district. And I do. And I am not going to sit back and allow them to continue to do it. And so what we did talk about was rentals. I provided them with the list of all of the rentals through CDC and Town of Brookhaven and we are not going to do anymore rentals because we have our fair share. So the plan is not to do more rentals. It's to do first time home buyer programs.

The reason why it does talk about rentals is because it's a nationwide HUD guideline throughout the country that they have to comply with. So that's where this money's coming from. This is who's telling them how to use the money. And we are definitely steering away from rentals.

CHAIRMAN COOPER:

Thank you, Legislator Browning. We have a motion to table and a second. All those in favor? Opposed? **IR 1852 is tabled. (Vote: 3-0-0-2. Legislators Losquadro and Schneiderman not present)**

Moving onto IR 1874, Ben I thought that this was going to be withdrawn.

MR. ZWIRN:

Just table it.

CHAIRMAN COOPER:

But so I'll make a motion to table **IR 1874. (Amending the Suffolk County Classification and Salary Plan to update an existing title for use in the Consumer Affairs Division of the Office of the County Executive. (County Exec)**

LEG. BEEDENBENDER:

Second.

CHAIRMAN COOPER:

We have a motion to table and a second. All those in favor? Opposed? **IR 1874 is tabled. (Vote: 3-0-0-2. Legislators Losquadro and Schneiderman not present).**

Moving onto introductory resolutions. I'm sorry, let me read the title for 1874. **IR 1874, Amending the Suffolk County Classification and Salary Plan to update an existing title for use in the Consumer Affairs Division of the Office of the County Executive (Director of Consumer Affairs). (Co. Exec)** Moving onto introductory resolutions.

INTRODUCTORY RESOLUTIONS

IR 2015, Amending the Suffolk County Classification and Salary Plan in connection with a new position title in the Department of Probation, (Program Coordinator-Probation Officer) (Co. Exec) I make a motion to approve.

LEG. BEEDENBENDER:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? **IR 2015 is approved. (Vote: 3-0-0-2. Legislators Losquadro and Schneiderman not present)**

And last, **IR 2027, Directing the Department of Labor to develop criteria for living wage hardship funding. (Browning)** Do we have a motion?

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN COOPER:

I will second the tabling motion. All those in favor? Opposed? **IR 2027 is tabled. (Vote: 3-0-0-2. Legislators Losquadro and Schneiderman not present)**

There being no further business before this Committee, this meeting is adjourned. Thank you.

**THE MEETING CONCLUDED AT 1:52 PM
{ } DENOTES SPELLED PHONETICALLY**